

Samty Residential Investment Corporation

(Securities CODE : 3459)

Financial Results for the 4th Fiscal Period
Ending July 2017

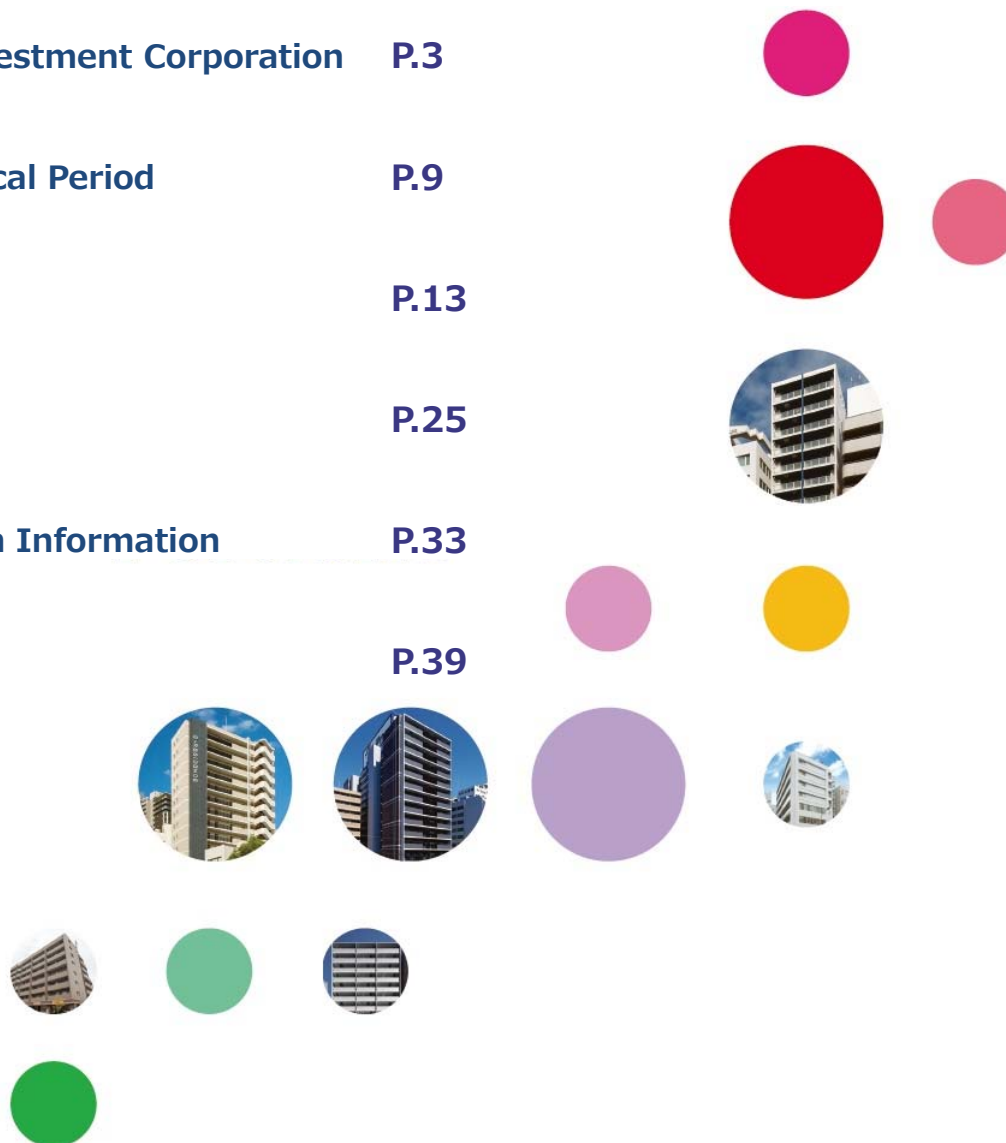


Japan-Wide Portfolio



Contents

1 . Features of Samty Residential Investment Corporation	P.3
2 . Financial Overview for the 4th Fiscal Period	P.9
3 . Managing Results	P.13
4 . Future Growth Strategy	P.25
5 . Operating Results and Distribution Information	P.33
6 . Appendix	P.39





1 . Features of Samty Residential Investment Corporation

Investment Strategy of Samty Residential Investment Corporation



- Samty Residential Investment Corporation("Samty Residential") will invest in high quality residential assets suitable for respective regional conditions throughout national cities with the sponsor support of the Samty Group

(1) Features of Samty Residential

Samty Residential aims to build a portfolio which pursues stability, growth potential and earning potential by "investing primarily in residential properties in major regional cities " and "being supported from the Samty Group."

Investing primarily in residential properties in major regional cities

Stability

- ▶ Diversified investing in carefully screened residential properties of Japan

Growth

- ▶ Expanding portfolio size through continual new investments primarily in major regional cities

Earning Potential

- ▶ Realizing large earnings anticipated through investing in carefully screened residential properties in major regional cities

Support from the Samty Group



Listed on the First Section of the Tokyo stock Exchange on October 26, 2015

Properties developed by the Samty Group
Stable supply of the S-RESIDENCE series

- ▶ Grant of exclusive negotiating rights
- ▶ Stable supply of new developed properties

Wide-ranging support from the sponsor

- ▶ Enhancing value through running a unified brand

(Note) "Samty Group" refers to Samty Co., Ltd., and its consolidated subsidiary companies (Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance No. 28 of 1976. Including subsequent amendments.) Referred to as consolidated subsidiary company as stipulated by Article 2 (iii).) and special purpose companies which Samty Co., Ltd., invests in themselves, other than the consolidated subsidiary companies of Samty Co., Ltd., while excluding Samty Residential.

(2) Portfolio Development Policy

A. Investment policy by asset class

- ✓ Investing in accommodation facilities and other facilities, primarily in the residential asset class

Residential properties^(Note1)	80% or more
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Operating facilities^(Note2)	20% or less
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Focus on the Single and Compact type residences

Single Type	Floor per unit of less than 30m ²
Compact Type	Floor per unit of between 30m ² and 60m ²

(Note1) "Residential properties" represents the rental housing.

(Note2) "Operating facilities" represents the hotels and health care properties.

B. Investment policy by geographical area

- ✓ Focusing on investing in major regional cities

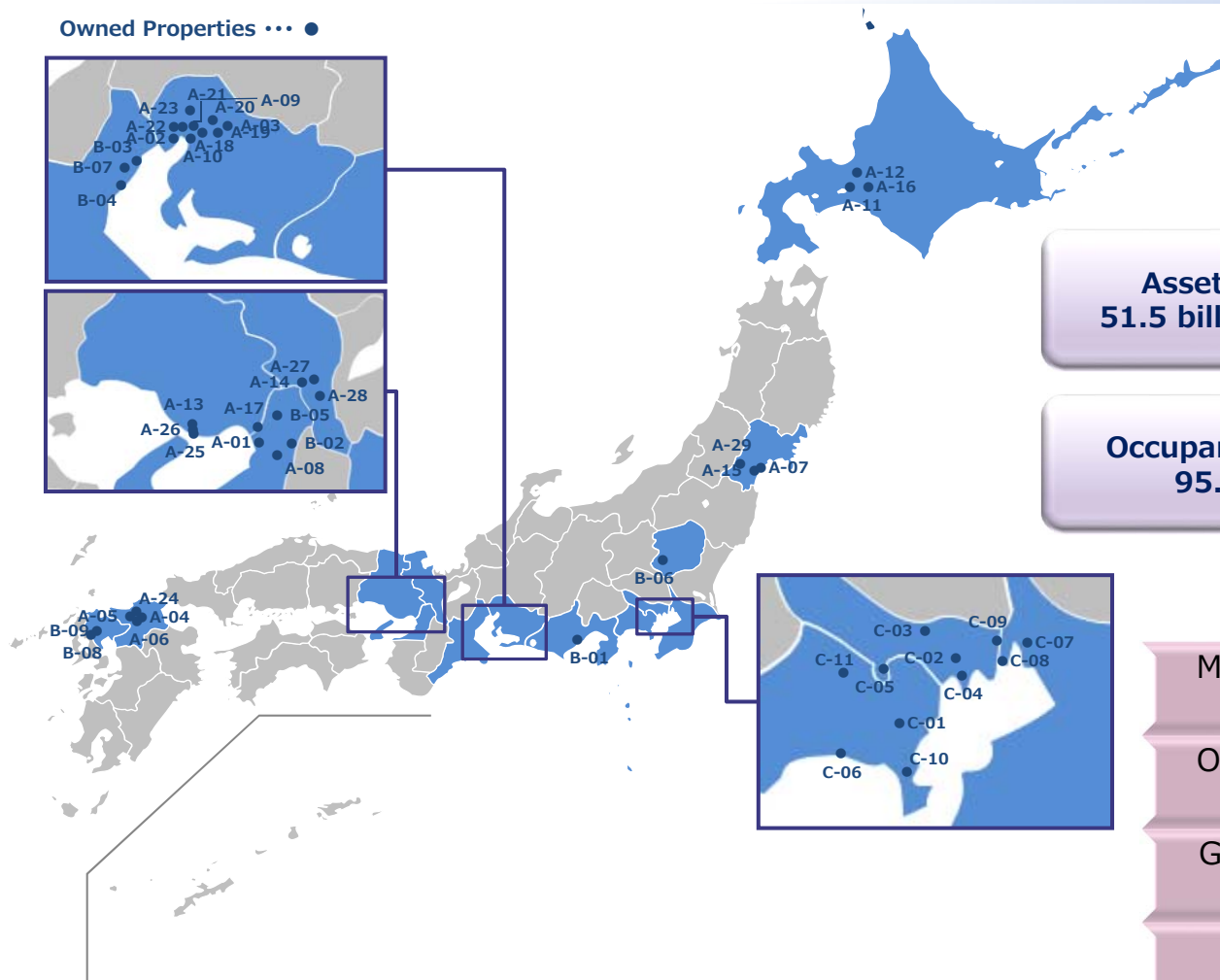
Investment areas		Investment ratio (Note3)	
Regional cities	Major regional cities (Sapporo, Sendai, Nagoya, Kyoto, Osaka, Kobe, Hiroshima and Fukuoka) 50% or more of all investments will be in properties that are conveniently located near bus terminals or railway stations linked with other major terminal stations.	50% or more	Around 70%
	Other regional cities (Regional cities excluding major regional cities) 20% or less of investments will be in residential properties that can be anticipated stable operation rental and income stability because of their commutable location to core office areas, medical facilities or national universities located in the area.	20% or less	
Greater Tokyo area	Tokyo, Kanagawa, Saitama, Chiba Around 30% of investments will be in residential properties primarily located in residential communities within a 10-minute walk of the nearest railway station (or bus stop) that is located along a line connected to a terminal station.	Around 30%	

(Note3) "Investment ratio" is calculated based on the acquisition price.
The above is the target investment mix. Actual portfolio composition may vary.

Portfolio Overview 1

■ Samty Residential has acquired 49 residential properties throughout Japan and successfully composed more stable diversified portfolio concentrating in major regional cities

Owned Properties ... ●



Asset size
51.5 billion yen

Average building age
8.4 year

Occupancy rate
95.6%

**Average appraisal
NOI yield**
5.6%

Major regional
cities

(No. of properties)

29

Other regional
cities

9

Greater Tokyo
area

11

Total

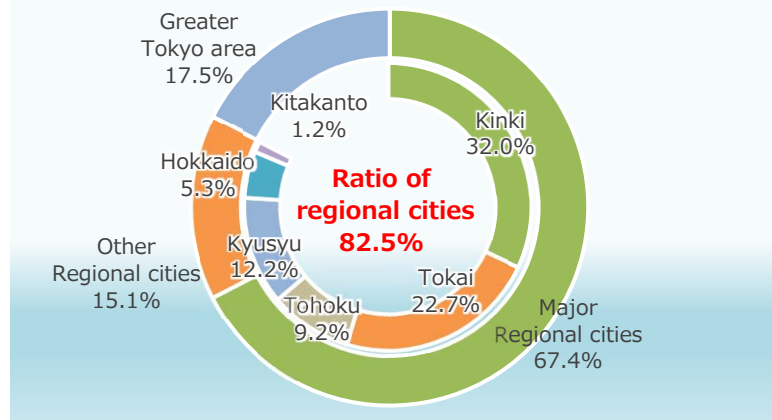
49

(Note) The above figures are for 49 properties owned as of July 31, 2017.

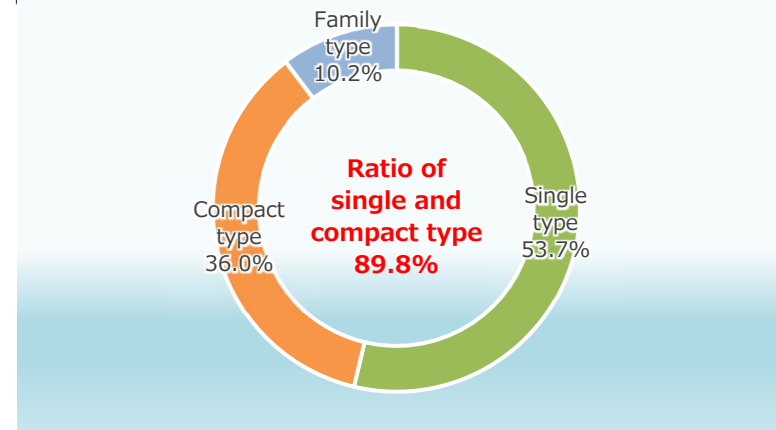
Portfolio Overview 1

Investment structure of owned properties

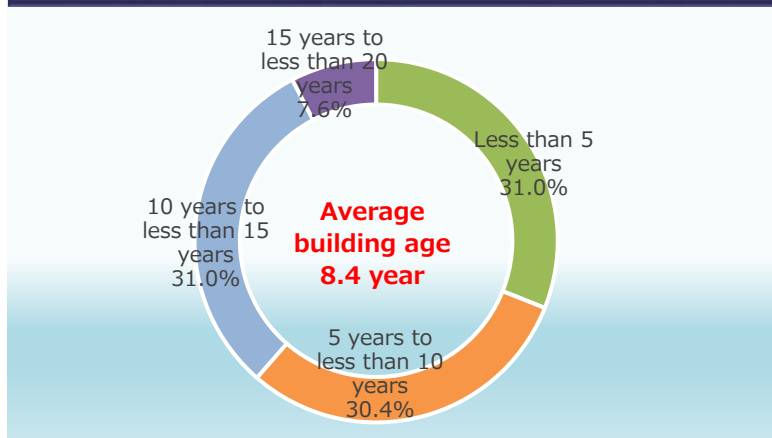
Investment ratio by geographical area



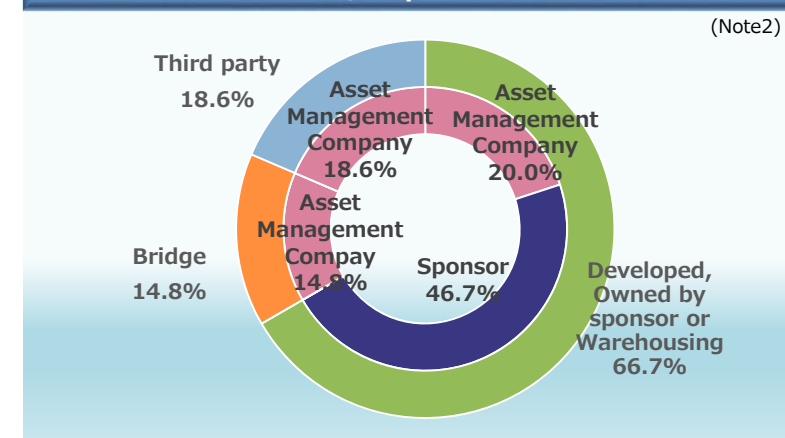
Ratio of average area per residential unit



Ratio by building age

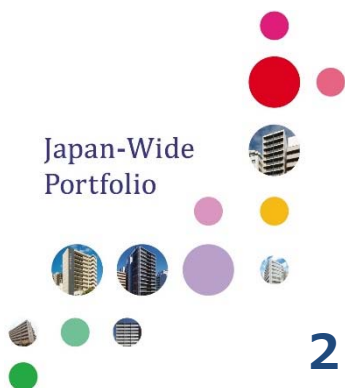


Investment ratio by information/acquisition channel



(Note1) The above ratios are calculated based on acquisition prices for 49 properties owned as of today.

(Note2) The outer ring indicates the ratio of acquisition channel of owned properties while the inner ring indicates that of information channel of owned properties.



2. Financial Overview for the 4th Fiscal Period

Summary of Income Statement for 4th Fiscal Period

Comparison of Forecast and Actual Result



Actual result was generally as expected with increased operating revenue due to the increased revenues from rents including common area expenses and key money, and the increased operating expenses due to posting of fixed asset tax, repair and leasing costs of newly acquired properties, among other factors.

(million yen)

	3rd Period results (January 31, 2017)	4th Period (July 31, 2017)		Vs. 3rd and 4th results
		Forecast (As of March 15, 2017)	Results	

■ Management performance

Operating revenue	1,806	1,797	1,840	+42	+ 34
(out of which, real estate rental revenue)	1,805	1,797	1,840	+42	+ 34
Operating expenses	956	1,052	1,081	+29	+ 124
(out of which, real estate rental expenses)	766	809	838	+29	+ 72
Operating income	849	745	759	+13	-90
Non-operating income and loss	-243	-148	-144	+4	+ 99
Ordinary income	606	596	614	+18	+ 8
Corporate tax, etc.	0	1	0	0	+ 0
Net income	605	595	613	+18	+ 8

■ Distributions(Note)

(yen)

Distribution per unit (Not including distribution in excess of earnings) ・ ・ ・ ①	2,138	2,105	2,169	+64	+ 31
Distribution in excess of earnings per unit ・ ・ ・ ②	507	520	501	-19	-6
Total distribution per unit ・ ・ ・ ① + ②	2,645	2,625	2,670	+45	+ 25

(Note1) Calculated with the number of investment units issued at 283,000 for 3rd and 4th period.

(Note2) For more details, please refer to "Change in forecast actual forecast" on page 35.

Vs. 3rd fiscal period actual results

Operating income increased due to the rise in revenues from rents including common area expenses, key money and renewal fees. On the other hand, operating expenses increased as a result of increase in taxes and dues, restoration expenses/leasing expenses for tenant replacements for properties newly acquired in the 3rd fiscal period, and the increase in selling, general and administrative expenses in line with expansion of asset size. Non-operating income and loss also significantly decreased as expenses for issuance of new investment units were posted in the 3rd fiscal period. As a result of these, ordinary income stood at 614 million yen (+8 million yen from the previous fiscal period) and net income at 613 million yen (+8 million yen from the previous fiscal period).

Vs. 4th fiscal period forecast

(+ indicates increase factors,
- indicates decrease factors)

- Increase in operating revenue +42 million yen
 - ・ Increase in occupancy and rental revenues: +6 million yen
 - ・ Increase in other revenues (key money, renewal fees, restoration income, etc.): +35 million yen
- Increase in operating expenses: -29 million yen
 - ・ Decrease in utilities expenses: +5 million yen
 - ・ Increase in repair expenses due to value-adding work, etc.: -35 million yen
 - ・ Decrease in depreciation: +1 million yen
- Non-operating income and loss: +4 million yen
 - ・ Decrease in interest expenses: +3 million yen
 - ・ Other non-operating income and expenses: +1 million yen

【Average occupancy rate】

Forecast : 95.5%

Actual result : 96.4%

【Capital expenditures】

Forecast : million yen

Actual result : 41 million yen

【Payout Ratio】

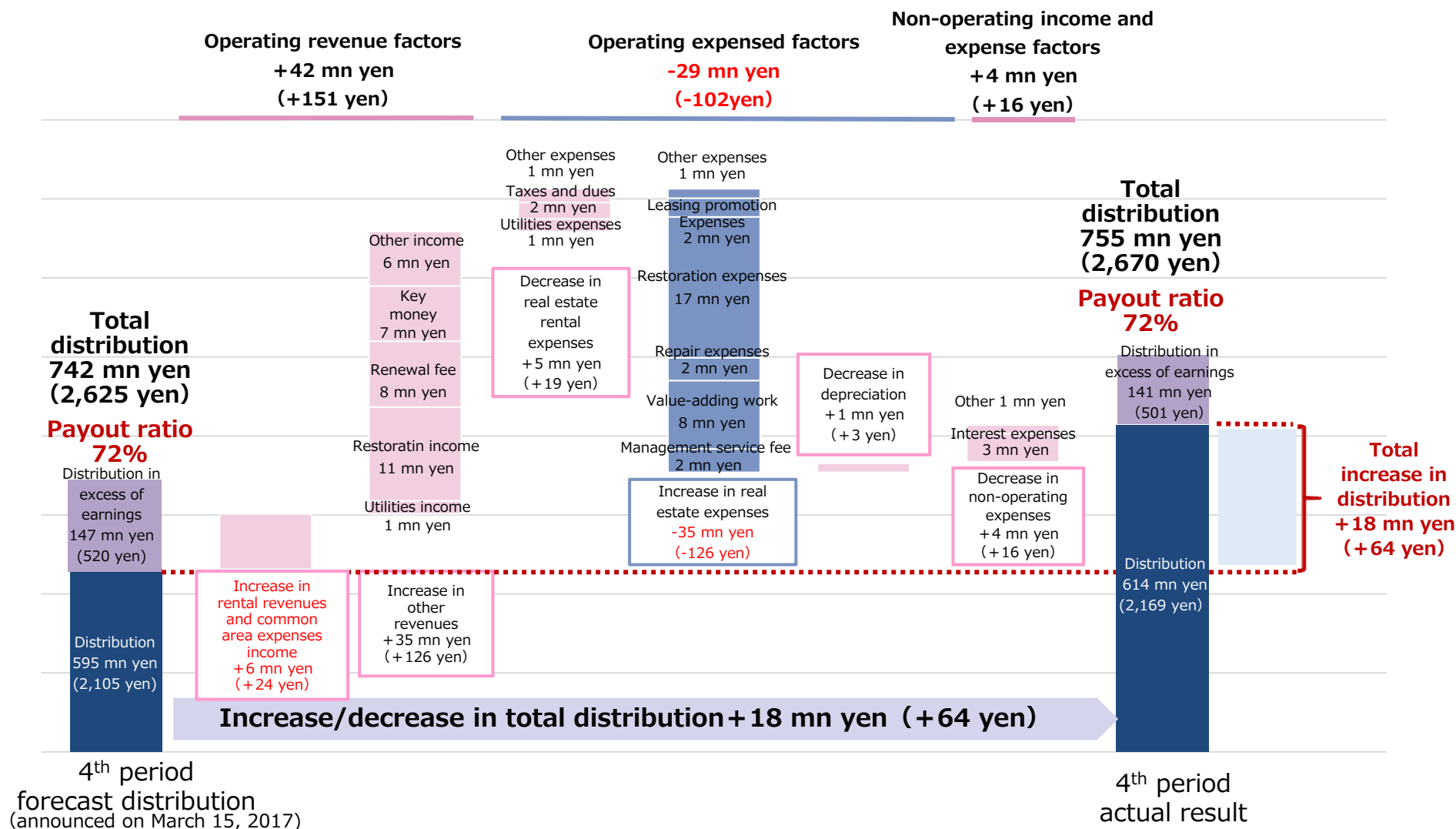
Forecast : 72.0%

Actual result : 72.0%

Summary of Income Statement for 4th Fiscal Period

Comparison of Forecasted Distribution with Actual Result

Comparison of forecast and actual results for 4th fiscal period



(Note) The above figures are rounded down to the nearest whole number.

Japan-Wide
Portfolio



3. Managing Results

Management Summary

External Growth	<ul style="list-style-type: none"> Samty Residential secured growth opportunities by investing in a bridge fund through silent partnership. Continuing to aim for expansion of asset size. Samty Residential secured properties through warehousing in cooperation with the sponsor.
Internal Growth	<ul style="list-style-type: none"> Samty Residential implemented appropriate management based on the property/location features of owned properties to realize stable occupancy rates and rent unit prices. Samty Residential promoted to materialize potential earning capabilities of properties through various measures including enhancement of usability and reduction of costs. Samty Residential acquired DBJ Green Building certification as part of its environmental and social efforts.
Financial Strategy	<ul style="list-style-type: none"> Samty Residential developed a solid financial base by diversifying repayment dates of and fixing the interest rates of interest-bearing liabilities, etc. Samty Residential conducted repayment of principal (150 million yen) for short-term loans payable using cash on hand.

Portfolio highlights

	End of 1st period (January 31, 2016)	End of 2nd period (July 31, 2016)	End of 3rd period (January 31, 2017)	End of 4th period (July 31, 2017)
No. of properties	29 properties	29 properties	49 properties	49 properties
Total acquisition price	30,962 million yen	30,962 million yen	51,551 million yen	51,551 million yen
Appraisal value	32,434 million yen	32,975 million yen	55,693 million yen	56,490 million yen
Appraisal NOI yield	5.6%	5.6%	5.6%	5.6%
NAV per unit ^(Note1)	96,983 yen	101,151 yen	97,779 yen	101,449 yen
Average building age	7.6 year	8.1 year	7.9 year	8.4 year
Occupancy rate	95.2%	95.4% ^(Note2)	97.5%	95.6%
No. of rentable units	2,345 units	2,345 units	3,754 units	3,754 units

(Note 1) Calculated by: Unitholders' capital + Unrealized gain/loss (Appraisal value – Book value) / Number of investment units issued

(Note 2) Occupancy rate for end of 2nd period does not include the 20 properties acquired in August 2016.

Investment in Bridge Funds

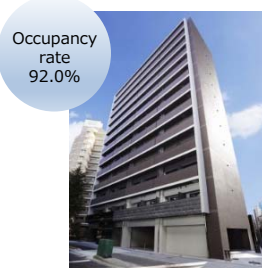
Invested in silent partnership of a bridge fund (250 million yen) and acquired exclusive negotiating rights for the 8 properties in the fund.

Bridge FORTH GK

Date of acquisition of equity interest	13-Mar-17	Number of properties	8 properties
Period for exercising exclusive negotiating rights	until 15-Mar-20	Appraisal value	9,102 million yen
		Exercise price of exclusive negotiating rights	8,786 million yen (upper limit)

■ S-RESIDENCE (properties developed by the sponsor)

S-RESIDENCE Midoribashi SF



Occupancy rate
92.0%

Location	Higashinari-ku, Osaka
Completion date	Oct-16
Number of rentable units	148 units
Appraisal value	1,950 million yen
Access	Approx. 2-minute walk from Midoribashi Station on the Chuo Line and Imazatosuji Line of Osaka

S-RESIDENCE Yokohama Tammachi



Occupancy rate
100.0% (ML)

Location	Kanagawa-ku, Yokohama
Completion date	Nov-16
Number of rentable units	36 units
Appraisal value	686 million yen
Access	Approx. 6-minute walk from Tammachi Station on the Tokyu Toyoko Line

■ S-FORT (properties acquired from sources unrelated to the sponsor)

Samty
Nishinomiya Residence
Tentative name
(S-FORT Nishinomiya)



Occupancy rate
91.8%

S-FORT
Toyohira Sanjo



Occupancy rate
89.4%

S-FORT
Aoba Uesugi



Occupancy rate
100.0%

Trois Bonheur
Honcho
Tentative name
(S-FORT Funabashi Tsukada)



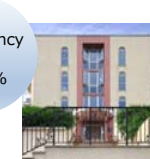
Occupancy rate
100.0% (ML)

College Square
Hoya
Tentative name
(S-FORT Hoya)



Occupancy rate
100.0% (ML)

CQ Residence
Tamagawagakuen
Tentative name:
(S-FORT Tamagawagakuen)



Occupancy rate
93.3%

Location	Nishinomiya-shi, Hyogo	Toyohira-ku, Sapporo-shi	Aoba-ku, Sendai-shi	Funabashi-shi, Chiba	Nishitokyo-shi, Tokyo	Machida-shi, Tokyo
Completion date	Mar-09	Mar-08	Oct-07	Mar-08	Mar-07	Feb-08
Number of rentable units	102 units	63 units	66 units	117 units	60 units	60 units
Appraisal value	1,480 million yen	785 million yen	967 million yen	1,920 million yen	712 million yen	602 million yen
Access	Approx. 3-minute walk from Nishinomiya Station on the Hanshin Main Line of Hanshin Electric Railway	Approx. 8-minute walk from Kikusui Station on the Tozai Line of Sapporo Municipal Subway	Approx. 3-minute walk from Kita-Yobancho Station on the Namboku Line of Sendai Municipal Subway	Approx. 6-minute walk from Tsukada Station on the Noda Line of Tobu Railway	Approx. 10-minute walk from Hoya Station on the Ikebukuro Line of Seibu Railway	Approx. 4-minute walk from Tamagawagakuen-mae Station on the Odawara Line of Odakyu Railway

(Note) The above tentative names are names planned to be used when Samty Residential acquires the properties.

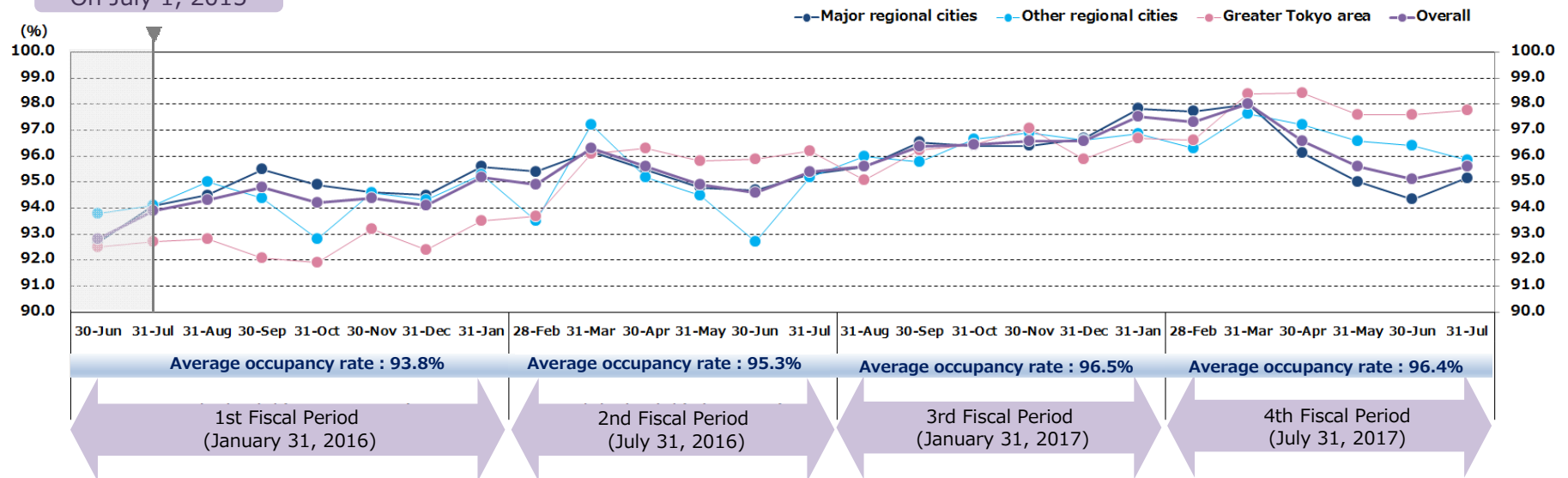
(Note) Occupancy rates are as of the end of July 2017.

(Note) Fixed rent master lease agreements have been concluded for S-RESIDENCE Yokohama Tammachi, Trois Bonheur Honcho and College Square Hoya.

Changes in the Occupancy Rates by Area

Occupancy rate for the entire portfolio has risen 2.8 point from the time of IPO. Currently it stably keeps over 95%.

Began management
with 28 properties
On July 1, 2015



Occupancy rate (%)	1st Fiscal Period (January 31, 2016)		2nd Fiscal Period (July 31, 2016)	3rd Fiscal Period (January 31, 2017)						4th Fiscal Period (July 31, 2017)					
	30-Jun	31-Jan	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun	31-Jul
Major regional cities	92.7	95.6	95.3	95.6	96.5	96.4	96.4	96.7	97.8	97.7	98.0	96.1	95.0	94.4	95.2
Other regional cities	93.8	95.3	95.2	96.0	95.8	96.7	96.9	96.6	96.9	96.3	97.6	97.2	96.6	96.4	95.8
Greater Tokyo area	92.5	93.5	96.2	95.1	96.2	96.5	97.1	95.9	96.7	96.6	98.4	98.4	97.6	97.6	97.8
Overall	92.8	95.2	95.4	95.6	96.4	96.5	96.6	96.6	97.5	97.3	98.0	96.6	95.6	95.1	95.6

(Note) Occupancy rates shows the ratio of total leased floor space to total rentable floor space as of each month end for each property, rounded off to one decimal place.

Occupancy rates from end of April 2015 to end of August 2015 excluding recently completed S-FORT Tsurumai marks and S-FORT Shonan Hiratsuka as well as S-FORT Gakuenmae which was acquired on October 1, 2015.

The Occupancy rate for end of September 2015 includes S-FORT Tsurumai marks and S-FORT Shonan Hiratsuka, but excludes S-FORT Gakuenmae which had not been acquired.

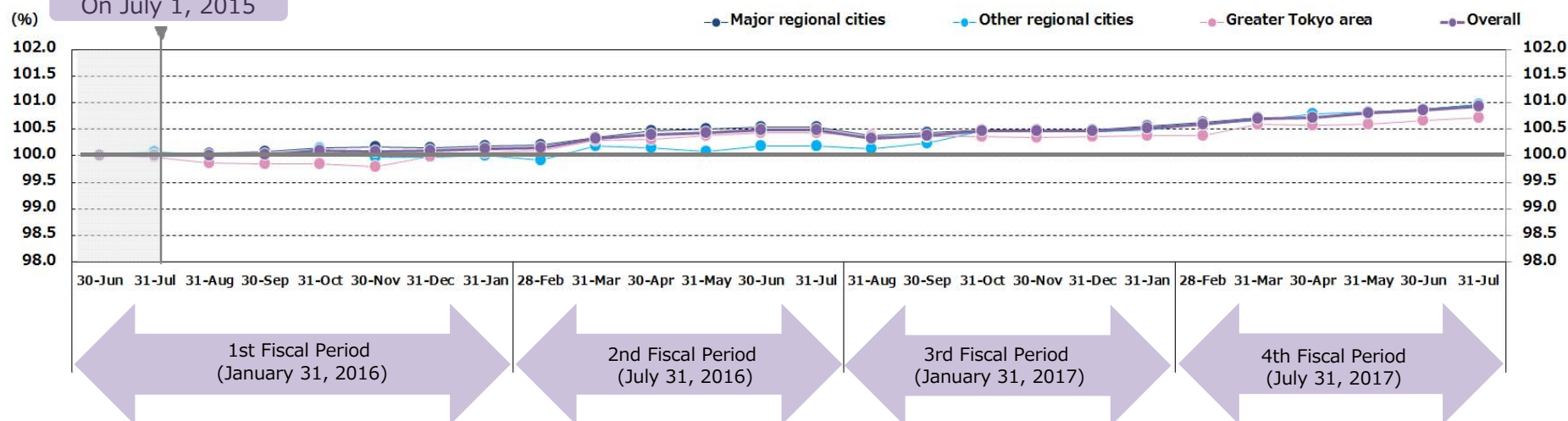
The occupancy rate for end of July does not include the 20 properties acquired in August 2016.

The occupancy rate for end of August 2016 excludes recently completed S-FORT Tsurumai cube.

Changes in unit rent after adjustment

Unit rent after adjustment of the entire portfolio remained stable, maintaining earning potential of the portfolio

Began management
with 28 properties
On July 1, 2015



Rent unit price after adjustment End of June 2018 = 100	1st Fiscal Period (January 31, 2016)		2nd Fiscal Period (July 31, 2016)	3rd Fiscal Period (January 31, 2017)						4th Fiscal Period (July 31, 2017)					
	30-Jun	31-Jan	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun	31-Jul
Major regional cities	100.0	100.2	100.5	100.4	100.4	100.5	100.5	100.5	100.6	100.6	100.7	100.7	100.8	100.9	101.0
Other regional cities	100.0	100.0	100.2	100.1	100.2	100.5	100.5	100.5	100.5	100.6	100.7	100.8	100.8	100.9	101.0
Greater Tokyo area	100.0	100.1	100.4	100.4	100.4	100.4	100.3	100.4	100.4	100.4	100.6	100.6	100.6	100.7	100.7
Overall	100.0	100.1	100.5	100.3	100.4	100.5	100.5	100.5	100.5	100.6	100.7	100.7	100.8	100.9	100.9

(Note) Unit rent after adjustment is calculated using the following formula with the assumed contract period of 4 years.

Unit rent after adjustment = {Monthly rent revenue + (Key money revenue ÷ Assumed contract period)} ÷ Contracted area

Unit rent after adjustment for each area was calculated through simple averaging of unit rent after adjustment of each property in accordance with the number of properties in the relevant area in the past presentation materials. However, starting in the current fiscal period, such is calculated through weighted averaging of unit rent after adjustment of each property in accordance with the contracted area ratio of each property in the relevant area.

Examples of Change in Unit Rent after Adjustment of Owned Properties

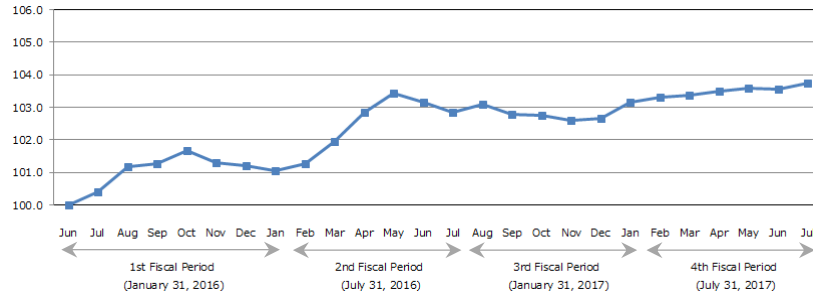
Increase in unit rent after adjustment through management accommodating to property features

A-07 S-FORT Tsutsujigaoka Koen



In the eastern district of Sendai Station, Sendai Station East No. 2 Land Readjustment Project has brought development of urban facilities and upgrading of urban environment and Sendai Station East Exit Redevelopment Project has created more shops and residences in the area surrounding the station which had had few commercial facilities, transforming the district into an attractive town. In light of such market trends, we have put forth efforts to gain key money revenue during the transfer season of companies with branches and offices in the neighboring Sendai Port/JR Sendai Station areas, and successfully realized a more-than-expected increase in key money revenue, leading to the improved unit rent after adjustment.

(%) Change in unit rent after adjustment (June 2015 – July 2017)

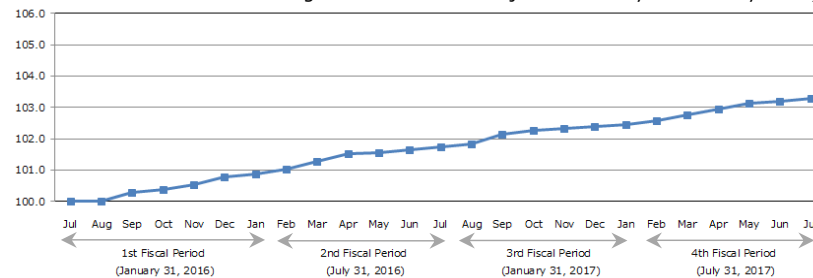


A-13 S-RESIDENCE Kobe Isogamidori



Strong leasing demand mainly from singles, regardless of individuals or corporations, exists as the property stands close to the center of Kobe. In the 4th fiscal period, we improved unit rent after adjustment by strategically aiming to acquire key money, cooperating with PM companies and brokers in advance for the peak season of March and April, while analyzing market rents of the surrounding areas and raising rents to meet the recent market demand.

(%) Change in unit rent after adjustment (July 2015 – July 2017)

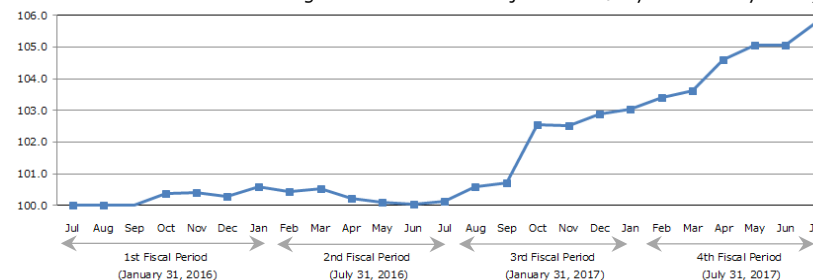


B-03 S-FORT Yokkaichi motomachi



Corporate demand from a wide range of industries, from manufacturing to IT and insurance as well as finance industries such as securities firms, can be found in Yokkaichi City. As supply of 1K type for single transferees remained particularly short, we successfully increased unit rent after adjustment by reviewing rents and collecting key money upon move-ins and outs while considering neighboring market trends.

(%) Change in unit rent after adjustment (July 2015 – July 2017)



(Note) The base points of the above graphs are the time from which management of the respective property started.

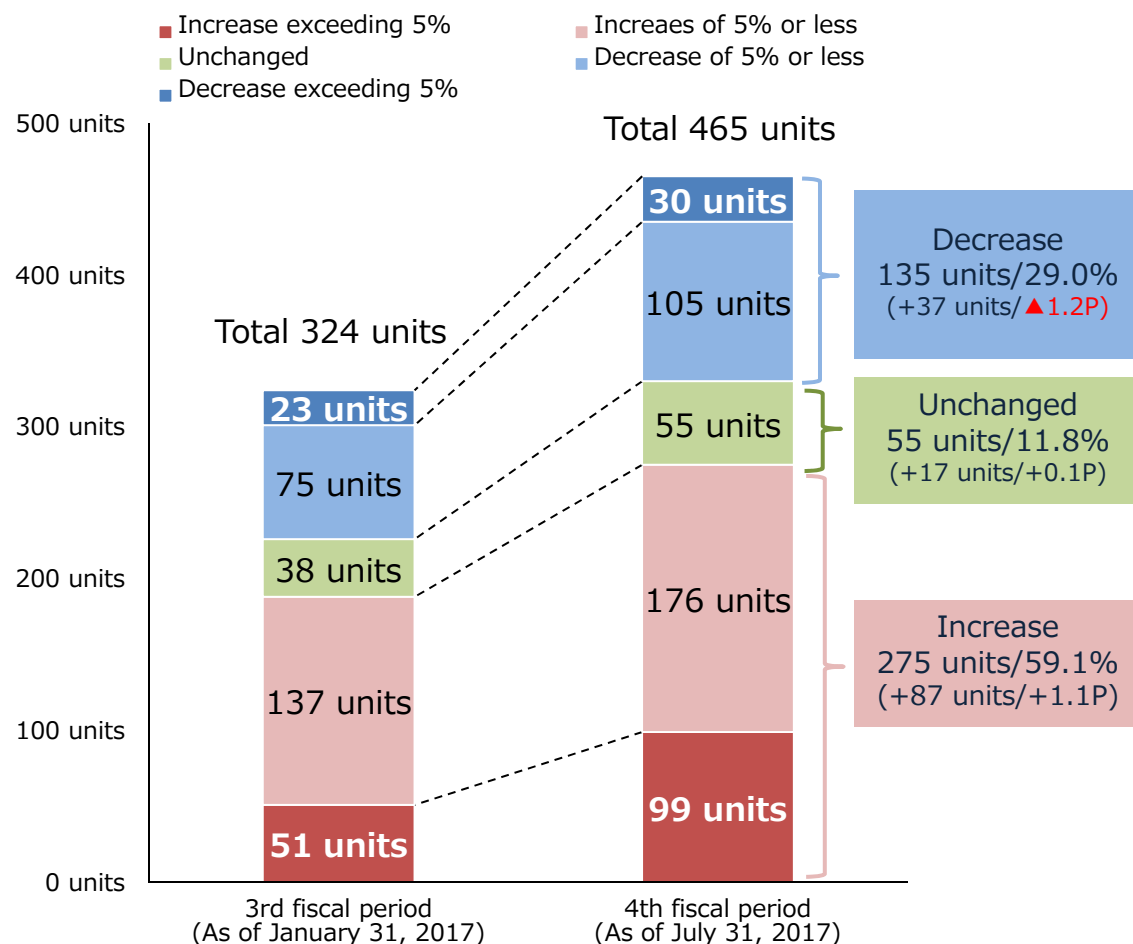
(Note) Unit rent after adjustment is calculated using the following formula with the assumed contract period of 4 years.

Unit rent after adjustment = {Monthly rent revenue + (Key money revenue ÷ Assumed contract period)} ÷ Contracted area

Increase or Decrease of Unit Rent after adjustment at the time of Tenant Replacement

The ratio if increase of unit rent after adjustment at the time of tenant replacement has risen 1.1 point and the ratio of decrease has declined 1.2 point

■ Increase or decrease of unit rent after adjustment at the time of tenant replacement (Note)
(No. of units / Composition ratio)



【Increase factors】

- The number of tenant replacements significantly increased as it was a peak season
- Worked to increase rents by introducing furniture/home appliances rentals and free internet service
- Promoted acquiring key money upon replacement as part of sales strategy

【Breakdown of increased cases/total number of increased cases】

- | | |
|--|-----------|
| (1) Increase/decrease due to installation of furniture/home appliances | 18 units |
| (2) Increase due to acquiring more key money than the previous tenant | 178 units |
| (3) Increase due to elimination of rent gap | 33 units |
| (4) Other (introduction of internet service, etc.) | 57 units |

【Decrease factors】

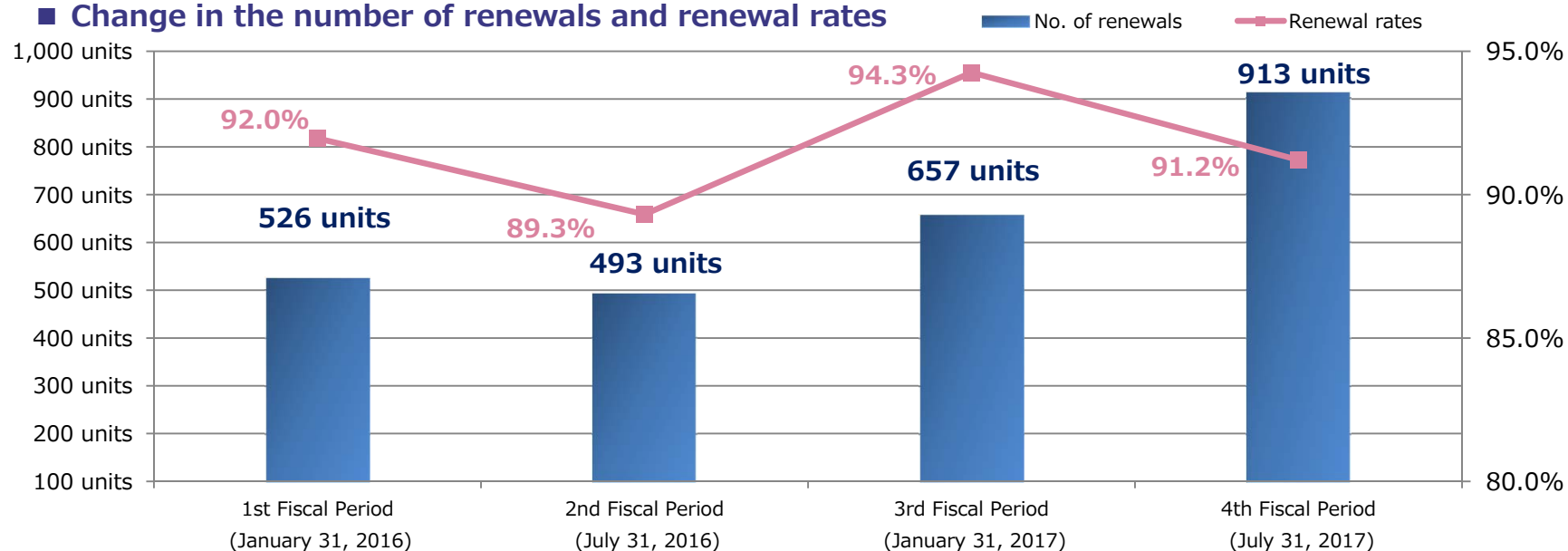
- Decreased rents upon soliciting new tenants only when the rent from a former tenant (before replacement) differed from the most recent market conditions.

(Note) Unit rent after adjustment is calculated using the following formula with the assumed contract period of 4 years.
Unit rent after adjustment = {Monthly rent revenue + (Key money revenue ÷ Assumed contract period)} ÷ Contracted area

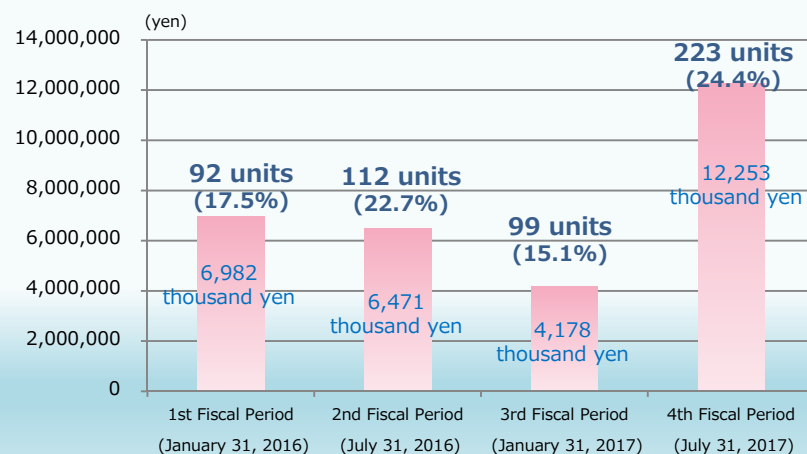
Change in Renewal Status/Collection of Key Money of Owned Properties

Renewal rate remained at a high level of around 90%

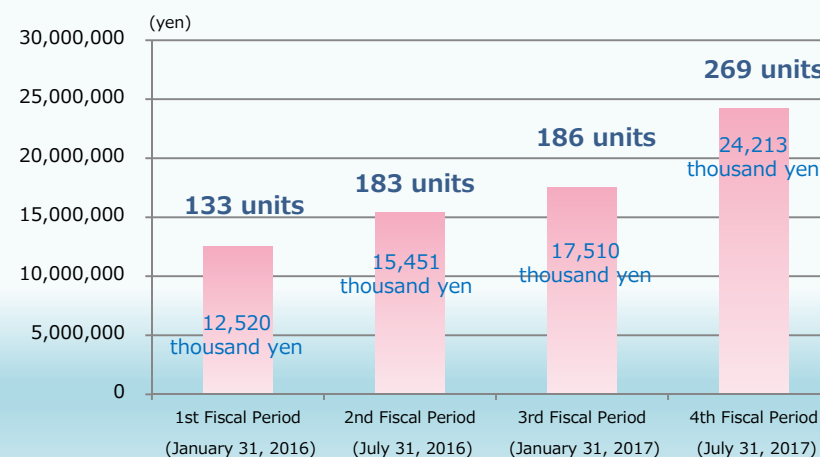
Change in the number of renewals and renewal rates



Change in the number of renewal fee collections and the amounts collected



Change in the number of key money collections and the amounts collected



Cost Reduction through Review of Management Expenses and Contracts of Utilities

Reduction of expenditure by reviewing services in accordance with regional and property features

A-24 S-FORT Fukuoka Higashi

- Reduction of maintenance expenses possibly arising in the future by changing gas suppliers

Reduced cost burden upon malfunctioning or replacement of equipment by reviewing category of maintenance expenses of gas equipment such as water heaters and stoves.

(Note) Assumption for 135 units with assumed gas equipment renewal costs per unit for 10 years of 100,000 yen.

Assumed cost reduction per fiscal period (Note)

675,000 yen

B-02 S-FORT Suminodo

- Reduction of water bill through reviewing of contract details

Before changing contract (Monthly average)

192,000 yen



After changing contract

(Monthly average)

133,000 yen

(Monthly reduced amount)

59,000 yen

A-11 S-FORT Nakajima Koen

- Real-time monitoring of snowfall to control operation of snow-melting system

After introduction of snow-melting system (4 months: December to March)

	Fuel consumption over the 4 months (liter)	Amount of snowfall over the 4 months (cm)	Snow-melting coefficient (Note)
Fiscal 2016	10,309	450⁽¹⁾	22.9

Before introduction of snow-melting system (4 months: December to March)

	Fuel consumption over the 4 months (liter)	Amount of snowfall over the 4 months (cm)	Snow-melting coefficient (Note)
Fiscal 2012	33,088	601	55.1
Fiscal 2013	22,403	499	44.9
Fiscal 2014	25,035	321	78.0
Fiscal 2015	17,897	397	45.1
Average of the past 4 years	24,606	455	54.1 ⁽²⁾

Effect of introduction of snow-melting system (Estimated figures)

Actual fuel consumption (liter)	(3)	10,309	
*Projected consumption (liter)	(4)	24,345	(1)×(2)
*Effect of introduction (liter)	(5)	14,036	(4) – (3)
*Reduction rate (%)	(6)	57.7	(5)÷(4)×100
*Reduction amount (yen)	(7)	982,520	(5)×(8)
Unit fuel price (yen)	(8)	70	

The above figures are projections which the snow-melting system company has calculated using the following formulas.

*"Consumption" is the projected fuel consumption before snow-melting system is introduced.

Amount of snowfall in fiscal 2016 x Average snow-melting coefficient

*"Effect of introduction": Projected consumption – Actual consumption

*"Reduction rate": Effect of introduction / Projected consumption x 100

*"Reduction amount": Effect of introduction x Unit fuel price

"Unit fuel price" is in reference to the average fuel sales price at Co-op Sapporo from December to March in the following year.

(Note) Snow-melting coefficient (Fuel consumption / amount of snowfall) is fuel consumption for 1cm snow-melting. A Barometer which shows the efficiency of snow-melting. The higher the number is, the more waste fuel.

Improvement of Resident Convenience through Renovation of Common Areas

Measures to provide residents with safe, secure, comfortable living environment and to improve property value

■ Installation of delivery boxes

In order to improve resident convenience, aim to install delivery boxes at all properties where such installation is possible. Furthermore, dial-key delivery boxes are planned to be replaced with electronic-key delivery boxes sequentially for better security.

Status of installation of delivery boxes

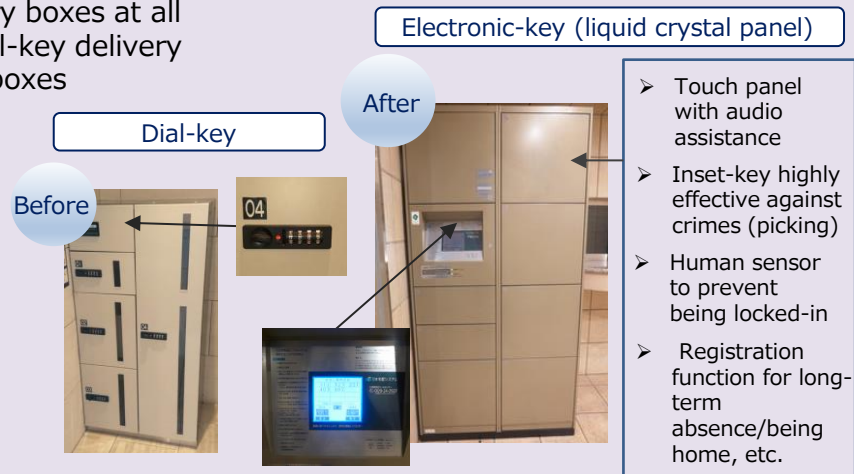
(Before property acquisition) (After property acquisition)

45 properties → 48 properties (Note)
49 properties

Status of installation of electronic-key delivery boxes

(Before property acquisition) (After property acquisition)

36 properties → 39 properties (Note)
49 properties



■ Installation of security cameras

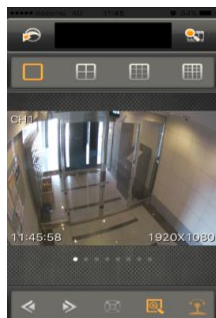
Reinforce crime prevention capability and security by sequentially installing security cameras at all owned properties.

■ In addition, introduce a remote monitoring system using PC/mobile phones at two properties

Status of installation of security cameras

(Before property acquisition) (After property acquisition)

43 properties → 49 properties (Note)
49 properties



■ Replacement using intercoms with monitors

As consideration for better living environment for residents, install intercoms at properties with no intercoms as well as changing intercoms with no monitors to intercoms with monitors, after the property acquisition. Installation of intercoms with monitors is scheduled for all properties in the future.

Status of installation of intercoms

(Before property acquisition) (After property acquisition)

48 properties → 49 properties
49 properties

■ Entrance



■ In dwelling units



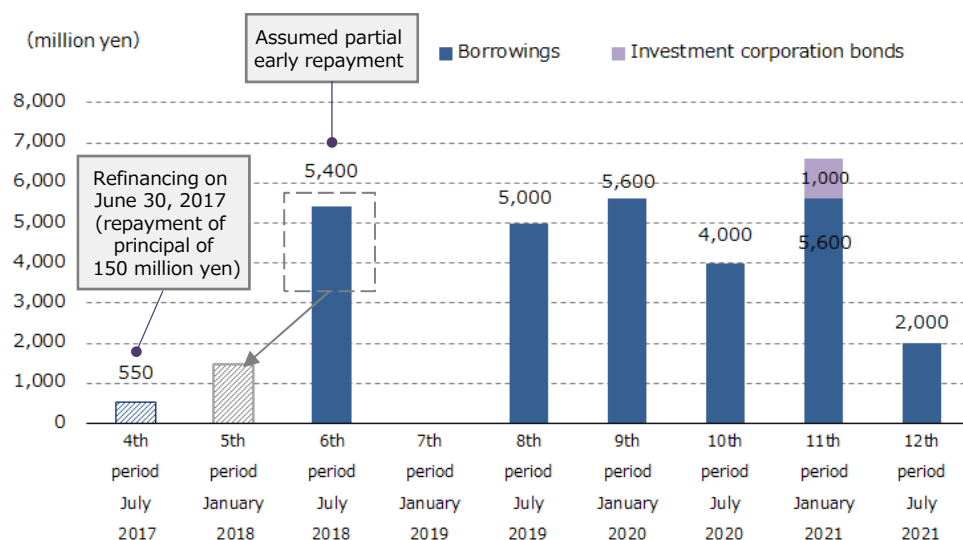
(Note) The number also includes properties for which we are considering installation.

Financial highlight

Change in Financial status

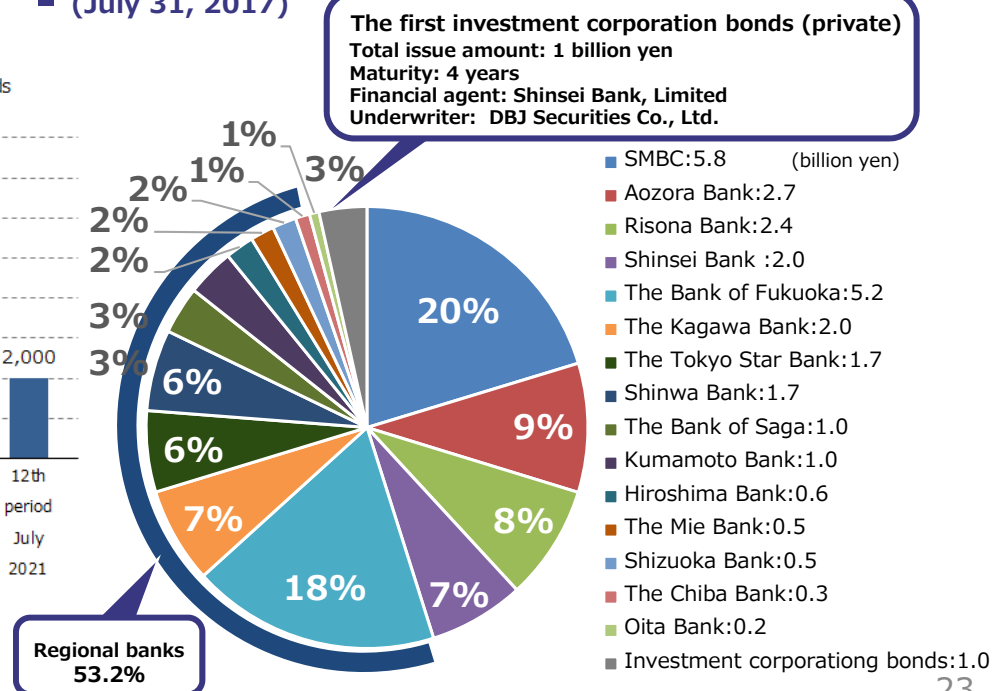
	End of 1 st period (January 31, 2016)	End of 2 nd period (July 31, 2016)	After 1 st PO (August 2, 2017)	End of 3 rd period (January 31, 2017)	End of 4 th period (July 31, 2017)
Total interest-bearing debt	<u>17.1 billion yen</u>	<u>17.0 billion yen</u>	<u>29.2 billion yen</u>	<u>28.7 billion yen</u>	<u>28.6 billion yen</u>
Average remaining borrowing period	<u>3.4 year</u>	<u>3.0 year</u>	<u>3.2 year</u>	<u>2.7 year</u>	<u>2.3 year</u>
Ratio of long-term debt	<u>93.2%</u>	<u>94.1%</u>	<u>96.5%</u>	<u>98.1%</u>	<u>81.1%</u>
Ratio of fixed debt	<u>—%</u>	<u>—%</u>	<u>17.8%</u>	<u>18.1%</u>	<u>18.2%</u>
Total asset based LTV	<u>50.6%</u>	<u>50.6%</u>	<u>52.5%</u> (Note)	<u>51.5%</u>	<u>51.5%</u>

Status of Maturity ladder



(Note) The total asset based LTV at the time of 1st PO is the forecast calculated by dividing interest-bearing debt by total assets (the amount obtained by adding the total acquisition price related to the acquisition of the 20 properties newly acquired on August 1 and August 2, 2106, including incidental expenses and consumption taxes, to total assets at the end of the 2nd fiscal period).

Breakdown of the interest-bearing debt (July 31, 2017)



Appraisal Value Status

Summary of Appraisal Value

	Appraisal value (million yen)			Book value end of 4th period (million yen)	Unrealized gain (million yen)
	3rd period	4th period	Increase/ decrease		
Major regional cities	37,690	38,252	562	36,049	2,202
Other regional cities	8,303	8,402	99	8,099	302
Greater Tokyo area	9,700	9,836	136	9,279	556
Total	55,693	56,490	797	53,428	3,061

Cap Rate Status of owned properties

Change of Cap Rate at end of 4th period

		No. of properties
		Compared to end of 3rd period
Change in Cap Rate	Upward	0
	Unchanged	20
	Downward ^(Note)	29

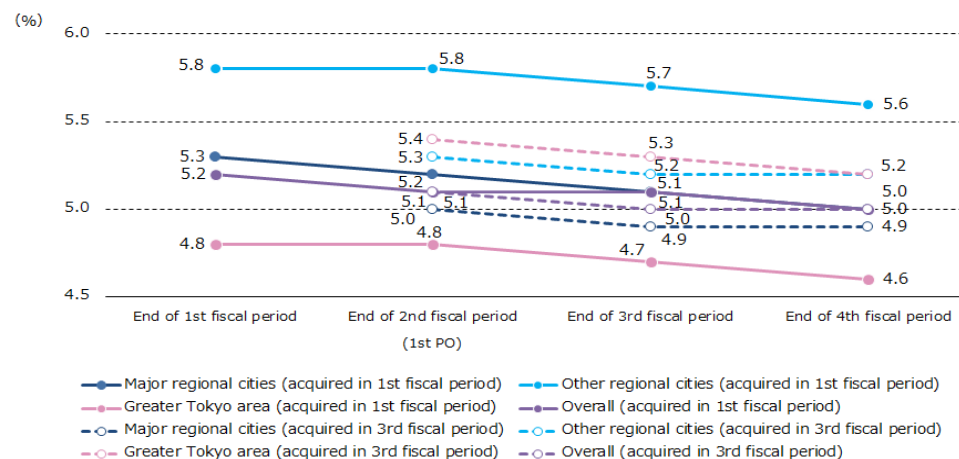
(Note) Cap Rate has declined due to the rise in appraisal value.

Appraisal Value Status of owned properties

Change in appraisal value at the 4th period

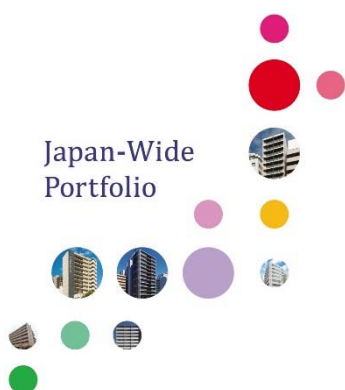
		No. of properties
		Compared to 3rd period
Change in appraisal value	Upward	36
	Unchanged	13
	Downward	0

Change in Cap Rate of properties acquired in the 1st and 3rd fiscal period.



(Note) Cap Rate is rounded off to one decimal place.

(Note) Cap Rate at the end of 2nd period for properties acquired through 3rd fiscal period was the figure for newly acquired 20 properties in August 2016 based on the report at the time of May 1, 2016.



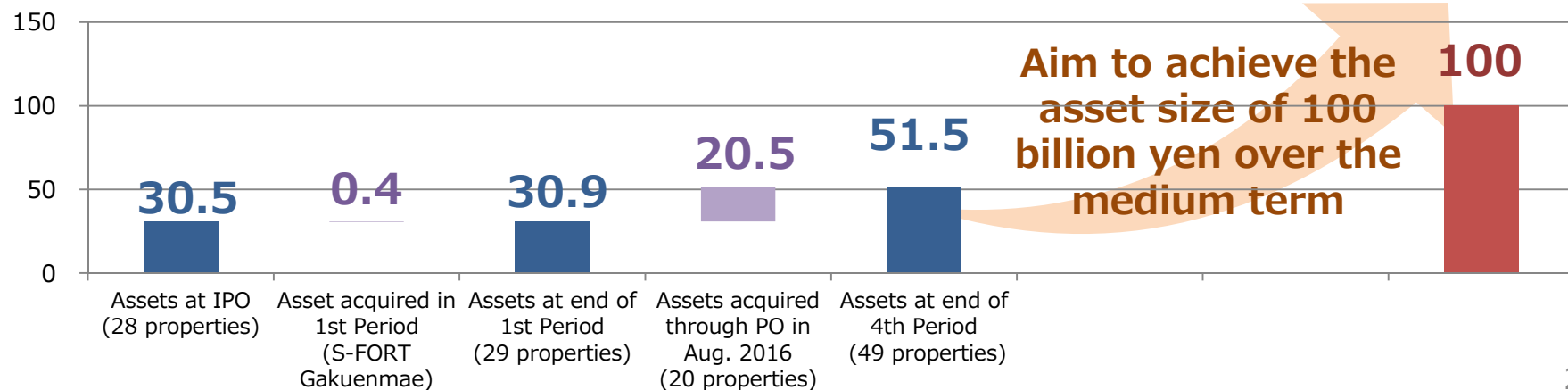
4. Future Growth Strategy

Growth Strategy · Managed Target

External growth strategy	<ol style="list-style-type: none"> Expand the asset size and enhance the quality of the portfolio through continuous acquisitions of the "S-RESIDENCE" properties developed by the sponsor Acquire properties through sponsor support – Utilize the warehousing function Acquire properties by taking advantage of the proprietary channels of the asset management company Implement the differentiated portfolio development policy
Internal growth strategy	<ol style="list-style-type: none"> Enhance the asset value and rate of return through reviewing existing facilities and other measures Reduce operating costs Reinforce property competitiveness and enhance usability of residents by introducing new facilities/equipment Stabilize earnings by utilizing sublease agreement
Financial strategy	<ol style="list-style-type: none"> Lengthen borrowing periods and reduce cost of debt Expand the bank formation Acquire credit ratings in the future

Change in Asset size · Management Target (Based on acquisition price)

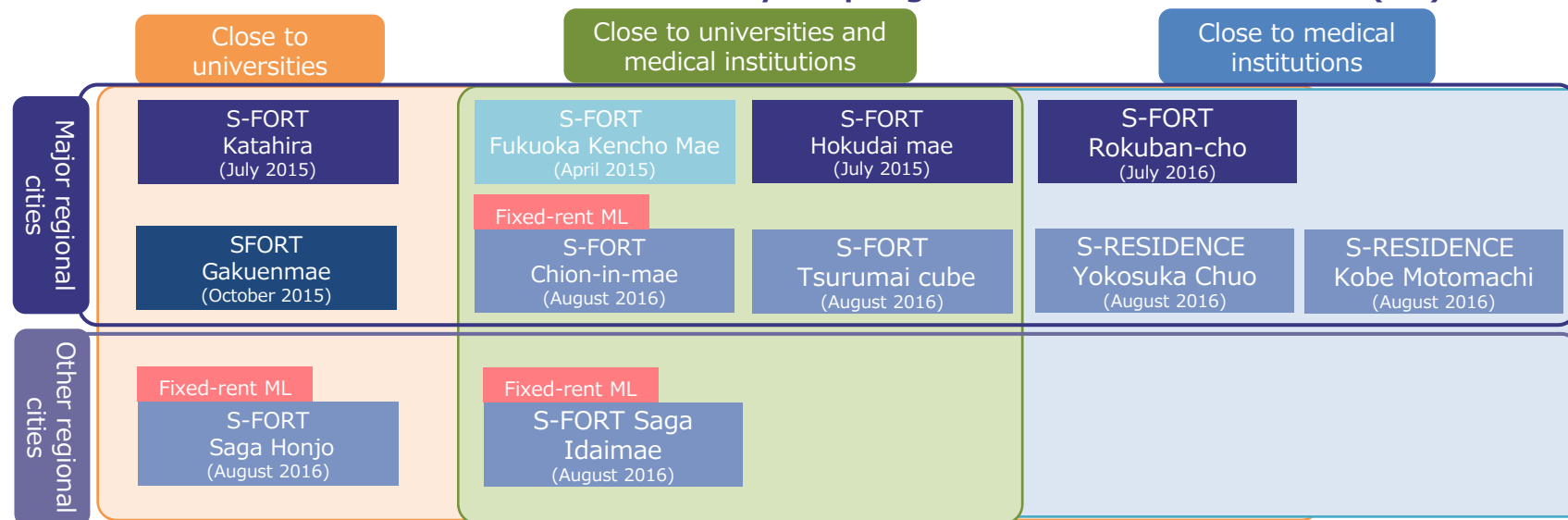
(billion yen)



External Growth


(Steady external growth under the consistent investment policy (1))

Secured stable earnings by continuously investing in properties close to medical institutions or educational facilities such as universities and by adopting the fixed rent master lease (ML).



The sponsor owns 14 warehousing properties across Japan that match the investment policy of Samty Residential. Steady external growth in the future is kept within sight.

Overview of warehousing properties

No. of properties	14 properties		Total number of warehousing properties	
No. of rentable units	1,002 units		Area	No. of properties
			Major regional cities	4
			Other regional cities	7
			Greater Tokyo area	3

External Growth (Steady external growth under the consistent investment policy (2))

List of warehousing properties

Information channel (sponsor)

M/U

AS Residence
Tsu City


Location	Edobashi Tsu City, Mie
No. of rentable units	62 units
Completion date	Feb-06

M/U

Samty
Kumamoto
Keitokukomae


Location	Semba-machi Chuo-ku, Kumamoto City
No. of rentable units	91 units
Completion date	Jan-08

Information channel (the asset management company)

U

Close to universities

M/U

Close to medical institution
and universities

M/U

GRANDUKE
Tsurumai reale


Location	Tsurumai Showa-ku, Nagoya City
No. of rentable units	56 units
Completion date	Jan-17

Samty
Nakahiro-dori


Location	Nakahirodori-machi Nishi-ku, Hiroshima City
No. of rentable units	72 units
Completion date	Mar-07

U

Samty
Noborimachi


Location	Nobori-machi Naka-ku, Hiroshima City
No. of rentable units	60 units
Completion date	Apr-08

M/U

Samty Tsurumi


Location	Tsurumi-cho Naka-ku, Hiroshima City
No. of rentable units	51 units
Completion date	Oct-08

U

Uni E'terna
Nishinomiya Uegahara


Location	Uegahara Nishinomiya City, Hyogo
No. of rentable units	62 units
Completion date	Feb-07

GRANDUKE
Tsu Shinmachi


Location	Shin-machi Tsu City, Mie
No. of rentable units	69 units
Completion date	Jan-10

Samty Suizenji


Location	Suizenji Chuo-ku, Kumamoto City
No. of rentable units	119 units
Completion date	Jul-06

M/U

Samty Honjo


Location	Honjo Chuo-ku, Kumamoto City
No. of rentable units	99 units
Completion date	Feb-18

Studio Square
Takasagomachi


Location	Takasago-machi Oita City, Oita
No. of rentable units	92 units
Completion date	Dec-06

S-FORT
Kawaguchi Namiki


Location	Namiki Kawaguchi City, Saitama
No. of rentable units	70 units
Completion date	Jul-16

S-FORT Todakoen


Location	Shimomae Toda City, Saitama
No. of rentable units	62 units
Completion date	Jan-17

CREST TOWER Kashiwa

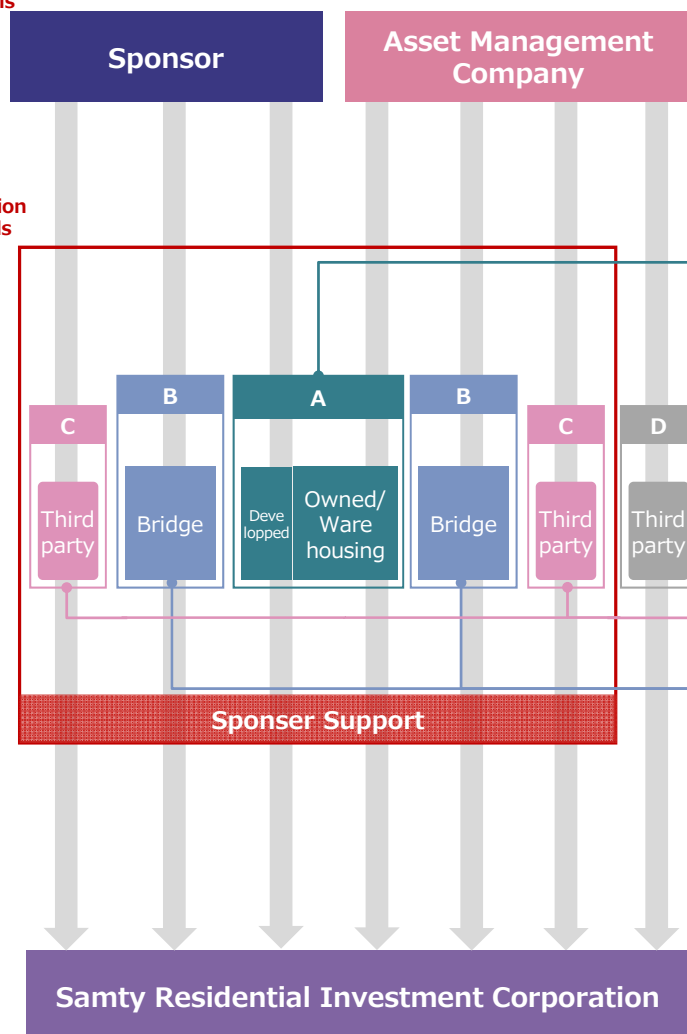

Location	Kashiwa City, Chiba
No. of rentable units	37 units
Completion date	Mar-06

External Growth (Utilization of abundant information/acquisition channels)

Status of information and acquisition channels

Information channels

Acquisition channels



Status of pipeline

	Property Name	Location	No. of units	(Scheduled) completion date	Area
A	[Developed]				
	① S-RESIDENCE Nagoyashi Nakaku	Naka-ku, Nagoya City	109 units	Sep-17	Major regional cities
	② S-RESIDENCE Kikawa Higashi	Yodogawa-ku, Osaka City	177 units	Jan-18	Major regional cities
	③ S-RESIDENCE Nagoyashi Higashiku	Higashi-ku, Nagoya City	95 units	Dec-18	Major regional cities
	④ S-RESIDENCE Suitashi Esakacho	Suita City, Osaka	153 units	Feb-19	Other regional cities
	⑤ S-RESIDENCE Kawasaki Kaizuka	Kawasaki-ku, Kawasaki City	43 units	Feb-17	Greater Tokyo area
	⑥ S-RESIDENCE Motoyawata	Ichikawa City, Chiba	81 units	Nov-18	Greater Tokyo area
	⑦ S-RESIDENCE Matsudo Honcho	Matsudo City, Chiba	52 units	Oct-18	Greater Tokyo area
	⑧ Samty Nakahiro-dori	Nishi-ku, Hiroshima City	72 units	Mar-08	Major regional cities
	⑨ Samty Noborimachi	Naka-ku, Hiroshima City	60 units	Apr-08	Major regional cities
	⑩ Samty Tsurumi	Naka-ku, Hiroshima City	51 units	Oct-08	Major regional cities
	⑪ GRANDUKE Tsu Shinmachi	Showa-ku, Nagaya City	56 units	Jan-17	Major regional cities
	⑫ AS Residence Tsu City	Tsu City, Mie	62 units	Feb-06	Other regional cities
	⑬ Samty Honjo	Chuo-ku, Kumamoto City	99 units	Feb-06	Other regional cities
	⑭ Samty Suizenji	Chuo-ku, Kumamoto City	119 units	Jul-06	Other regional cities
	⑮ Studio Square Takasagomachi	Oita-City, Oita	92 units	Dec-06	Other regional cities
	⑯ Uni E'terna Nishinomiya Uegahara	Nishinomiya City, Hyogo	62 units	Feb-07	Other regional cities
	⑰ Samty Kumamoto Keitokukomae	Chuo-ku, Kumamoto City	91 units	Jan-08	Other regional cities
	⑱ GRANDUKE Tsurumi reale	Tsu City, Mie	69 units	Jan-10	Other regional cities
	⑲ CREST TOWER Kashiwa	Kashiwa City, Chiba	37 units	Mar-06	Greater Tokyo area
	⑳ S-FORT Kawaguchi Namiki	Kawaguchi City, Saitama	70 units	Jul-16	Greater Tokyo area
	㉑ S-FORT Todakoen	Toda City, Saitama	62 units	Jan-17	Greater Tokyo area
Total: 21 properties			1,712 units		
B	[Owned・Warehousing]				
C	[Bridge (SPC)]				

Properties owned by a third party, considered for acquisition

	Property Name	Location	No. of units	(Scheduled) completion date	Area
C	[Third party's properties which concluded sales contract by sponsor]				
	① Nagoyashi Nakaku Matsubara PJ	Naka-ku, Nagoya City	84 units	Feb-18	Major regional cities
	② Niigata City Chuo PJ	Chuo-ku, Niigata City	83 units	Mar-18	Other regional cities
Total: 2 properties			167 units		

(Note) Acquisition of any properties described on this page has not been decided as of the date of this document.

Initiatives on Sustainability (1)

Obtainment of DBJ Green Building Certification

The DBJ Green Building Certification

The DBJ Green Building Certification Program was launched by the Development Bank of Japan (DBJ) in April, 2011 for the purpose of supporting real estate properties with high environmental and social awareness (Green Building).

The program evaluates, certifies and provides support for properties sought by society and the economy in performing comprehensive assessments of properties, while evaluating various factors including communication with stakeholders, disaster prevention and proper care for surrounding communities, in addition to the environmental performance of properties.

Future initiatives on sustainability

Recognizing the importance of environmental/social considerations as well as initiatives to enhance tenant satisfaction, Samty Residential and Samty Asset Management aim to further improve unitholder value by promoting such initiatives.

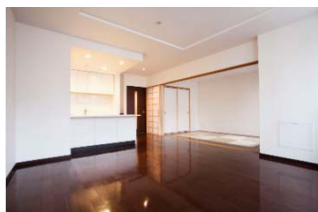
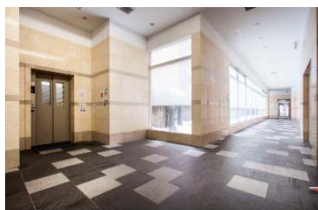
Furthermore, in order to diversify fund procurement methods, we aim to proactively obtain sustainability certifications for the S-RESIDENCE series, the sponsor-developed properties we own, in particular, as well as for other properties we consider acquiring.

Initiatives on Sustainability (2)

Properties obtained DBJ Green Building Certification

A-11 S-FORT Nakajima Koen

Location : 1-13-139, Minami Hachijo Nishi, Chuo-ku, Sapporo



Building with excellent environmental and social awareness



First obtainment of certification for a residence in Hokkaido

Points recognized:

- Environmental consideration through introduction of facilities with high energy saving performance, such as adoption of LED lighting in common/exclusive areas
- Fully arranged facilities for comfort of residents, such as floor heating and perimeter heating

B-05 S-RESIDENCE Esaka

Location : 12-31 Horoshiba-cho, Suita-shi, Osaka



Building with high environmental and social awareness



Points recognized:

- Environmental consideration through introduction of facilities with high energy saving performance, such as adoption of LED lighting in common/exclusive areas

Financial Highlight

Basic Policy

Equity Finance	The issuance of new investment units will be determined based on the financial environment and with consideration given to dilution of unitholder value, following a comprehensive review of the profitability of the managed asset, timing of the acquisition, LTV level, and repayment plan for interest-bearing debt, among other factors.
Debt Finance	Debt financing through execution of borrowings and issuance of investment corporation bonds (including short-term investment corporation bonds) will be carried out with consideration given to the balance between financing flexibility and financial stability.
LTV	LTV levels will be determined with close consideration given to financial capacity. LTV levels will generally be kept between 45% and 55%, while the ceiling will be set at 60%.

Future Action Plans

**Develop new banking relation ship
including regional banks**

**Diversify the source of financing across
Japan as well as geographical
diversification of assets**

**Extend remaining borrowing period with
consideration given to costs**

Diversify repayment dates

Fix interest rates

Acquire credit ratings in the future

Japan-Wide
Portfolio



5. Operating Results and Distribution Information

Management Forecast of the 5th and 6th Fiscal Periods

(million yen)

	4th fiscal period (July 31, 2017)	5th fiscal period Forecast (January 31, 2018)	Difference between 4th FP results and 5th forecast	6th fiscal period Forecast (July 31, 2018)	Difference between 5th FP forecast and 6th forecast
Operating revenue	1,840	1,826	-14	1,842	16
Operating income	1,840	1,814	-26	1,820	6
Anonymous partnership revenue	-	11	11	22	10
Operating expenses	1,081	1,047	-34	1,048	1
Real estate rental expenses	838	805	-32	807	1
Miscellaneous rental expenses	288	254	-33	255	1
Taxes and dues	115	115	0	115	0
Depreciation	434	436	1	436	0
Real Estate rental income	1,001	1,008	6	1,013	5
Other operating expenses	242	241	-1	241	0
Asset management fees	127	129	1	127	-1
Other expenses	114	112	-2	113	1
Operating income	759	778	19	794	15
Non-operating income and loss	-144	-163	-19	-179	-15
Ordinary income	614	615	0	615	0
Corporate tax, etc.	0	1	0	1	0
Net income	613	614	0	614	0

	(yen)
Distribution per unit	-
Distribution per unit (Not including distribution in excess of earnings)	-
Distribution in excess of earning per unit	-

Assumptions for Management Forecast of the 5th and 6th Fiscal Periods

- Calculation period
The 5th fiscal period :
August 1, 2017 to January 31, 2018
The 6th fiscal period :
February 1, 2018 to July 31, 2018
- Asset (No. of acquired properties as of the date of this document)
The 5th fiscal period : 49 properties
The 6th fiscal period : 49 properties
- Period average month-end occupancy rate
The 5th fiscal period : 95.5%
The 6th fiscal period : 95.5%
- Balance of interest-bearing debt at end of period
The 5th fiscal period : 28,600 million yen
The 6th fiscal period : 28,600 million yen
- No. of outstanding units
(No. of investment units issued and outstanding as of the date of this document)
The 5th fiscal period : 283,000 units
The 6th fiscal period : 283,000 units
- Capital expenditures (planned amount)
The 5th fiscal period : 68 million yen
The 6th fiscal period : 68 million yen

Difference factors between 4th FP results and 5th forecast

- Real estate rental revenue
Decrease in restoration income, key money, etc. due to a decrease in tenant replacement during the off-season: -26 million yen
- Real estate rental expenses
• Decrease in restoration expenses and leasing promotion expenses due to a decrease in tenant replacement during the off-season, decrease in other operating expenses: -22 million yen
• Decrease in repair expenses due to value-adding work, etc. conducted in the 4th fiscal period: -11 million yen
- Non-operating income and loss
Increase in borrowing related expenses assuming partial refinancing of borrowings due for repayment in the 6th fiscal period: -15 million yen

(Note) Management forecasts for the 5th and 6th fiscal periods are the figures disclosed in the "Summary of Financial Results for Fiscal Period Ended July 2017" announced on September 14, 2017.

Outlook of Distribution

Continuing to pay stable distribution every fiscal period since listing

■ Distribution policy

Distribution with payout ratio aiming for around 70%

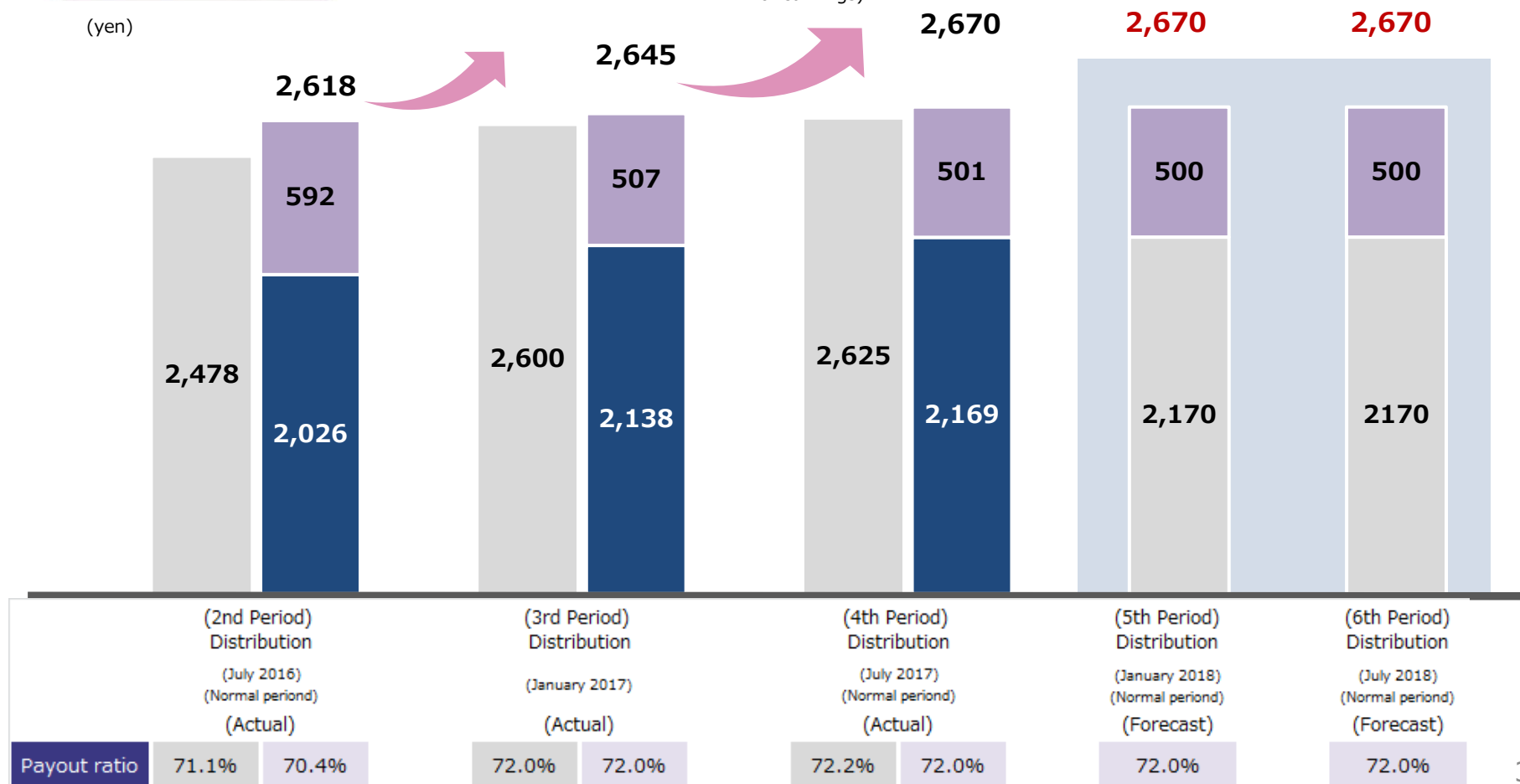
Aim to maintain/improve distribution level

■ Initial distribution forecast (including distribution in excess of earnings)

■ Distribution per unit (Not including distribution in excess of earnings)

■ Distribution in excess of earnings per unit

(yen)



Distribution Policy (1)

- Due to the characteristics of the portfolio, the ratio of depreciation to property acquisition price tends to be large, thus Samty Residential aims to increase fund efficiency through optimal fund allocation and improvement of unitholder value over the medium to long term.
- In regards to the 5th and the 6th Fiscal Period, Samty Residential determined that it is appropriate to conduct distributions in excess of earnings in consideration of the market environment and financial conditions.
- Distribution amounts are determined based on the target payout ratio aiming for 70%.

Cash Management Strategy

Based on the characteristics of the portfolio, Samty Residential will optimally distribute free cash flow after allocating funds to reserves for capital expenditures to maintain the building functions, etc., working capital and such, in accordance with the situations of the time.

Cash will be allocated based on a comprehensive review of the external economic environment, real estate market conditions, and financial condition of Samty Residential

Capital expenditures to maintain the building functions, etc.

Securement of working capital on hand, etc.

Optimally allocate the free cash to each measure listed below after the fund allocation mentioned above

Return to unitholders including distribution in excess of earnings

[1st to 4th fiscal periods]

Distribution in excess of earnings per unit: 508 million yen

Reinforcement of the financial base by reducing interest-bearing liabilities, etc.

[1st to 4th fiscal periods] Repaid amount: 1,412 million yen

Investment that should help enhance the portfolio's profitability enhance

[1st to 4th fiscal periods] Investment amount for Bridge funds: 270 million yen

Distribution Policy (2)

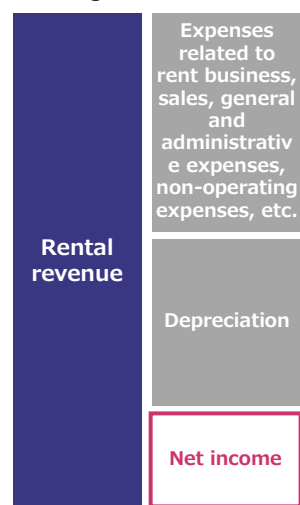
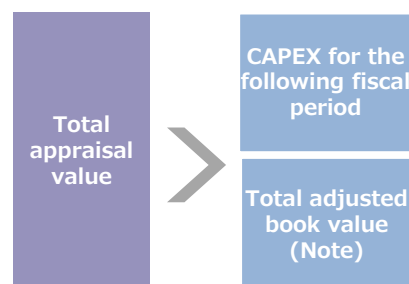
Distributions in Excess of Earnings

Samty Residential may decide the amount of each fiscal period's cash distributions in excess of earnings, based on the payout ratio as our management result. However, when deciding distribution in excess of earnings, the following requirements are to be fulfilled, taking into account Samty Residential's financial conditions, amount of future capital expenditures, etc., in order to avoid undermining unitholder value.

■ Conceptual diagram of distributions in excess of earnings

(1) Determination of distributions

With a view to enhancing unitholder value over the medium to long term, distributions in excess of earnings are authorized when Samty Residential's portfolio meets the below conditions.



(2) Determination of amount

Amount of distributions (including distributions in excess of earnings) are determined for each fiscal period based on future capital expenditures, capital demand, etc.

Payout ratio = Total distribution amount (including distributions in excess of earnings) / (Net income + Depreciation))

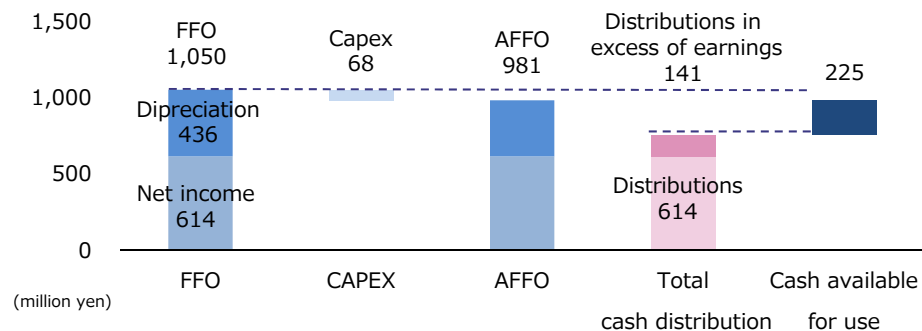
Distribute payout ratio aiming for 70%

However, distributions in excess of earnings will be up to 35% of depreciation

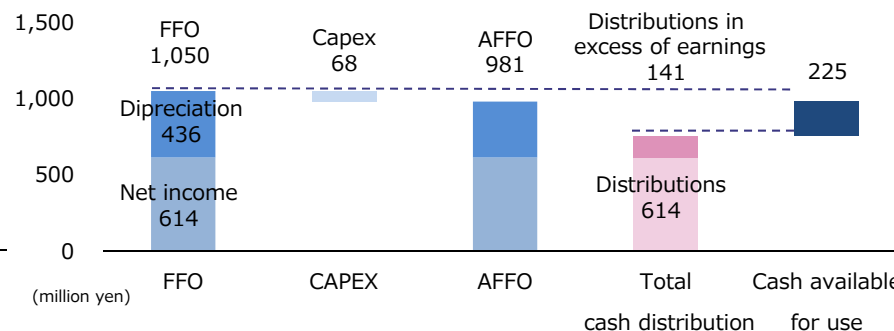
Note: Excluding amount equivalent to incidental expenses upon acquisition

Out look of cash flow

■ 5th fiscal period (January 2018)



■ 6th fiscal period (July 2018)

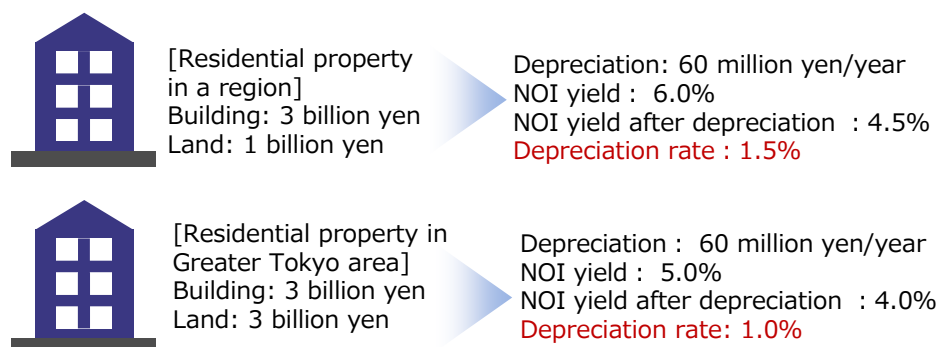


Feature of Excess of Earnings and Portfolio

Feature of Investments in Residential Properties Located in Regions outside Tokyo

A feature of investing in residential properties located in regions is its tendency to incur depreciation that is relatively large in proportion to the acquisition price of properties.

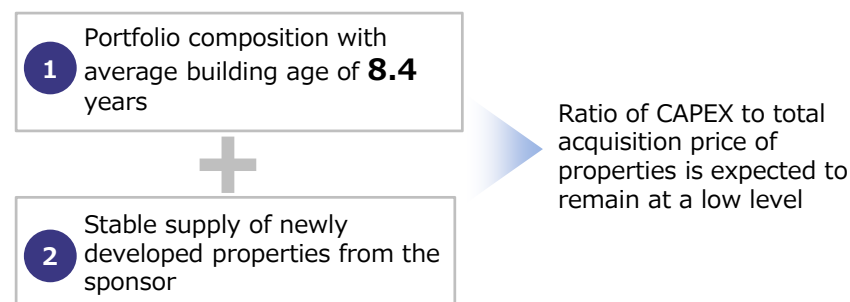
- Ex.: Comparison between residential properties in regions and in Greater Tokyo area
 (Assuming depreciation period as 50 years, NOI yield as 6.0% and 5.0% for regions and Greater Tokyo area respectively.
 These figures are examples and do not represent any specific property owned by Samty Residential Investment Corporation.)



*Depreciation rate is the ratio of depreciation to the acquisition price of properties.

Feature of Samty Residential Investment Corporation's Portfolio

Samty Residential Investment Corporation's portfolio is mainly comprised of relatively new properties. Furthermore, in accordance with the sponsor support agreement, exclusive negotiating rights of S-RESIDENCE series, properties newly developed and conveniently located, are granted to Samty Residential Investment Corporation by the sponsor. Therefore, this feature is believed to remain going forward.



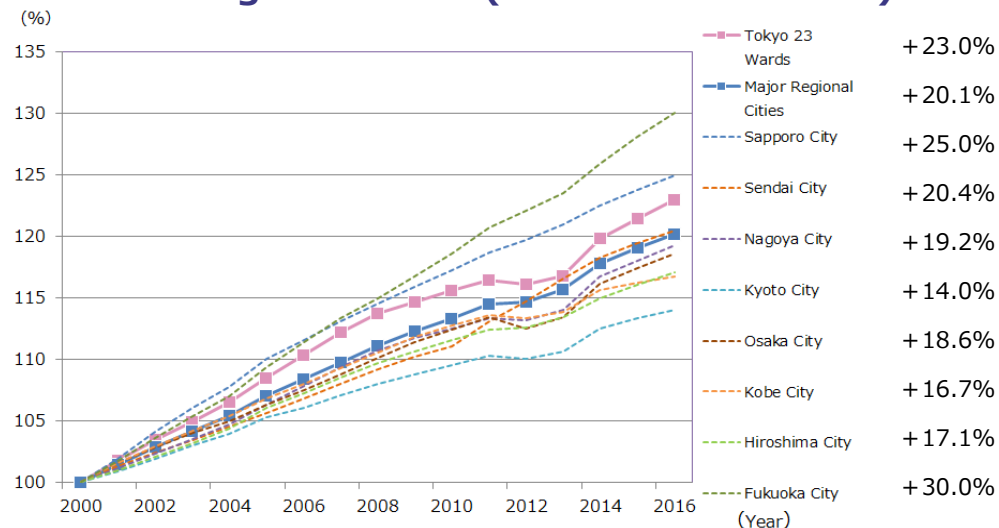


Japan-Wide
Portfolio

6 . Appendix

Characteristics of Regional Residence Investments (1)

Household growth rate (Year 2000 = 100%)



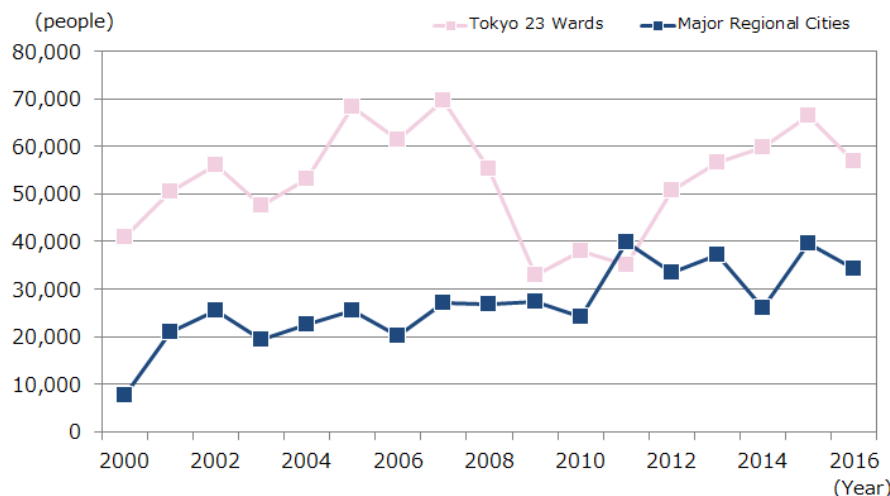
Growth rate from 2000 to 2016

Household growth rate of major regional cities is comparable to that of Greater Tokyo Area.

Growth rates of Sapporo City and Fukuoka City surpass that of Tokyo 23 Wards.

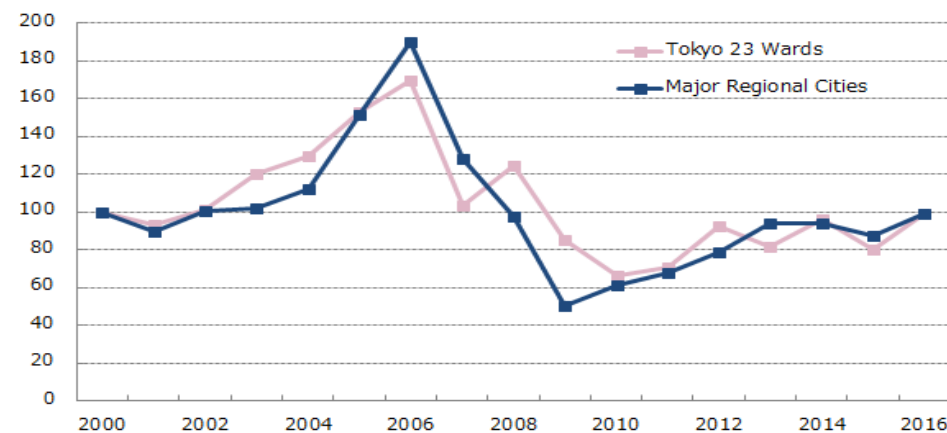
Source: Prepared by Sumitomo Mitsui Trust Research Institute based on "Basic Resident Registers," Ministry of Internal Affairs and Communications

Net Migration



Source: Prepared by Sumitomo Mitsui Trust Research Institute based on "Basic Resident Registers," Ministry of Internal Affairs and Communications

Number of New Housing Starts (Year 2000=100%)

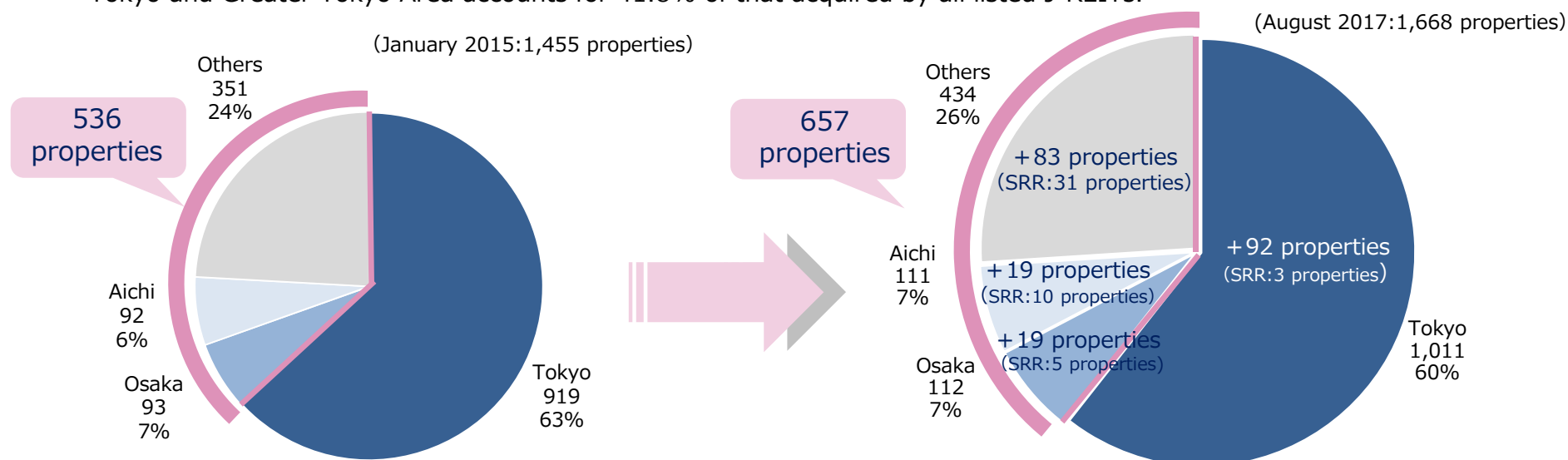


Source: Prepared by Samty Asset Management based on "Housing Starts Statistics (yearly)," (house for rent/reinforced concrete structure, steel framed reinforced concrete structure/residential complex) Ministry of Land, Infrastructure, Transportation and Tourism, Information Policy Division, Construction Research and Statistics Office

Characteristics of Regional Residence Investments (2)

■ Status of Investment into Residences by Listed J-REITs

After listing of Samty Residential (SRR) on June 30, 2015, the number of properties SRR acquired in areas other than Tokyo and Greater Tokyo Area accounts for 41.8% of that acquired by all listed J-REITs.



	Number of properties owned by J-REIT (residence only)		Number of properties acquired between January 2015 and August 2017		
	As of January 2015 (properties)	As of August 2017 (properties)	All J-REIT (properties)	SRR (properties)	SRR share
Tokyo	919	1,011	92	3	3.26%
Osaka	93	112	19	5	26.32%
Aichi	92	111	19	10	52.63%
Other	351	434	83	31	37.35%
(Of which, Greater Tokyo area : Kanagawa・Saitama・Chiba)	(134)	(164)	(30)	(8)	
Total	1,455	1,668	213	49	23.00%
Of which, Regional Cities	402	493	91	38	41.76%

Source: Prepared by Samty Asset Management based on ARES J-REIT Property Database

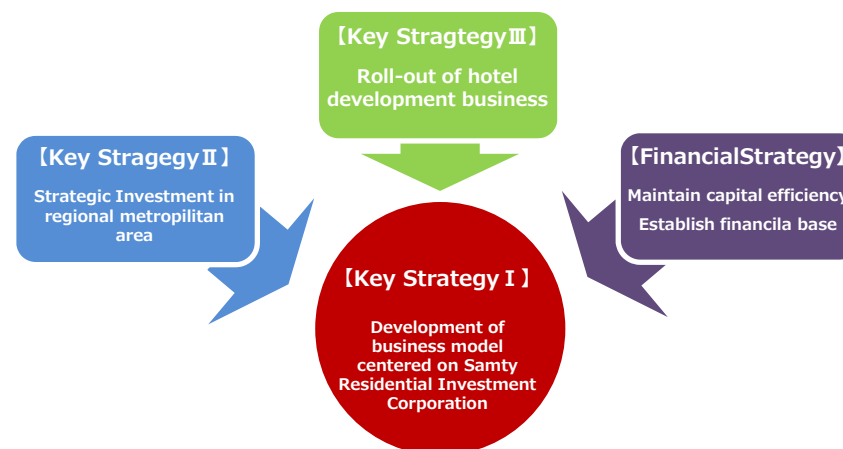
(Note) Total of each listed J-REIT's owned residences at the end of January 2015 and end of the most recent fiscal period as of August 10, 2017.

Overview of the Samty Group



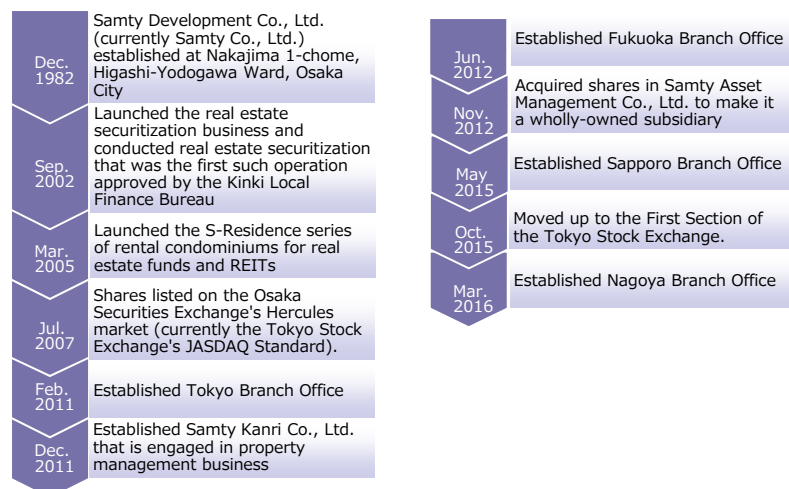
Revision of Samty Group's "Challenge 40" medium-term management plan

We will engage in strategic investment in regional metropolitan areas, development of condominiums and expansion of our hotel development business. We plan to sell our development properties to Samty Residential Investment Corporation (SRR) and will utilize a business model centered on SRR in the aim of establishing a fee business. We will also put together a financial strategy to maintain capital efficiency and establish a financial base.

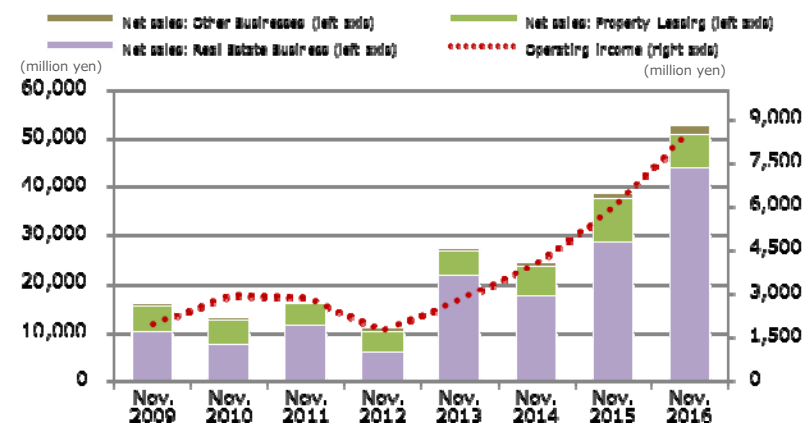


History and Operating Results

History



Change in the Operating Results of the Samty Group (Consolidated Basis)



Source: Financial Results (from the fiscal year ended November 2009 to the fiscal year ended November 2016) of Samty Co., Ltd.

Condominium Brand “S-RESIDENCE” in Samty Residential’s Portfolio



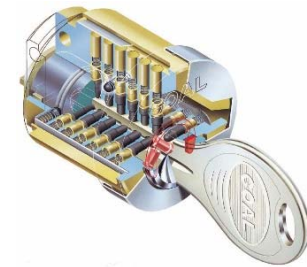
S-RESIDENCE Brand

- “S-RESIDENCE” is a high quality, rental condominium brand developed by Samty Group since 2005.
- “S-RESIDENCE” is a brand characterized by the opulent utilization of fieldstones, entrances with open spaces, luxury hotel-like indirect lighting and corridors, high quality plumbing which display a luxuriousness, etc., possess high quality designs which appeal mainly to students, workers, etc., and particularly the high relative ratio of female tenants.

Washstand with modern taste



Double lock with dimple key for high security



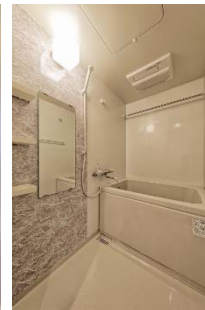
S-RESIDENCE Shin Osaka Ekimae



High-class elevator hall



Bright and stylish kitchen and bathroom



Bathroom heater/dryer/ventilation system assuring comfort when taking a bath in winter or drying clothes on rainy days



Hands-free intercom with a monitor



Serene and massive entrance hall



Safe flat flooring by eliminating difference in level on the floor to prevent trips

Flat-designed floors

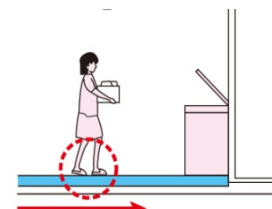


Image illustration

Self-locking system that secures daily peace of mind and safety

Security cameras that are effective for preventing vandalism and crimes are installed in the building and elevators

Convenient home-delivery box for receiving parcels around-the-clock

Toilet with variety of functions such as self-cleaning and heater

Cushioned flooring with excellent sound-absorption

Portfolio List (1) Major Regional Cities



List of acquired properties

(Number of acquired properties as of the date of this document)

	Property No	Property Name	Location	Type	Acquisition Price (million yen)	Appraisal Value at End of Period (million yen)	Appraisal NOI yield (%)	Number of rentable units
Major regional cities								
	A-01	S-FORT Shin Osaka ravir	Yodogawa-ku, Osaka	Single / Compact	635	680	5.4	49
	A-02	S-FORT Sanno	Nakagawa-ku, Nagoya	Single / Compact	2,890	3,260	6.2	230
	A-03	S-FORT Fujigaoka	Meitou-ku, Nagoya	Single	750	830	6.0	80
	A-04	S-FORT Chikushi Dori	Hakata-ku, Fukuoka	Compact	1,170	1,210	5.5	90
	A-05	S-FORT Fukuoka Kencho Mae	Hakata-ku, Fukuoka	Single	979	1,080	5.8	104
	A-06	S-FORT Takamiya	Minami-ku, Fukuoka	Single / Commercial	794	829	5.4	82
	A-07	S-FORT Tsutsujigaoka Koen	Miyagino-ku, Sendai	Single / Compact / Family	1,340	1,410	5.7	94
	A-08	S-RESIDENCE Namba Briller	Naniwa-ku, Osaka	Single	2,020	2,320	5.4	154
	A-09	S-FORT Tsurumai marks	Naka-ku, Nagoya	Family	1,020	1,210	5.8	42
	A-10	S-FORT Rokuban-cho	Atsuta-ku, Nagoya	Single / Commercial	722	762	5.3	56
	A-11	S-FORT Nakajima Koen	Chuo-ku, Sapporo	Compact / Family	1,590	1,650	5.7	75
	A-12	S-FORT Hokudai Mae	Kita-ku, Sapporo	Compact / Commercial	690	755	5.8	59
	A-13	S-RESIDENCE Kobe Isogamidori	Chuo-ku, Kobe	Single / Compact	2,470	2,790	5.4	166
	A-14	S-FORT Kyoto Nishioji	Shimogyo-ku, Kyoto	Single / Commercial	745	806	5.8	71
	A-15	S-FORT Katahira	Aoba-ku, Sendai	Single / Compact	2,330	2,580	5.9	191
	A-16	S-FORT Gakuenmae	Toyohira-ku, Sapporo	Single / Compact	462	485	5.9	48
	A-17	S-RESIDENCE Shin Osaka Ekimae	Higashi Yodogawa-ku, Osaka	Single / Compact	2,489	2,760	5.3	167
	A-18	S-FORT Aoi 1-Chome	Higashi-ku, Nagoya	Compact	1,080	1,130	5.2	54
	A-19	S-FORT Aoi	Higashi-ku, Nagoya	Family	870	992	5.6	28
	A-20	S-FORT Kurumamichi	Higashi-ku, Nagoya	Family	400	427	5.7	19
	A-21	S-FORT Kamiotai	Nishi-ku, Nagoya	Family	720	742	5.6	40
	A-22	S-FORT Tsurumai arts	Naka-ku, Nagoya	Family	680	804	5.8	28
	A-23	S-FORT Tsurumai cube	Naka-ku, Nagoya	Compact / Family	570	670	5.7	32
	A-24	S-FORT Fukuoka Higashi	Hakata-ku, Fukuoka	Compact	1,900	2,040	5.4	135
	A-25	S-RESIDENCE Kobe Motomachi	Chuo-ku, Kobe	Single / Compact	1,200	1,370	5.6	81
	A-26	S-FORT Kobe Kaguracho	Nagata-ku, Kobe	Single	1,858	2,160	6.2	168
	A-27	S-FORT Nijo-jo mae	Nakagyo-ku, Kyoto	Single / Compact / Family	812	865	5.2	47
	A-28	S-FORT Chion-in mae	Higashiyamaku, Kyoto	Compact / Family / Commercial	500	525	5.0	18
	A-29	S-FORT Miyamachi	Aoba-ku, Sendai	Single / Compact	1,085	1,110	5.4	91

(Note) Appraisal values is the figure as of the end of July 2017.

Portfolio List (2) Other Regional Cities / Greater Tokyo Area

List of acquired properties

(Number of acquired properties as of the date of this document)

	Property No	Property Name	Location	Type	Acquisition Price (million yen)	Appraisal Value at End of Period (million yen)	Appraisal NOI yield (%)	Number of rentable units
Other regional cities								
	B-01	S-FORT Shizuoka Hondori	Aoi-ku, Shizuoka	Compact	297	311	6.0	28
	B-02	S-FORT Suminodo	Daitou-shi, Osaka	Single / Compact	1,420	1,580	5.9	126
	B-03	S-FORT Yokkaichi motomachi	Yokkaichi-shi, Mie	Compact	480	530	6.7	54
	B-04	S-FORT Suzuka	Suzuka-shi, Mie	Compact	580	620	6.8	69
	B-05	S-RESIDENCE Esaka	Suita-shi, Osaka	Single / Compact	2,323	2,540	5.3	138
	B-06	S-FORT Utsunomiya	Utsunomiya-shi, Tochigi	Compact	612	642	6.1	52
	B-07	S-FORT Yokkaichi Nishishinchi	Yokkaichi-shi, Mie	Compact / Family	630	715	6.6	60
	B-08	S-FORT Saga Honjo	Saga-shi, Saga	Compact / Office	1,050	1,070	6.2	127
	B-09	S-FORT Saga Idamae	Saga-shi, Saga	Compact	375	394	6.5	46
Greater Tokyo area								
	C-01	S-FORT Maita Koen	Minami-ku, Yokohama	Single / Compact	987	1,050	5.2	70
	C-02	S-FORT Nihombashi Hakozaki	Chuo-ku, Tokyo	Single / Compact	925	1,030	4.8	36
	C-03	S-FORT Itabashi Shimura	Itabashi-ku, Tokyo	Compact	645	685	4.8	32
	C-04	S-FORT Shiomi	Koto-ku, Tokyo	Single	866	1,020	5.2	52
	C-05	S-FORT Noborito	Tama-ku, Kawasaki	Single	666	694	4.8	40
	C-06	S-FORT Shonan Hiratsuka	Hiratsuka-shi, Kanagawa	Single	818	955	5.8	66
	C-07	S-FORT Nishifunabashi	Funabashi-shi, Chiba	Single / Compact	732	766	5.2	47
	C-08	S-FORT Maihama	Urayasu-shi, Chiba	Single	1,130	1,210	5.4	83
	C-09	S-FORT Ichikawa	Ichikawa-shi, Chiba	Single / Commercial	809	869	5.2	51
	C-10	S-RESIDENCE Yokosuka Chuo	Yokosuka-shi, Kanagawa	Single / Nursery	850	937	6.0	25
	C-11	S-FORT Sagamiyama	Sagamiyama-shi, Kanagawa	Single	585	620	5.3	53
Total					51,551	56,490	5.6	3,754

(Note) Appraisal values is the figure as of the end of July 2017.

Income and Expenditure by Property (1)

Fiscal Period Ending July 2017 (As of July 31, 2017)



(1) Area category		Major regional cities						
(2) Property No.		A-01	A-02	A-03	A-04	A-05	A-06	A-07
(3) Property name		S-FORT Shin Osaka ravir	S-FORT Sanno	S-FORT Fujigaoka	S-FORT Chikushi Dori	S-FORT Fukuoka Kencho Mae	S-FORT Takamiya	S-FORT Tsutsujigaoka Koen
(4) Acquisition date		Apr-15, 2015	Apr-15, 2015	Apr-15, 2015	May-01, 2015	Apr-15, 2015	May-01, 2015	Apr-15, 2015
(5) Price information	Acquisition price (million yen)	635	2,890	750	1,170	979	794	1,340
	Composition rate (%)	1.2	5.6	1.5	2.3	1.9	1.5	2.6
	Balance sheet amount (million yen)	645	2,957	757	1,193	1,007	809	1,383
(6) Leasing information	Total rentable area (㎡)	1,290.84	8,138.40	1,960.00	3,706.56	2,566.72	2,105.13	3,609.49
	Leased area (㎡)	1,134.00	7,745.02	1,886.50	3,664.96	2,468.00	2,055.45	3,443.85
	Occupancy rate (%)	87.8	95.2	96.3	98.9	96.2	97.6	95.4
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	20,902	114,444	29,453	43,534	35,865	28,475	52,107
	Real estate rental revenues	19,675	104,789	27,619	39,523	33,666	27,458	45,467
	Other lease business revenues	1,227	9,654	1,834	4,010	2,199	1,016	6,640
	(3) Real estate rental expenses (thousand yen)	6,911	25,899	7,178	10,116	8,989	5,451	13,282
	Management service fee	1,180	5,864	1,419	1,503	1,477	1,251	2,111
	Taxes and dues	1,310	8,236	1,997	2,981	2,442	2,022	2,876
	Utilities expenses	278	758	266	461	352	296	1,611
	Repair Cost	2,998	5,262	1,836	2,073	2,044	457	2,908
	Insurance expenses	33	176	45	93	61	60	82
	Trust fees	296	296	296	296	296	296	296
	Other lease business expenses	814	5,304	1,316	2,707	2,315	1,066	3,396
	(4) NOI(=(2)-(3)) (thousand yen)	13,991	88,544	22,274	33,417	26,875	23,023	38,825
	(5) Depreciation (thousand yen)	5,112	26,696	10,163	10,782	9,191	8,783	12,305
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	8,878	61,848	12,111	22,634	17,684	14,240	26,519
	(7) Capital Expenditures (thousand yen)	-	-	-	2,157	-	1,844	-
	(8) NCF (=(4)-(7))	13,991	88,544	22,274	31,259	26,875	21,178	38,825

Income and Expenditure by Property (2)

Fiscal Period Ending July 2017 (As of July 31, 2017)

(1) Area category		Major regional cities						
(2) Property No.		A-08	A-09	A-10	A-11	A-12	A-13	A-14
(3) Property name		S-RESIDENCE Namba Briller	S-FORT Tsurumai marks	S-FORT Rokuban- cho	S-FORT Nakajima Koen	S-FORT Hokudai Mae	S-RESIDENCE Kobe Isogamidori	S-FORT Kyoto Nishioji
(4) Acquisition date		Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015
(5) Price information	Acquisition price (million yen)	2,020	1,020	722	1,590	690	2,470	745
	Composition rate (%)	3.9	2.0	1.4	3.1	1.3	4.8	1.4
	Balance sheet amount (million yen)	2,081	1,081	736	1,647	722	2,543	769
(6) Leasing information	Total rentable area (㎡)	3,631.60	2,772.00	1,833.29	5,292.65	2,287.22	4,372.45	1,657.31
	Leased area (㎡)	3,534.25	2,640.00	1,448.20	4,786.53	2,250.25	4,372.45	1,454.11
	Occupancy rate (%)	97.3	95.2	79.0	90.4	98.4	100.0	87.7
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	70,666	37,233	22,025	59,041	25,278	87,228	26,311
	Real estate rental revenues	62,825	33,109	20,529	54,052	24,355	78,028	23,979
	Other lease business revenues	7,841	4,123	1,495	4,988	923	9,199	2,332
	(3) Regal estate rental expenses (thousand yen)	15,596	6,750	7,103	15,661	4,307	15,644	8,404
	Management service fee	2,547	2,287	1,199	2,661	1,039	2,695	1,720
	Taxes and dues	5,022	1,683	1,693	4,818	1,620	5,422	1,464
	Utilities expenses	837	175	201	1,244	358	445	1,096
	Repair Cost	2,053	1,023	2,258	4,398	463	2,529	2,151
	Insurance expenses	103	55	38	120	52	115	45
	Trust fees	394	296	296	394	296	394	296
	Other lease business expenses	4,638	1,229	1,416	2,024	476	4,040	1,629
	(4) NOI(=(2)-(3)) (thousand yen)	55,069	30,482	14,922	43,379	20,971	71,583	17,907
	(5) Depreciation (thousand yen)	13,803	9,736	7,480	13,378	5,291	18,371	7,811
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	41,266	20,746	7,441	30,001	15,679	53,211	10,095
	(7) Capital Expenditures (thousand yen)	-	-	-	7,656	-	-	679
	(8) NCF (= (4)-(7))	55,069	30,482	14,922	35,723	20,971	71,583	17,227

Income and Expenditure by Property (3)

Fiscal Period Ending July 2017 (As of July 31, 2017)



(1) Area category		Major regional cities						
(2) Property No.		A-15	A-16	A-17	A-18	A-19	A-20	A-21
(3) Property name		S-FORT Katahira	S-FORT Gakuenmae	S-RESIDENCE Shin Osaka Ekimae	S-FORT Aoi 1-Chome	S-FORT Aoi	S-FORT Kurumamichi	S-FORT Kamiotai
(4) Acquisition date		Jul-01, 2015	Oct-01, 2015	Aug-02, 2016	Aug-01, 2016	Aug-02, 2016	Aug-01, 2016	Aug-01, 2016
(5) Price information	Acquisition price (million yen)	2,330	462	2,489	1,080	870	400	720
	Composition rate (%)	4.5	0.9	4.8	2.1	1.7	0.8	1.4
	Balance sheet amount (million yen)	2,362	484	2,589	1,149	939	418	779
(6) Leasing information	Total rentable area (㎡)	5,483.22	1,757.28	4,534.98	2,185.20	1,842.68	1,214.20	2,624.40
	Leased area (㎡)	5,054.35	1,717.71	4,510.60	2,062.90	1,842.68	1,153.73	2,361.96
	Occupancy rate (%)	92.2	97.7	99.5	94.4	100.0	95.0	90.0
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	87,463	17,678	86,036	32,851	28,351	15,295	25,121
	Real estate rental revenues	80,585	15,987	78,947	29,201	26,481	13,912	22,771
	Other lease business revenues	6,877	1,690	7,088	3,649	1,869	1,382	2,349
	(3) Regal estate rental expenses (thousand yen)	20,090	4,630	16,241	9,540	6,880	3,539	8,571
	Management service fee	4,375	754	3,164	1,415	1,313	911	1,039
	Taxes and dues	6,342	1,277	5,154	2,231	1,160	1,039	1,973
	Utilities expenses	666	327	879	336	179	154	266
	Repair Cost	5,752	952	2,558	1,936	162	1,153	2,149
	Insurance expenses	144	31	92	44	31	24	48
	Trust fees	296	276	296	296	-	-	296
	Other lease business expenses	2,511	1,011	4,096	3,278	4,033	257	2,799
	(4) NOI(=(2)-(3)) (thousand yen)	67,372	13,047	69,794	23,311	21,470	11,755	16,549
	(5) Depreciation (thousand yen)	28,020	4,680	18,993	7,368	4,869	2,380	6,261
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	39,351	8,367	50,801	15,942	16,601	9,375	10,287
	(7) Capital Expenditures (thousand yen)	687	-	161	-	-	-	10,172
	(8) NCF (=(4)-(7))	66,685	13,047	69,633	23,311	21,470	11,755	6,376

Income and Expenditure by Property (4)

Fiscal Period Ending July 2017 (As of July 31, 2017)

(1) Area category		Major regional cities						
(2) Property No.		A-22	A-23	A-24	A-25	A-26	A-27	A-28
(3) Property name		S-FORT Tsurumai arts	S-FORT Tsurumai cube	S-FORT Fukuoka Higashi	S-RESIDENCE Kobe Motomachi	S-FORT Kobe Kaguracho	S-FORT Nijo-jo mae	S-FORT Chion-in mae
(4) Acquisition date		Aug-02, 2016	Aug-02, 2016	Aug-02, 2016	Aug-02, 2016	Aug-02, 2016	Aug-02, 2016	Aug-02, 2016
(5) Price information	Acquisition price (million yen)	680	570	1,900	1,200	1,858	812	500
	Composition rate (%)	1.3	1.1	3.7	2.3	3.6	1.6	1.0
	Balance sheet amount (million yen)	739	598	2,002	1,250	1,927	836	516
(6) Leasing information	Total rentable area (㎡)	1,988.56	1,460.64	5,584.41	2,169.67	4,900.32	1,735.95	1,049.01
	Leased area (㎡)	1,846.52	1,419.93	5,383.52	2,169.67	4,521.15	1,735.95	1,049.01
	Occupancy rate (%)	92.9	97.2	96.4	100.0	92.3	100.0	100.0
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	24,917	20,745	64,593	40,512	69,917	23,249	14,797
	Real estate rental revenues	23,065	19,395	57,273	39,222	67,087	23,248	14,797
	Other lease business revenues	1,851	1,349	7,320	1,290	2,830	0	0
	(3) Real estate rental expenses (thousand yen)	3,815	4,254	12,341	5,744	13,698	1,959	1,297
	Management service fee	1,227	1,152	2,164	1,641	2,326	-	-
	Taxes and dues	1,211	995	3,884	2,886	4,309	1,357	787
	Utilities expenses	148	125	482	293	540	-	-
	Repair Cost	586	335	3,622	123	4,980	269	182
	Insurance expenses	33	29	98	47	76	28	18
	Trust fees	-	296	296	296	296	296	296
	Other lease business expenses	609	1,319	1,792	455	1,168	8	13
	(4) NOI (= (2)-(3)) (thousand yen)	21,102	16,491	52,251	34,768	56,218	21,289	13,499
	(5) Depreciation (thousand yen)	4,478	4,094	13,360	9,932	12,268	6,025	3,580
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	16,623	12,397	38,891	24,835	43,950	15,263	9,919
	(7) Capital Expenditures (thousand yen)	-	-	351	-	-	107	-
	(8) NCF (= (4)-(7))	21,102	16,491	51,899	34,768	56,218	21,181	13,499

Income and Expenditure by Property (5)

Fiscal Period Ending July 2017 (As of July 31, 2017)



(1) Area category		Major regional cities	Other regional cities					
(2) Property No.		A-29	B-01	B-02	B-03	B-04	B-05	B-06
(3) Property name		S-FORT Miyamachi	S-FORT Miyamachi	S-FORT Suminodo	S-FORT Yokkaichi Motomachi	S-FORT Suzuka	S-RESIDENCE Esaka	S-FORT Utsunomiya
(4) Acquisition date		Aug-02, 2016	Apr-15, 2015	Apr-15, 2015	Jul-01, 2015	Jul-01, 2015	Aug-02, 2016	Aug-02, 2016
(5) Price information	Acquisition price (million yen)	1,085	297	1,420	480	580	2,323	612
	Composition rate (%)	2.1	0.6	2.8	0.9	1.1	4.5	1.2
	Balance sheet amount (million yen)	1,117	304	1,442	509	613	2,406	642
(6) Leasing information	Total rentable area (㎡)	2,213.12	911.40	3,332.16	1,691.28	2,286.69	3,739.30	2,330.64
	Leased area (㎡)	2,093.28	813.75	3,091.97	1,691.28	2,090.73	3,632.67	2,017.29
	Occupancy rate (%)	94.6	89.3	92.8	100.0	91.4	97.1	86.6
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	38,884	11,466	53,509	22,625	26,011	76,234	23,137
	Real estate rental revenues	33,619	10,943	46,584	19,178	21,823	72,298	21,059
	Other lease business revenues	5,265	522	6,924	3,446	4,187	3,935	2,077
	(3) Regal estate rental expenses (thousand yen)	12,272	3,699	11,637	5,680	8,026	11,629	7,636
	Management service fee	1,778	1,104	1,808	1,421	1,622	2,484	1,441
	Taxes and dues	1,838	852	2,900	1,117	1,714	4,328	2,282
	Utilities expenses	1,309	200	1,531	667	1,083	340	469
	Repair Cost	5,013	940	2,837	833	1,313	1,516	1,454
	Insurance expenses	34	24	87	37	53	79	42
	Trust fees	296	296	296	296	296	296	296
	Other lease business expenses	2,001	281	2,176	1,306	1,942	2,582	1,650
	(4) NOI(=(2)-(3)) (thousand yen)	26,611	7,766	41,872	16,944	17,984	64,605	15,500
	(5) Depreciation (thousand yen)	8,845	3,136	14,884	6,236	7,335	14,840	5,253
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	17,766	4,629	26,987	10,708	10,649	49,765	10,247
	(7) Capital Expenditures (thousand yen)	-	214	-	536	2,077	-	971
	(8) NCF (=(4)-(7))	26,611	7,552	41,872	16,407	15,906	64,605	14,529

Income and Expenditure by Property (6)

Fiscal Period Ending July 2017 (As of July 31, 2017)



(1) Area category		Other regional cities			Greater Tokyo area			
(2) Property No.		B-07	B-08	B-09	C-01	C-02	C-03	C-04
(3) Property name		S-FORT Yokkaichi Nishishinchi	S-FORT Saga Honjo	S-FORT Saga Idaimae	S-FORT Maita Koen	S-FORT Nihonbashi Hakozaki	S-FORT Itabashi Shimura	S-FORT Shiomi
(4) Acquisition date		Aug-02, 2016	Aug-02, 2016	Aug-02, 2016	Apr-15, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015
(5) Price information	Acquisition price (million yen)	630	1,050	375	987	925	645	866
	Composition rate (%)	1.2	2.0	0.7	1.9	1.8	1.3	1.7
	Balance sheet amount (million yen)	688	1,098	392	997	956	658	889
(6) Leasing information	Total rentable area (㎡)	2,192.48	4,972.84	1,507.35	1,609.80	1,114.38	1,119.54	1,042.48
	Leased area (㎡)	2,192.48	4,972.84	1,507.35	1,540.75	1,066.38	1,119.54	1,042.48
	Occupancy rate (%)	100.0	100.0	100.0	95.7	95.7	100.0	100.0
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	27,385	36,153	12,898	33,354	27,983	21,055	29,220
	Real estate rental revenues	23,329	35,537	12,649	30,729	24,191	19,888	26,315
	Other lease business revenues	4,055	616	249	2,625	3,791	1,167	2,905
	(3) Regal estate rental expenses (thousand yen)	6,084	3,870	1,427	7,018	6,968	5,153	5,721
	Management service fee	1,515	-	-	2,444	1,564	1,294	1,878
	Taxes and dues	1,419	3,021	961	1,993	1,291	1,298	1,349
	Utilities expenses	854	-	-	338	426	277	438
	Repair Cost	935	457	139	832	2,092	1,252	603
	Insurance expenses	36	86	23	52	35	32	39
	Trust fees	-	296	296	296	394	394	394
	Other lease business expenses	1,322	9	7	1,059	1,163	604	1,018
	(4) NOI(=(2)-(3)) (thousand yen)	21,300	32,283	11,470	26,336	21,014	15,902	23,498
	(5) Depreciation (thousand yen)	6,098	13,866	4,584	9,207	5,082	4,144	6,070
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	15,202	18,416	6,886	17,128	15,932	11,757	17,428
	(7) Capital Expenditures (thousand yen)	-	993	-	132	1,501	-	408
	(8) NCF (= (4)-(7))	21,300	31,289	11,470	26,203	19,513	15,902	23,090

Income and Expenditure by Property (7)

Fiscal Period Ending July 2017 (As of July 31, 2017)



(1) Area category		Greater Tokyo area						
(2) Property No.		C-05	C-06	C-07	C-08	C-09	C-10	C-11
(3) Property name		S-FORT Noborito	S-FORT Shonan Hiratsuka	S-FORT Nishifunabashi	S-FORT Maihama	S-FORT Ichikawa	S-RESIDENCE Yokosuka Chuoh	S-FORT Sagami-hara
(4) Acquisition date		Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Jul-01, 2015	Aug-02, 2016	Aug-02, 2016
(5) Price information	Acquisition price (million yen)	666	818	732	1,130	809	850	585
	Composition rate (%)	1.3	1.6	1.4	2.2	1.6	1.6	1.1
	Balance sheet amount (million yen)	678	864	745	1,158	834	890	604
(6) Leasing information	Total rentable area (㎡)	1,022.10	1,717.46	1,397.64	1,726.56	1,255.90	1,492.09	1,198.26
	Leased area (㎡)	996.60	1,663.10	1,353.89	1,705.68	1,234.08	1,492.09	1,153.63
	Occupancy rate (%)	97.5	96.8	96.9	98.8	98.3	100.0	96.3
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	20,654	34,051	25,480	37,950	28,308	29,640	20,390
	Real estate rental revenues	19,526	30,506	23,548	33,539	26,157	29,520	18,766
	Other lease business revenues	1,128	3,545	1,932	4,411	2,151	120	1,623
	(3) Real estate rental expenses (thousand yen)	5,252	6,942	6,614	7,738	6,914	3,717	6,024
	Management service fee	1,277	2,549	1,530	1,911	2,213	1,392	1,572
	Taxes and dues	1,088	1,907	1,356	1,381	1,504	2,286	1,332
	Utilities expenses	220	202	294	612	790	-	431
	Repair Cost	942	429	1,705	1,657	1,145	-	1,011
	Insurance expenses	31	42	34	44	39	34	26
	Trust fees	394	394	394	394	394	-	197
	Other lease business expenses	1,297	1,416	1,299	1,735	827	4	1,452
	(4) NOI(=(2)-(3)) (thousand yen)	15,402	27,108	18,866	30,212	21,394	25,922	14,365
	(5) Depreciation (thousand yen)	5,379	6,467	6,138	6,872	3,166	7,636	4,396
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	10,023	20,640	12,727	23,339	18,227	18,285	9,968
	(7) Capital Expenditures (thousand yen)	579	-	-	2,786	7,954	-	-
	(8) NCF (=(6)-(7))	14,822	27,108	18,866	27,426	13,439	25,922	14,365

Financial Documents: Balance Sheet (1)

	(Unit : thousand yen)	
	Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)
Assets		
Current Assets		
Cash and deposits	693,393	649,743
Cash and deposits in trust	1,012,187	991,688
Operating accounts receivable	7,807	5,175
Prepaid expenses	66,960	67,979
Consumption tax receivable	61,006	-
deferred tax assets	16	15
Other	1,794	132
Total-current assets	1,843,165	1,714,734
Non-current assets		
Property, plant and equipment		
Buildings	2,197,790	2,204,081
Accumulated depreciation	-25,180	-50,553
Buildings, net	2,172,609	2,153,527
Tools, furniture and fixtures	686	686
Accumulated depreciation	-46	-136
Tools, furniture and fixtures, net	640	549
Land	1,521,625	1,523,123
Buildings in trust	29,808,193	29,829,883
Accumulated depreciation	-1,016,837	-1,413,203
Buildings in trust, net	28,791,355	28,416,680
Structures in trust	518	7,638
Accumulated depreciation	-5	-131
Structures in trust, net	513	7,507
Machinery and equipment in trust	468,125	468,125
Accumulated depreciation	-30,290	-41,580
Machinery and equipment in trust, net	437,835	426,544
Tools, furniture and fixtures in trust	11,250	24,415
Accumulated depreciation	-1,848	-3,473
Tools, furniture and fixtures in trust, net	9,401	20,942
Land in trust	20,879,603	20,879,603
Total property, plant and equipment	53,813,584	53,428,479

	(Unit : thousand yen)	
	Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)
Investments and other assets		
Investment securities	1,712	250,000
Lease and guarantee deposits	10,445	10,455
Long-term prepaid expenses	113,096	83,008
Total investments and other assets	125,254	343,463
Total non-current assets	53,938,839	53,771,943
deferred assets		
Investment unit issuance expenses	23,246	18,632
Investment corporation bond issuance costs	23,516	20,188
Total deferred assets	46,763	38,821
Total Assets	55,828,768	55,525,499

Financial Documents: Balance Sheet (2)

	(Unit : thousand yen)	
	Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)
Liabilities		
Current liabilities		
Operating accounts payable	113,842	94,166
Short-term loans payable	550,000	400,000
Current portion of long-term loans payable	-	5,000,000
Accounts payable – other	26,600	17,588
Accrued expenses	6,300	6,512
Accrued dividend	3,719	9,616
Accrued consumption taxes	-	8,001
Income taxes payable	936	699
Advances received	256,642	258,657
Deposits received	3,626	4,792
Total current liabilities	961,667	5,800,034
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term loans payable	27,200,000	22,200,000
Tenant leasehold and security deposits	30,446	30,538
Tenant leasehold and security deposits in trust	239,418	232,324
Total non-current liabilities	28,469,865	23,462,862
Total Liabilities	29,431,533	29,262,896
Net assets		
Unitholders' equity		
Unitholders' capital	26,015,517	26,015,517
Amount deducted from Unitholders' capital	-223,449	-366,930
Unitholders' capital (Net amount)	25,792,068	25,648,587
Surplus		
Unappropriated retained earnings	605,166	614,015
Total surplus	605,166	614,015
Total unitholders' equity	26,397,234	26,262,602
Total net assets	26,397,234	26,262,602
Total liabilities and net assets	55,828,768	55,525,499

Financial Documents : Statement of Income



(Unit : thousand yen)

	Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)
Operating revenue		
Rent revenue - real estate	1,679,137	1,686,773
Other lease business revenues	127,316	153,721
Total operating revenue	1,806,453	1,840,495
Operating expenses		
Expenses related to rent business	766,106	838,806
Asset management fee	76,246	127,808
Asset custody fee	3,591	4,941
Administrative service fees	36,536	35,814
Directors' compensations	2,400	2,400
Remuneration for Accounting Auditors	10,000	10,000
Other operating expenses	61,680	61,605
Total operating expenses	956,561	1,081,377
Operating income	849,892	759,118
Non-operating income		
Interest income	2	3
Interest on refund	-	88
Total non-operating income	2	91
Non-operating expenses		
Interest expenses	100,948	99,225
Interest expenses on investment corporation bonds	3,843	3,864
Borrowing related expenses	130,983	33,354
Amortization of investment unit issuance expenses	4,664	4,613
Amortization of investment corporation bond issuance costs	3,364	3,327
Total non-operating expenses	243,805	144,385
Ordinary income	606,089	614,824
Net income before income taxes	606,089	614,824
Income taxes - current	937	920
Deferred Income taxes	-4	0
Total income taxes	933	921
Net income	605,156	613,902
Balance brought forward	9	112
Unappropriated retained earnings (-)	605,166	614,015

Financial Documents : Statement of Cash Flows



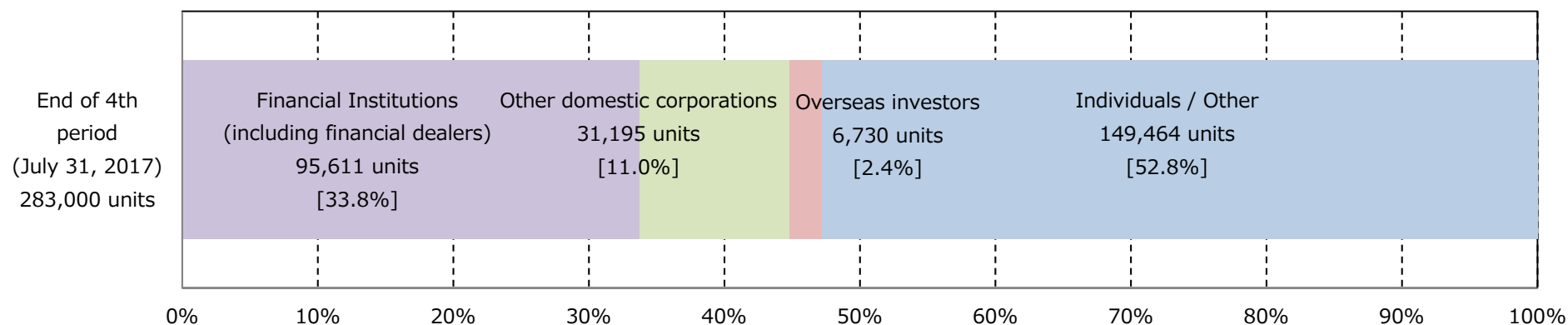
(Unit : thousand yen)			(Unit : thousand yen)		
	Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)		Previous Fiscal Year (January 31, 2017)	Current Fiscal Year (July 31, 2017)
Cash flows from operating activities			Cash flows from investing activities		
Net income before income taxes	606,089	614,824	Purchase of property, plant and equipment	-3,720,102	-7,788
Depreciation	434,908	434,869	Purchase of property, plant and equipment in trust	-18,183,309	-29,826
Interest income	-2	-3	Payment for lease and guarantee deposits	-221	-10
Interest expenses	104,792	103,089	Proceeds from collection of lease and guarantee deposits	60	-
Amortization of investment unit issuance expenses	4,664	4,613	Repayments of lease and guarantee deposits received	-1,125	-1,547
Amortization of investment corporation bond issuance costs	3,364	3,327	Proceeds from lease and guarantee deposits received	31,571	1,638
Decrease (increase) in operating accounts receivable	-4,633	2,632	Repayments of lease and guarantee deposits in trust received	-17,374	-29,654
Decrease (increase) in consumption taxes receivable	-61,006	61,006	Proceeds from lease and guarantee deposits in trust received	107,078	22,559
Decrease (increase) in consumption taxes payable	-4,555	8,001	Purchase of investment securities	-	-250,000
Decrease (increase) in prepaid expenses	-21,846	-1,019	Proceeds from redemption of investment securities	20,000	1,712
Increase (decrease) in operating accounts payable	51,021	-31,824	Cash flows from investing activities	-21,763,420	-292,915
Increase (decrease) in accounts payable – other	16,194	-9,012	Cash flows from financing activities		
Increase (decrease) in advances received	106,485	2,015	Increase in short-term bank loans	-	400,000
Decrease (increase) in long-term prepaid expenses	-28,737	30,088	Decrease in short-term loans payable	-462,000	-550,000
Other, net	19,780	2,958	Proceeds from long-term loans payable	11,200,000	-
Subtotal	1,226,520	1,225,567	Proceeds from issuance of investment corporation bonds	973,118	-
Interest income received	2	3	Proceeds from issuance of investment units	9,972,553	-
Interest expenses paid	-99,514	-102,877	Dividends paid	-426,000	-742,638
Income taxes – current	-828	-1,287	Cash flows from financing activities	21,257,672	-892,638
Cash flows from operating activities	1,126,178	1,121,405	Net increase (decrease) in cash and cash equivalents	620,430	-64,148
			Cash and cash equivalents at the beginning of period	1,085,150	1,705,580
			Cash and cash equivalents at the end of period	1,705,580	1,641,431

Unitholder Information (1)

Number of Units and Number of Unitholders by Unitholder Type



Number of units by unitholder type and number of unitholders by unitholder type



Unitholder Information

Number of units by unitholder type	As of July 31, 2016	As of January 31, 2017	As of July 31, 2017
Financial Institutions (including financial dealers)	53,419 units	88,799 units	95,611 units
Other domestic corporations	19,699 units	28,285 units	31,195 units
Overseas investors	5,590 units	8,038 units	6,730 units
Individuals / Other	84,632 units	157,878 units	149,464 units
Total	163,340 units	283,000 units	283,000 units

Number of unitholders by unitholder type	As of July 31, 2016	As of January 31, 2017	As of July 31, 2017
Financial Institutions (including financial dealers)	51 people	59 people	53 people
Other domestic corporations	186 people	262 people	235 people
Overseas investors	46 people	53 people	53 people
Individuals / Other	10,999 people	16,906 people	16,725 people
Total	11,282 people	17,280 people	17,066 people

Unitholder Information (2)

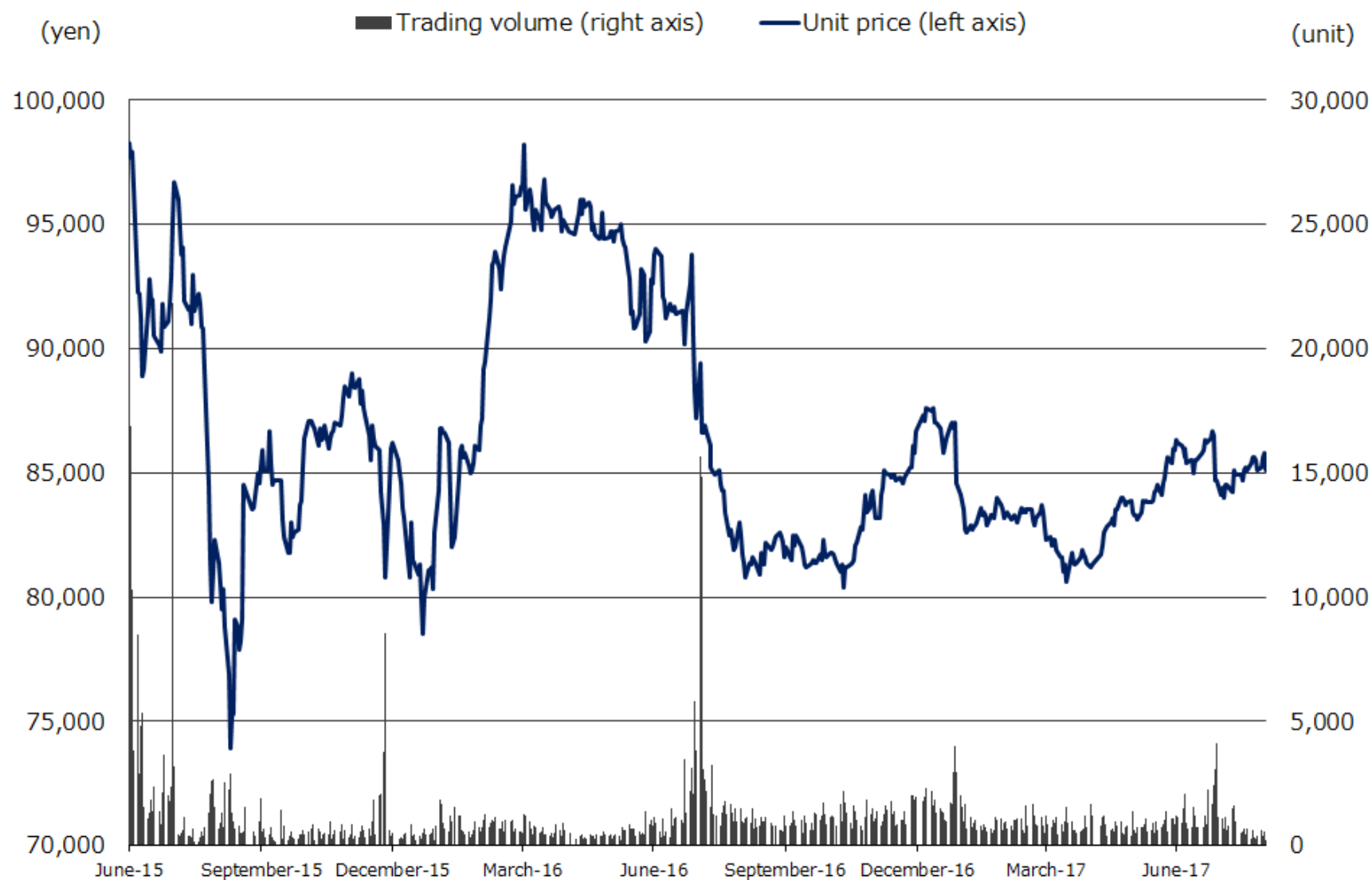
Major Unitholders



Major Unitholders (top 10) as of July 31, 2017

Unitholder	Investment units (units)	Ratio (%)
Japan Trustee Services Bank Ltd. (Trust Account)	24,554	8.67
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	13,177	4.65
Samty Co., Ltd.	12,374	4.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,208	4.31
Kinki Sangyo Credit Union	12,000	4.24
The Nomura Trust and Banking Co., Ltd. (Trust Account)	7,698	2.72
Osaka co-sei Shinkin Bank	5,820	2.05
Daido Shinyoukumiai	4,957	1.75
Daiwa PI Partners Co.Ltd.	4,244	1.49
Individual	3,632	1.28
Total of major unitholders (top 10)	100,664	35.57
Total of units	283,000	100.00

Change in Investment Unit Price (June 30, 2015 to August 31 2017)



Source: Prepared by Samty Asset Management based on Tokyo Stock Exchange, Inc. Database

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