

Samty Residential Investment Corporation

(Securities CODE : 3459)

Financial Results for the 6th Fiscal Period
Ending July 2018



Japan-Wide Portfolio



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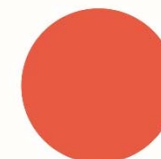
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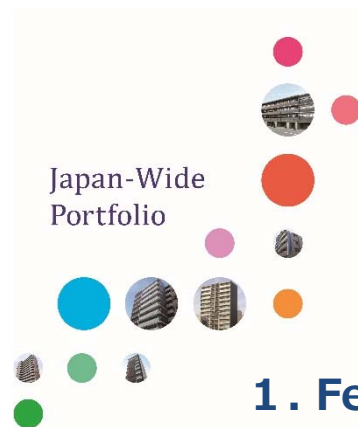
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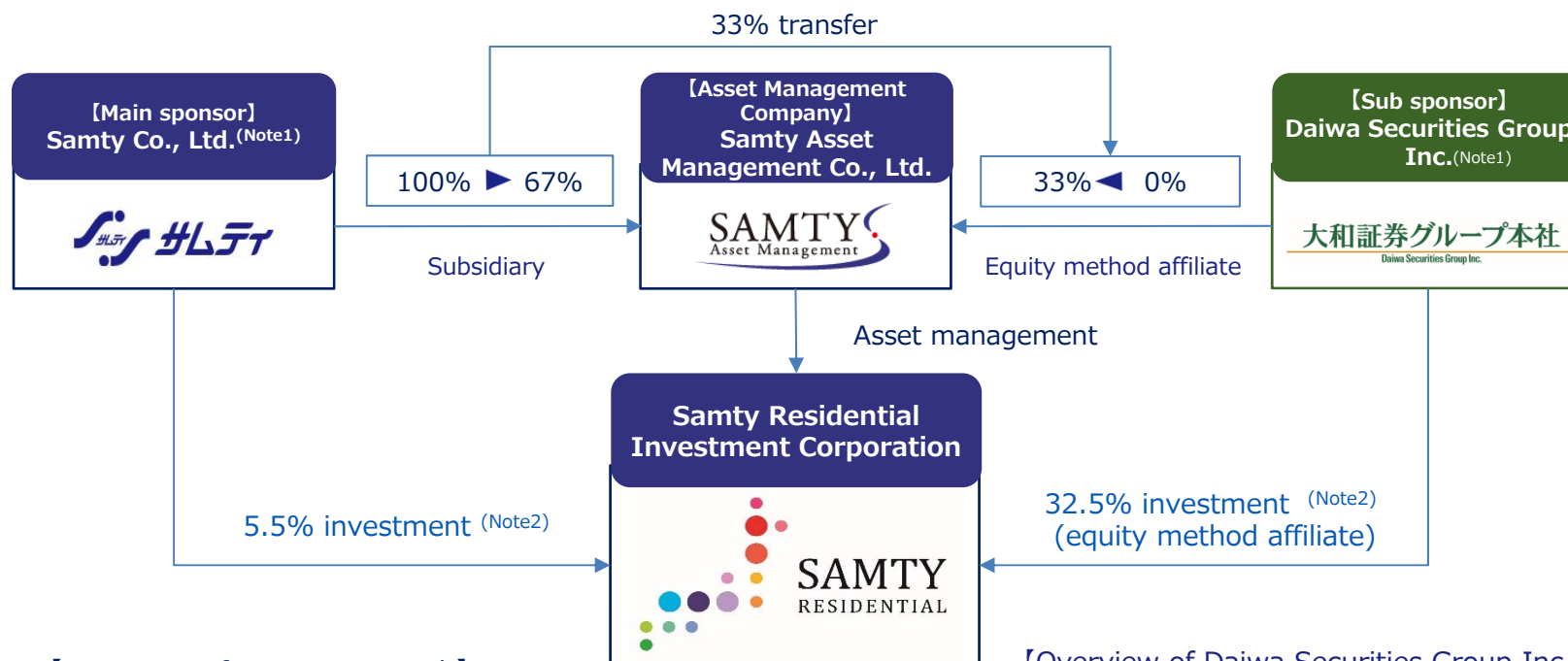
1 . Features of Samty Residential Investment Corporation

New Initiatives of Samty Residential Investment Corporation

Additional acquisition of new properties and third-party allotment
by Daiwa Securities Group Inc.



- Welcomed Daiwa Securities Group Inc. as a new sponsor in February 2018 and intend to further stabilize, maintain and support the asset management system



【Overview of Samty Co., Ltd.】

Establishment: 1982
Capital: 8.4 billion yen (as of the end of May 2018)
Number of employees: (consolidated) 195 (as of the end of May 2018)
Business: Real estate business, real estate leasing business, real estate planning and design, etc.

【Overview of Daiwa Securities Group Inc.】

Establishment: 1943
Capital: 247.3 billion yen (as of the end of March 2018)
Number of employees: (consolidated) 16,088 (as of the end of March 2018)
Business: Holding, management and control of shares of companies engaged in financial instruments business, etc.

(Note1) Samty Co., Ltd. and Daiwa Securities Group Inc. fall under a specified affiliated juridical person of the asset management company as set forth in Article 12-3 of the Cabinet Office Ordinance on Disclosure of Information, etc., on Regulated Securities (Law Number: Ordinance of the Ministry of Finance No. 22 of 1993; including subsequent revisions).

(Note2) Figure from public offering conducted in August 2018

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 Investment Corporation aims to build a portfolio which pursues stability, growth potential and earning potential by "investing primarily in residential properties in major regional cities," "utilizing the Samty Group," "receiving various sponsor support" and "utilizing the functions and network of Daiwa Securities Group Inc."

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
- ▶ Provision of warehousing functions
- ▶ Provision of human resources and management/operating support
- ▶ Provision of various information

Support from Daiwa Securities Group

Utilization of functions and network as a comprehensive securities group

- ▶ Provision of information
- ▶ Supporting formation of a bridge fund
- ▶ Cooperation in securing staff

"(Note) Samty Group" refers to Samty Co., Ltd. (the "Main Sponsor"), consolidated subsidiary companies of the Main Sponsor (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 the Main Sponsor itself invests in, other than the consolidated subsidiary companies of the Main Sponsor, 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

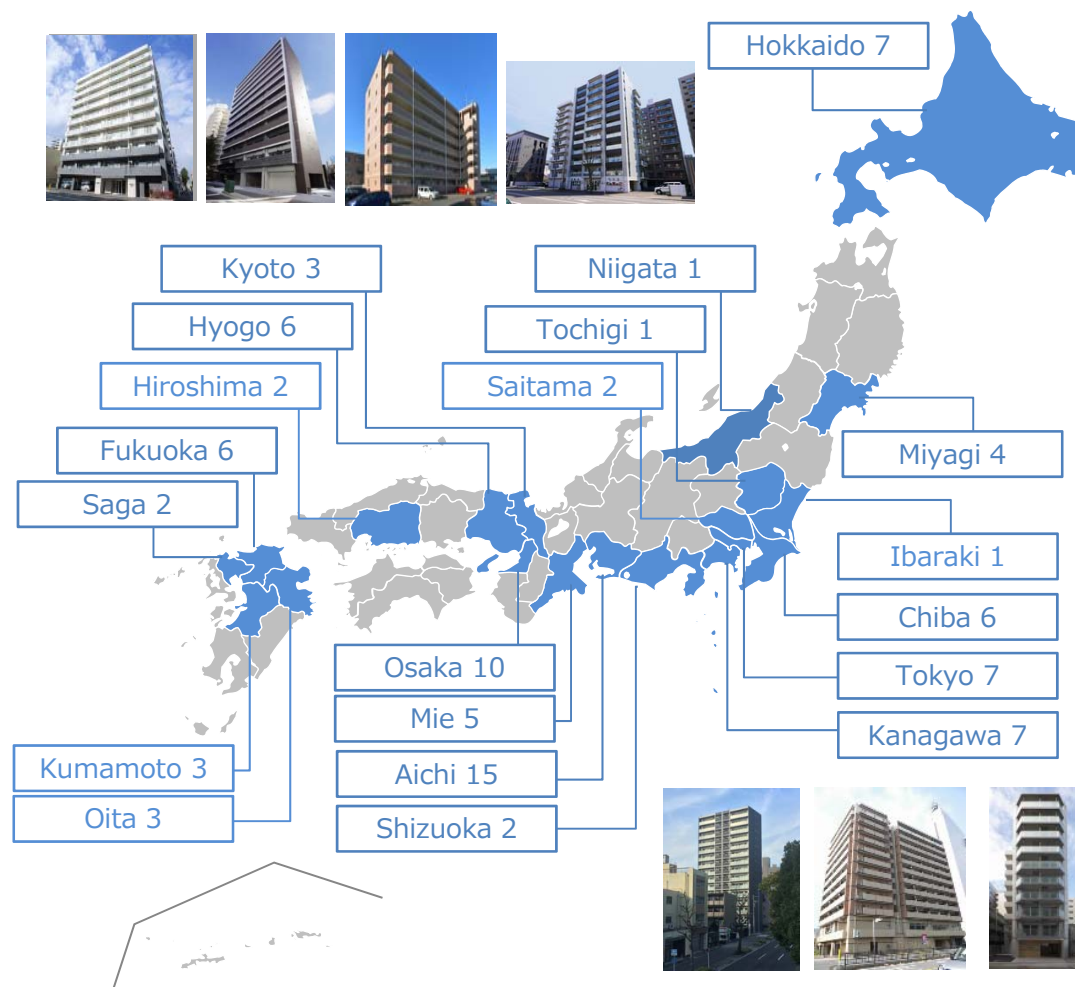
- ✓ Focusing on investing in major regional cities

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 based on the acquisition price (excluding acquisition-related expenses and taxes). The above investment ratios are future targets and actual portfolio composition may vary.

Portfolio Overview 1

- Samty Residential has acquired 93 residential properties throughout Japan and successfully composed more stable diversified portfolio concentrating in major regional cities



Asset size
89.6 billion yen

Average building age
8.6 year

Occupancy rate
95.1%

Average appraisal
NOI yield 5.4%

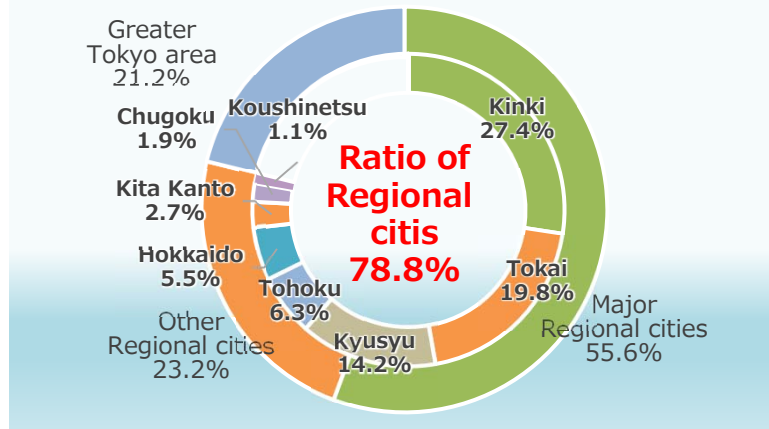
Area	No. of Properties	No. of rentable units
Major regional cities	48	3,532
Other regional cities	23	1,767
Greater Tokyo area	22	1,161
Total	93	6,460

(Note) The figures for number of properties and asset size include the 10 properties acquired on August 28, 2018 and the property scheduled to be acquired on November 26, 2018 (the "Newly Acquired Properties"). The figures for average building age are for the 93 properties owned as of July 31, 2018, including the existing 82 properties and Newly Acquired Properties. Building age of S-RESIDENCE Matsudo is indicated as 0.0 years as it is not completed. Average appraisal NOI yield is calculated based on the figures of the appraisal report as of July 31, 2018 for the existing 82 properties and as of June 1, 2018 for the Newly Acquired Properties. Figures for occupancy rate are for the existing 82 properties owned as of July 31, 2018.

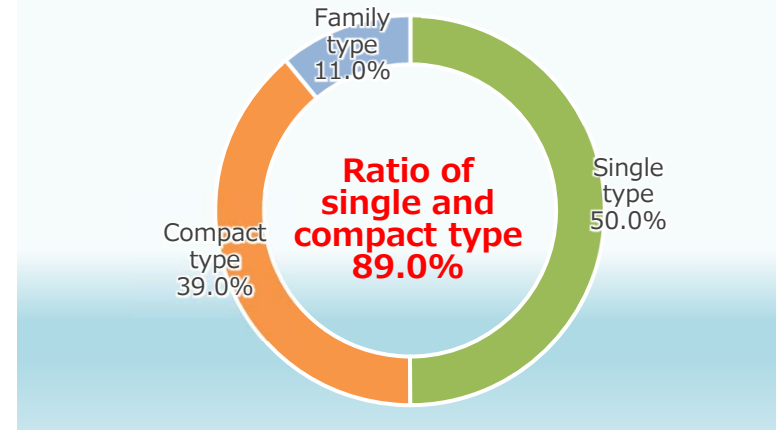
Portfolio Overview 2

Investment structure of owned properties

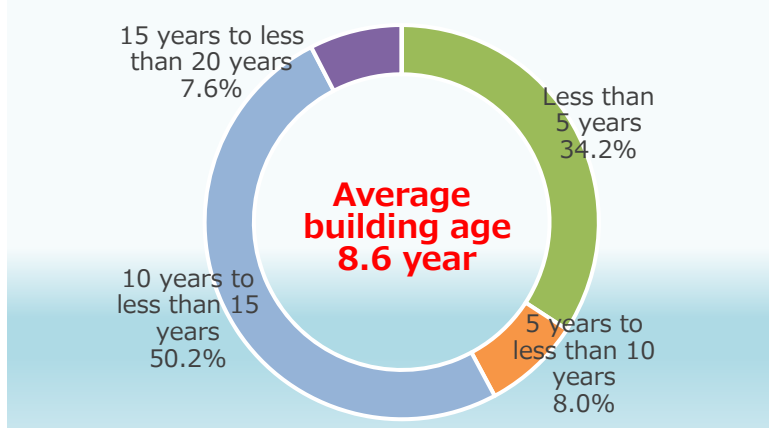
Investment ratio by geographical area



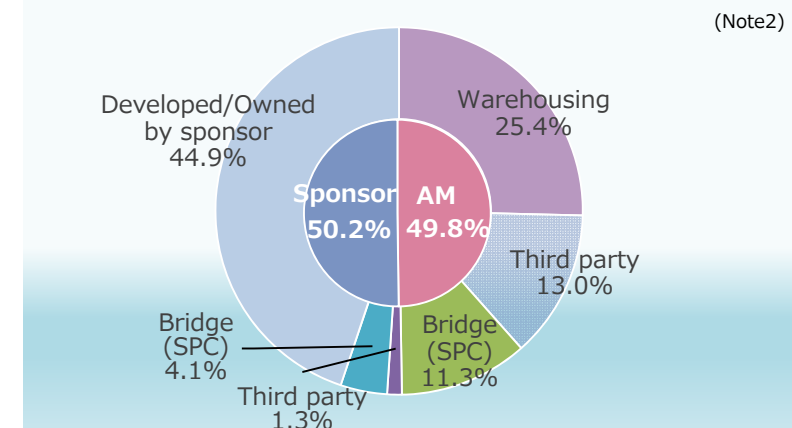
Ratio of average area per residential unit



Ratio by building age

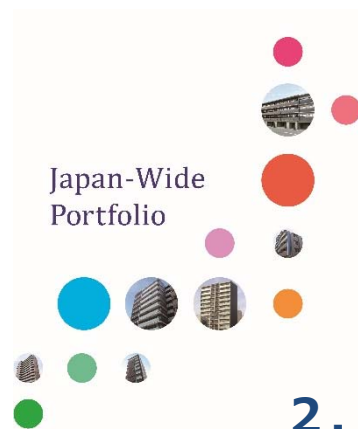


Investment ratio by information/acquisition channel



(Note1) The above ratios are calculated based on acquisition prices for 93 properties, including 10 properties newly owned on August 28, 2018 and one propertis scheduled to be owned on November 26m 2018.

(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 6th Fiscal Period

Summary of Income Statement for 6th Fiscal Period Comparison of Forecast and Actual Result



Although real estate rental revenue was lower than the assumption, key money income, renewal fee and other real estate rental revenue increased. The actual result was generally as expected with decreased borrowing related expenses

(million yen)

	4th Period results (July 31, 2018)	5th Period results (January 31, 2018)	6th Period (July 31, 2018)			Vs 4th and 6th results	Vs. 5th and 6th results
			Forecast (As of March 15, 2018)	Results	Change from Forecast		
Management performance							
Operating revenue	1,840	1,834	2,869	2,888	18	1,047	1,053
(out of which, real estate rental revenue)	1,840	1,817	2,861	2,875	14	1,035	1,058
Operating expenses	1,081	1,045	1,474	1,483	9	402	438
(out of which, real estate rental expenses)	838	803	1,184	1,200	15	361	396
Operating income	759	789	1,395	1,404	9	645	614
Non-operating income and loss	-144	-169	-400	-392	7	-248	-223
Ordinary income	614	620	994	1,011	17	396	390
Corporate tax, etc.	0	0	1	0	0	0	0
Net income	613	619	993	1,010	17	396	390

■ Distributions (Note)

(yen)

Distribution per unit (Not including distribution in excess of earnings) . . . ①	2,169	2,191	2,175	2,213	38	44	22
Distribution in excess of earnings per unit . . . ②	501	484	495	468	-27	-33	-16
Total distribution per unit . . . ① + ②	2,670	2,675	2,670	2,681	11	11	6

(Note1) Calculated with the number of investment units issued at 283,000 for 5th period and 456,600 for 6th period.

(Note2) For more details, please refer to "Change in forecast actual forecast" on page P.39.

■ Vs. 6th fiscal period forecast

Although revenues from rents including common area expenses decreased, operating revenue was 2,888 million yen (+18 million yen from the plan) due to the increase in key money, renewal fees and other revenue as well as the increase in revenues from silent partnership distribution. In addition, operating expenses was 1,483 million yen (+9 million yen from the plan) and operating income was 1,404 million yen (+9 million yen from the plan) due to the increase in restoration expenses and leasing promotion expenses. Non-operating expenses was 392 million yen (-7 million from the plan) due to the decrease in financial costs, and net income was 1,010 million yen (+17 million yen from the plan) as a result of the above changes.

■ Vs. 6th fiscal period forecast

(+ indicates increase factors, - indicates decrease factors))

- Increase in operating revenue +18 million yen
- Decrease in revenues from rents including common area expenses -27 million yen
- Increase in other revenues from rental business +41 million yen
- Increase in income from silent partnership distribution +4 million yen
- Increase in operating expenses +9 million yen
- Increase in leasing promotion expenses +10 million yen
- Increase in restoration expenses +16 million yen
- Decrease in repair expenses -9 million yen
- Decrease in selling, general and administrative expenses -6 million yen
- Decrease in non-operating income and loss +7 million yen
- Decrease in interest expenses +1 million yen
- Decrease in borrowing related expenses +4 million yen

【Average occupancy rate】

Forecast : 96.2% Actual : 95.6%

【Capital expenditures】

Forecast : 68 million yen
Actual : 68 million yen

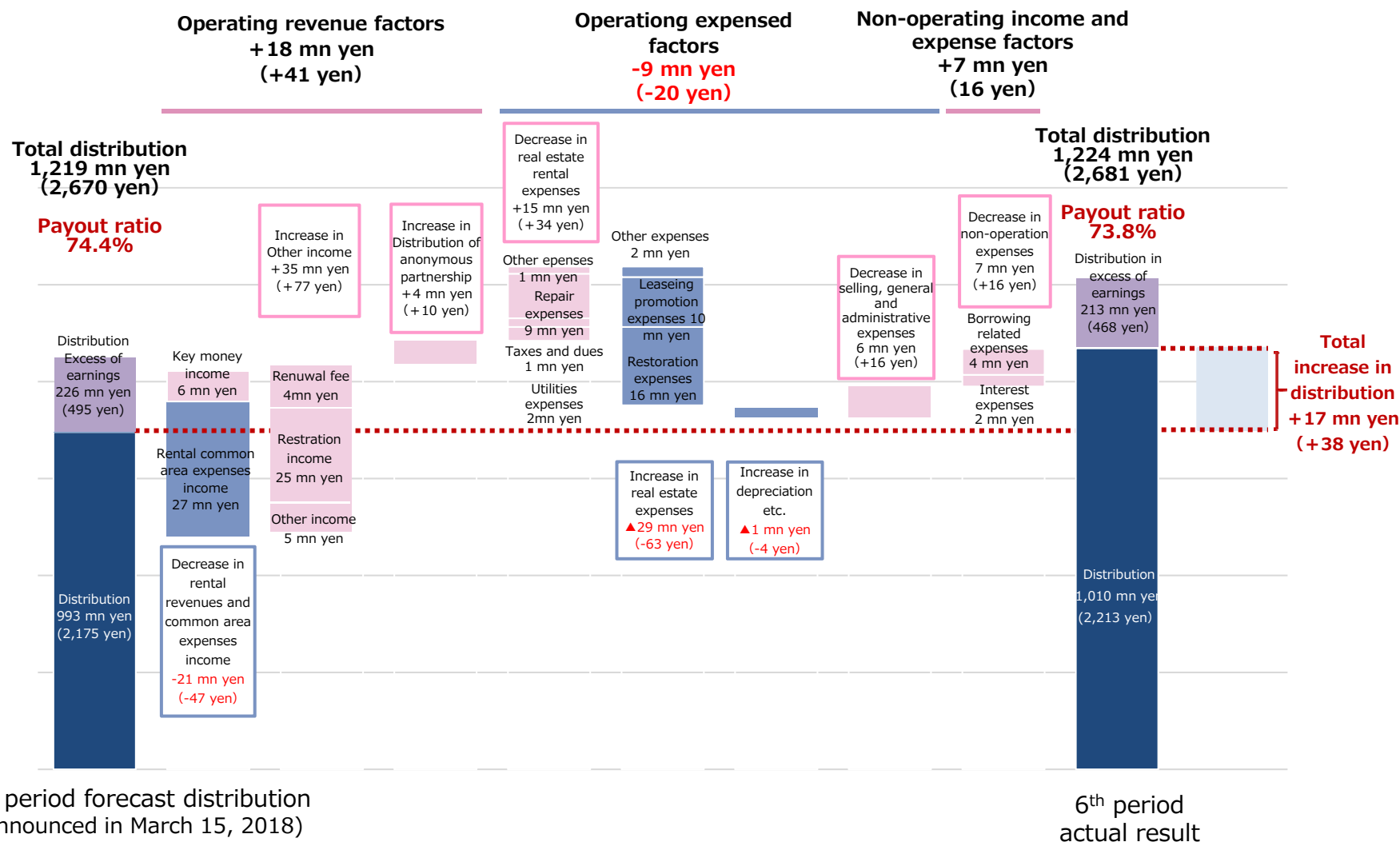
【Payout ratio】

Forecast : 74.4%
Actual : 73.8%

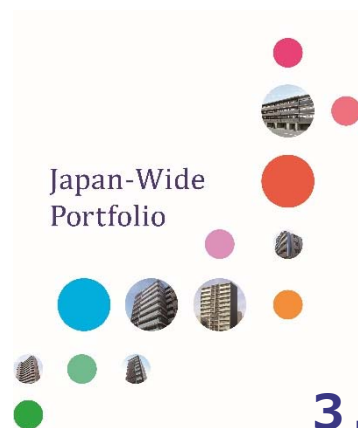
Summary of Income Statement for 6th Fiscal Period

Comparison of Forecasted Distribution with Actual Result

Comparison of forecast and actual results for 6th fiscal period



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



3. Managing Results

Management Summary



External Growth	<ul style="list-style-type: none"> Samty Residential will continue to aim for expansion of asset size by utilizing warehousing in cooperation with the bridge fund and sponsor and cooperating with developers <p>⇒ Acquired new properties worth 29.9 billion yen (33 properties) in February and March 2018. Also acquired new properties worth 8.1 billion yen (11 properties) in August and November 2018. Asset size expanded to 89.6 billion yen (93 properties) and stability increased with the progress in the dispersion of portfolio</p>
Internal Growth	<ul style="list-style-type: none"> Average occupancy rate remained stable and rent unit prices are also strong However, period-end occupancy rate in major regional cities is at the lowest level ever <p>⇒ Cause: Management of existing properties was not implemented sufficiently and operation became sluggish as a result of the acquisition of the 33 properties associated with the third-party allotment and focus on value enhancement after the acquisition.</p> <p>In addition, although the goal of NOI has been achieved, profits increased only slightly with the increase in restoration expenses and leasing promotion expenses.</p>
Financial Strategy	<ul style="list-style-type: none"> Samty Residential intends to diversify its fund procurement methods by conducting capital increase through third-party allotment with Samty Co., Ltd. and Daiwa Securities Group Inc. as the allottees and capital increase through public offering. Samty Residential developed a solid financial base and decreased the spread by diversifying repayment dates of and fixing the interest rates for interest-bearing liabilities, etc. Samty Residential acquired a long-term issuer credit rating of A-(stable) from JCR.

◆ Portfolio highlights

	End of 3rd period (January 31, 2017)	End of 4th period (July 31, 2017)	End of 5th period (January 31, 2018)	After the capital increase through third- party allotment (after purchased 33 properties)	End of 6th period (July 31, 2018)	After the PO in August 2018 (After acquired 11 properties)
No. of properties	49 properties	49 properties	49 properties	82 properties	82 properties	93 properties
Total acquisition price	51,551 million yen	51,551 million yen	51,551 million yen	81,515 million yen	81,515 million yen	89,642 million yen
Appraisal value	55,693 million yen	56,490 million yen	56,658 million yen	87,626 million yen	87,976 million yen	96,356 million yen
Appraisal NOI yield	5.6%	5.6%	5.6%	5.5%	5.5%	5.4%
NAV per unit ^(Note1)	97,779 yen	101,449 yen	102,854 yen	94,954 yen	97,025 yen	95,424 yen
Average building age	7.9 year	8.4 year	8.9 year	8.5 year	9.0 year	8.6 year
Occupancy rate	97.5%	95.6%	96.5%	96.2% ^(Note2)	95.1%	94.6% ^(Note3)
No. of rentable units	3,754 units	3,754 units	3,754 units	5,920 units	5,920 units	6,460 units

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

After the PO in August 2018, it will be calculated by deducting from the appraisal value the assumed expenses added to the acquisition price of the properties.

(Note 2) Occupancy rate after the capital increase through third-party allotment is based on the figures as of the end of January 2018 for the existing 49 properties and the figures as of the end of October 2017 for the 33 properties newly acquired on February 1 and March 1, 2018. It is assumed that the fixed rent master lease agreement concluded with J.S.B. Co., Ltd. and Samty Residential Investment Corporation on February 1, 2018 for S-FORT Oita Otemachi and the lease agreement concluded with Mininet, Inc. and Samty Co., Ltd. on March 1, 2018 for S-FORT Osu Kannon existed as of the end of October 2017 (Note 3) As for S-RESIDENCE Miyanomori, calculation is based on occupancy rate, which is regarded to be 100% as rent is guaranteed by the main sponsor from August 28, 2018 to July 31, 2019. S-RESIDENCE Matsudo is excluded from the calculation as it is not yet complete.

Overview of Public Offering in August 2018 and Newly Acquired Properties

- Samty Residential has contributed to the improvement of unitholder value as well as realized the improvement of its portfolio and earning potential through steady expansion of asset size since listing.

◆ Overview of public offering

Details of offering	Number of investment units issued	47,500 units	Price of offering	89,895 yen per unit (Final closing price on the day on which the conditions were determined: 92,200 yen)
	Number of investment units offered through over-allotment	2,375 units	Total amount of offering	4,270 million yen
Schedule	Date of resolution of issuance	August 10, 2018	Amount of procurement	4,116 million yen
	Payment date	August 27, 2018	Lead Managers (Co-Lead Managers)	Daiwa Securities Co., Ltd. Nomura Securities Co., Ltd.
	Delivery date	August 28, 2018		

◆ Overview of property acquisition

No. of properties	Total acquisition price	Appraisal value	Average appraisal NOI yield	Average building age
11	8.1 billion yen	8.3 billion yen	5.0%	4.2 years

(Note 1) Average appraisal NOI yield is calculated based on the figures of the appraisal report as of July 31, 2018 for the existing 82 properties and as of June 1, 2018 for the Newly Acquired Properties.
 (Note 2) Figures are calculated as of July 31, 2018. Building age of S-RESIDENCE Matsudo is indicated as 0.0 years as it is not completed.

Properties acquired (scheduled to be acquired) in August/November 2018 (S-RESIDENCE Series)

A-43 S-RESIDENCE Shin Osaka Ridente



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
1,338	1,390	4.6%

Location	Yodogawa-ku, Osaka-shi
Access	About 10-min walk from Mikuni Station, Hankyu takarazuka Line
No. of rentable units	90 units
Completion date	Jan.2018

A-47 S-RESIDENCE Miyanomori



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
660	679	5.4%

Location	Chuo-ku, Sapporo-shi
Access	About 4-min walk from Chokoku Bijutsukan Iriguchi Bus Stoop, JR Hokkaido Bus
No. of rentable units	22 units
Completion date	Nov. 2017

C-22 S-RESIDENCE Matsudo



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
840	850	4.6%

Location	Matsudo-shi, Chiba
Access	3-min walk from Matsudo Station JR Joban Line
No. of rentable units	52 units
Completion date	Oct. 2018 (scheduled)

Properties acquired (scheduled to be acquired) in August/November 2018 (S-FORT Series)

A-44 S-FORT Fukushima La Luna



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
896	923	4.7%
Location		Kita-ku, Osaka-shi
Access		About 10-min walk from Fukushima Station, JR Osaka Loop Line
No. of rentable units		48 units
Completion date		Jan. 2016

A-45 S-FORT Fukushima Libre



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
538	538	4.7%
Location		Fukushima-ku, Osaka-shi
Access		About 1-min walk from Sagisu 6-chome Bus Stop, Osaka City Bus Line
No. of rentable units		36 units
Completion date		Aug. 2016

A-46 S-FORT Kamiyashiro



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
429	430	5.7%
Location		Meito-ku, Nagoya-shi
Access		About 5-min walk from Kamiyashiro Station, Nagoya City Subway Higashiyama Line
No. of rentable units		42 units
Completion date		Feb. 2004


A-48 S-FORT Higashi-Sapporo Nordo



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
303	430	5.7%
Location		Shiroishi-ku, Sapporo-shi
Access		9-min walk from Higashi Sapporo Station, Sapporo City Subway Tozai Line
No. of rentable units		24 units
Completion date		Feb. 2005


Properties acquired (scheduled to be acquired) in August/November 2018 (S-FORT Series)

B-21 S-FORT Esaka Tarumicho



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
774	788	5.0%
Location	Suita-shi, Osaka	
Access	About 10-min walk from Esaka Station, Osaka Metro Midosuji Line	
No. of rentable units	48 units	
Completion date	Nov. 2016	


B-22 S-FORT Niigata Honcho

Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
960	967	5.6%
Location	Chuo-ku, Niigata-shi	
Access	About 3-min walk from Honcho Bus Stop, Niigata Kotsu Bus Line	
No. of rentable units	83 units	
Completion date	Mar. 2018	


B-23 S-FORT Motohama

M



Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
239	240	6.0%
Location	Naka-ku, Hamamatsu-shi	
Access	About 6-min walk from Enshu Station, Enshu Railway Line	
No. of rentable units	34 units	
Completion date	Mar. 2007	

C-21 S-FORT Fujimidai





Acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
1,150	1,270	5.1%
Location	Nakano-ku, Tokyo	
Access	About 1-min walk from Fujimidai Station, Seibu Ikebukuro Line	
No. of rentable units	61 units	
Completion date	Aug. 2008	

Properties acquired in February/March 2018 (list of properties acquired in the 6th fiscal period)

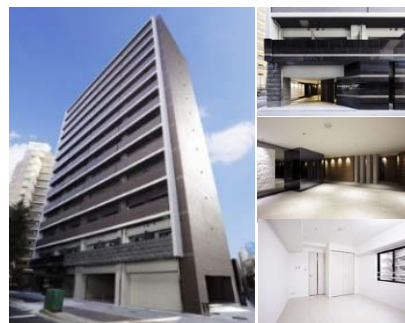
List of properties

Major regional cities

 Close to universities

 Close to medical institution

S-RESIDENCE Midoribashi SF



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

	No. of properties	No. of units
Major regional cities	13 properties	771 units
Other regional cities	11 properties	902 units
Greater Tokyo area	9 properties	493 units
Total	33 properties	2,166 units

S-FORT Tsurumai reale



S-FORT Osu Kannon



S-FORT Kita-Sanno



S-FORT Aratamabashi



Location	Showa-ku, Nagoya-shi	Naka-ku, Nagoya-shi	Nakagawa-ku, Nagoya-shi	Minami-ku, Nagoya-shi
No. of rentable units	56 units	84 units	36 units	29 units
Completion date	Jan-17	Jan-18	Aug-12	Mar-99

S-FORT Toyohira Sanjyo



S-FORT Kitamaruyama



S-FORT Hakata Higashi I



S-FORT Hakata Higashi II

Location	Toyohira-ku, Sapporo-shi	Chuo-ku, Sapporo-shi	Hakata-ku, Fukuoka-shi	Hakata-ku, Fukuoka-shi
No. of rentable units	63 units	49 units	35 units	35 units
Completion date	Mar-08	Oct-07	Feb-18	Feb-03

S-FORT Kobe Sannomiya-Kita



S-FORT Nakahirodori



S-FORT Tsurumicho



S-FORT Aoba Kamisugi




Location	Chuo-ku, Kobe-shi	Nishi-ku, Hiroshima-shi	Naka-ku, Hiroshima-shi	Aoba-ku, Senda-shi
No. of rentable units	45 units	74 units	51 units	66 units
Completion date	Mar-04	Mar-07	Oct-08	Oct-07


Properties acquired in February/March 2018 (list of properties acquired in the 6th fiscal period)

List of properties

Other regional cities

Greater Tokyo area

 Close to universities

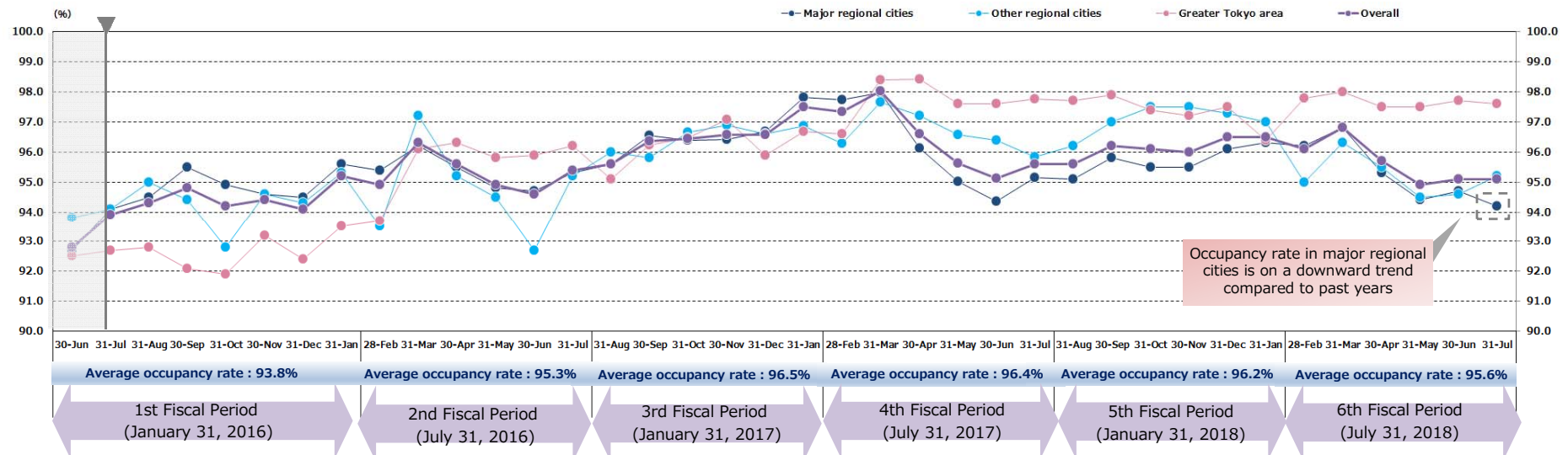
 Close to medical institution

	S-FORT Nishinomiya	 S-FORT Nishinomiya Uegahara	S-FORT Mito Chuo	S-FORT Tsu Shinmachi	  S-FORT Mie Daigaku-mae	 S-FORT Takasagomachi	 S-FORT Oita Ekimae
							
Location	Nishinomiya-shi, Hyogo	Nishinomiya-shi, Hyogo	Mito-shi, Ibaraki	Tsu-shi, Mie	Tsu-shi, Mie	Oita-shi, Oita	Oita-shi, Oita
No. of rentable units	102 units	62 units	80 units	69 units	62 units	92 units	91 units
Completion date	Mar-09	Feb-07	Jan-08	Jan-10	Feb-06	Dec-06	Mar-07
	S-FORT Oita Otemachi	  S-FORT Suizenji	  S-FORT Kumadaibyoin-mae	  S-FORT Kumamoto Senba	 S-FORT Hoya	 S-FORT Tamagawagakuen-mae	S-FORT Tsurukawa
							
Location	Oita-shi, Oita	Kumamoto-shi, Kumamoto	Kumamoto-shi, Kumamoto	Kumamoto-shi, Kumamoto	Nishi-Tokyo-shi, Tokyo	Machida-shi, Tokyo	Machida-shi, Tokyo
No. of rentable units	35 units	119 units	99 units	91 units	60 units	45 units	30 units
Completion date	Jul-16	Jul-06	Feb-06	Jan-18	Mar-07	Feb-08	Mar-02
	 S-RESIDENCE Yokohama Tanmachi	S-FORT Chigasaki	S-FORT Kawaguchi Namiki	S-FORT Todakoen	 S-FORT Funabashi Tsukada	S-FORT Kashiwa	
							
Location	Yokohama-shi, Kanagawa	Chigasaki-shi, Kanagawa	Kawaguchi-shi, Saitama	Toda-shi, Saitama	Funabashi-shi, Chiba	Kashiwa-shi, Chiba	
No. of rentable units	36 units	36 units	70 units	62 units	117 units	37 units	
Completion date	Nov-16	Jan-17	Jul-16	Jan-17	Mar-08	Mar-06	

Changes in the Occupancy Rates by Area

Occupancy rate for the entire portfolio has risen 2.3 point from the time of IPO. Currently it stably keeps over 95%.

Began management
with 28 properties
On July 1, 2015



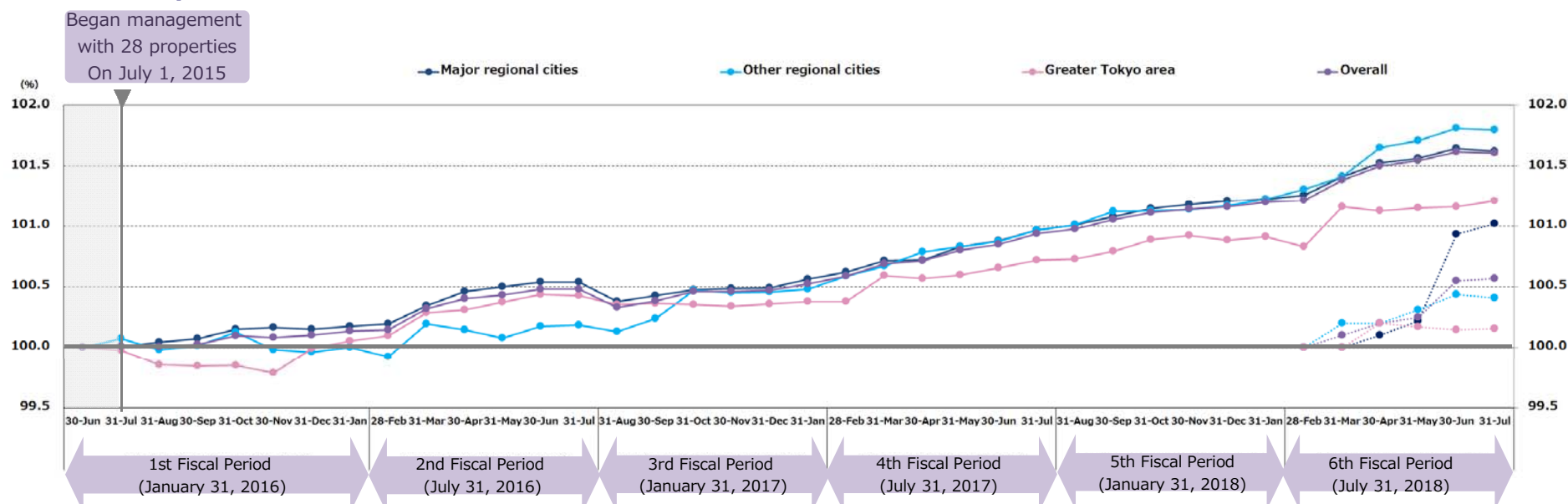
Occupancy rate (%)	1st Fiscal Period (January 31, 2016)		2nd Fiscal Period (July 31, 2016)	3rd Fiscal Period (January 31, 2017)	4th Fiscal Period (July 31, 2017)						5th Fiscal Period (January 31, 2018)						6th Fiscal Period (July 31, 2018)					
	30-Jun	31-Jan	31-Jul	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun	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	97.8	97.7	98.0	96.1	95.0	94.4	95.2	95.1	95.8	95.5	95.5	96.1	96.3	96.2	96.8	95.3	94.4	94.7	94.2
Other regional cities	93.8	95.3	95.2	96.9	96.3	97.6	97.2	96.6	96.4	95.8	96.2	97.0	97.5	97.5	97.3	97.0	95.0	96.3	95.5	94.5	94.6	95.2
Greater Tokyo area	92.5	93.5	96.2	96.7	96.6	98.4	98.4	97.6	97.6	97.8	97.7	97.9	97.4	97.2	97.5	96.4	97.8	98.0	97.5	97.5	97.7	97.6
Overall	92.8	95.2	95.4	97.5	97.3	98.0	96.6	95.6	95.1	95.6	95.6	96.2	96.1	96.0	96.5	96.5	96.1	96.8	95.7	94.9	95.1	95.1

(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. In addition, the occupancy rate as of the end of February 2018 does not include that of S-FORT Osu Kannon acquired on March 1, 2018

Changes in unit rent after adjustment

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



■ Upper row: 49 properties (existing properties) ■ Lower row: 33 properties (properties acquired in February and March 2018)

Rent unit price after adjustment End of June 2015 = 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)						5th Fiscal Period (January 31, 2018)						6th Fiscal Period (July 31, 2018)					
	30-Jun	31-Jan	31-Jul	31-Jan	28-Feb	31-Mar	30-Apr	31-May	30-Jun	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	100.6	100.6	100.7	100.7	100.8	100.9	101.0	101.0	101.1	101.1	101.2	101.2	101.2	101.3	101.4	101.5	101.6	101.6	101.6
Other regional cities	100.0	100.0	100.2	100.5	100.6	100.7	100.8	100.8	100.9	101.0	101.0	101.1	101.1	101.2	101.2	101.2	101.3	101.4	101.6	101.7	101.8	101.8
Greater Tokyo area	100.0	100.1	100.4	100.4	100.4	100.6	100.6	100.6	100.7	100.7	100.7	100.8	100.9	100.9	100.9	100.9	100.8	101.2	101.1	101.1	101.2	101.2
Overall	100.0	100.1	100.5	100.5	100.6	100.7	100.7	100.8	100.9	100.9	101.0	101.1	101.1	101.1	101.2	101.2	101.2	101.4	101.5	101.5	101.6	101.6

(Note)

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

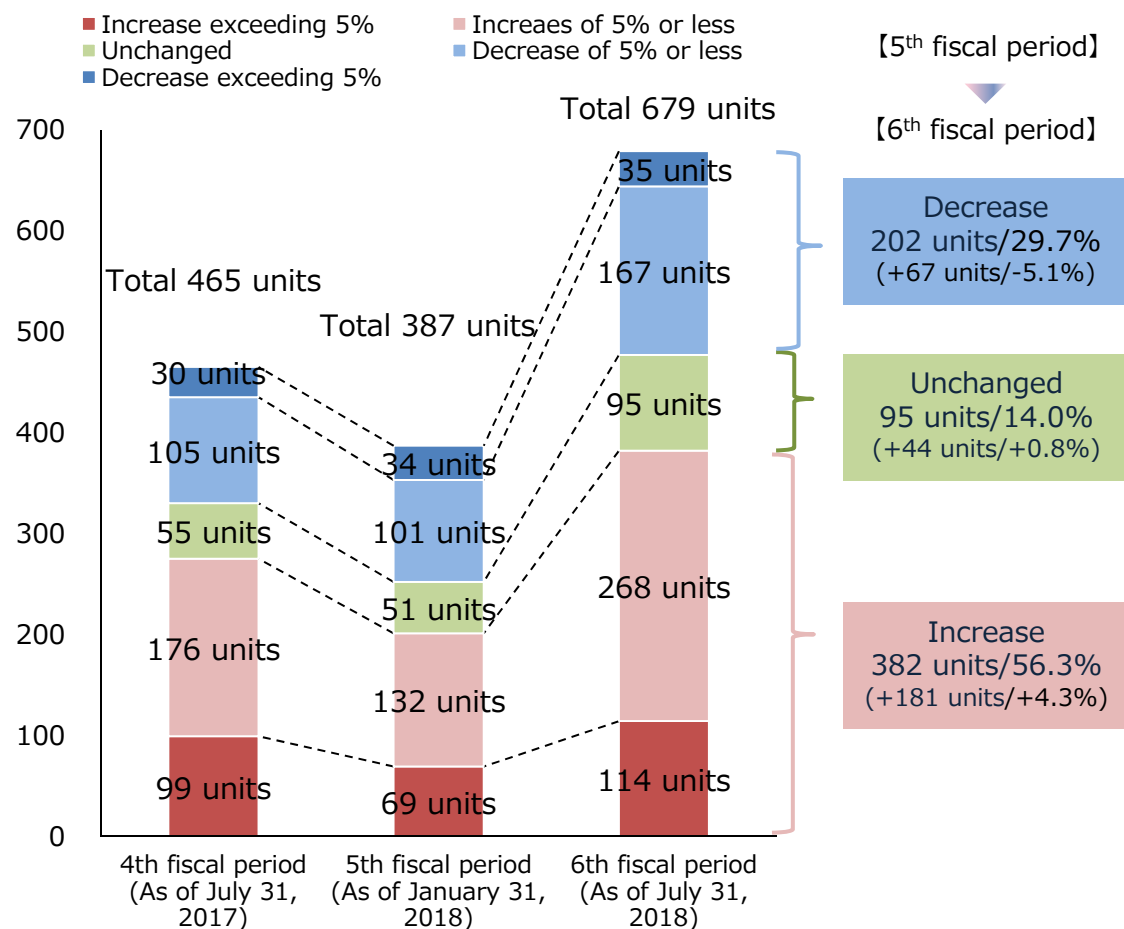
Unit rent after adjustment = {Monthly rent revenue + (Key money revenue ÷ Assumed contract period)} ÷ Contracted area

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.

Rent unit price after adjustment End of February 2018 = 100	6th Fiscal Period (July 31, 2018)					
	28-Feb	31-Mar	30-Apr	31-May	30-Jun	31-Jul
Major regional cities (TPA)	100.0	100.0	100.1	100.2	100.9	101.0
Other regional cities (TPA)	100.0	100.2	100.2	100.3	100.4	100.4
Greater Tokyo area (TPA)	100.0	100.0	100.2	100.2	100.1	100.2
Overall (TPA)	100.0	100.1	100.2	100.2	100.5	100.6

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

- ◆ The ratio of increase of unit rent after adjustment at the time of tenant replacement is 56.3%
- Increase or decrease of unit rent after adjustment at the time of tenant replacement ^(Note)
(No. of units / Composition ratio)



(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

5th fiscal period to 6th fiscal period [Increase factors]

- Number of tenant replacements increased from the 5th fiscal period as the peak season started
- Worked to increase rents by having negotiations upon tenant replacement
- Continue to promote the acquisition of key money upon replacement as part of sales strategy

6th fiscal period

[Breakdown of increase through negotiation cases/total number of increased cases]

(1) Increase due to negotiation	168 cases
(2) Increase due to review of rent balance	189 cases
(3) Increase due to elimination of rent gap	20 cases
(4) Increase due to receiving key money/acquiring more key money than the previous	5 cases

6th fiscal period

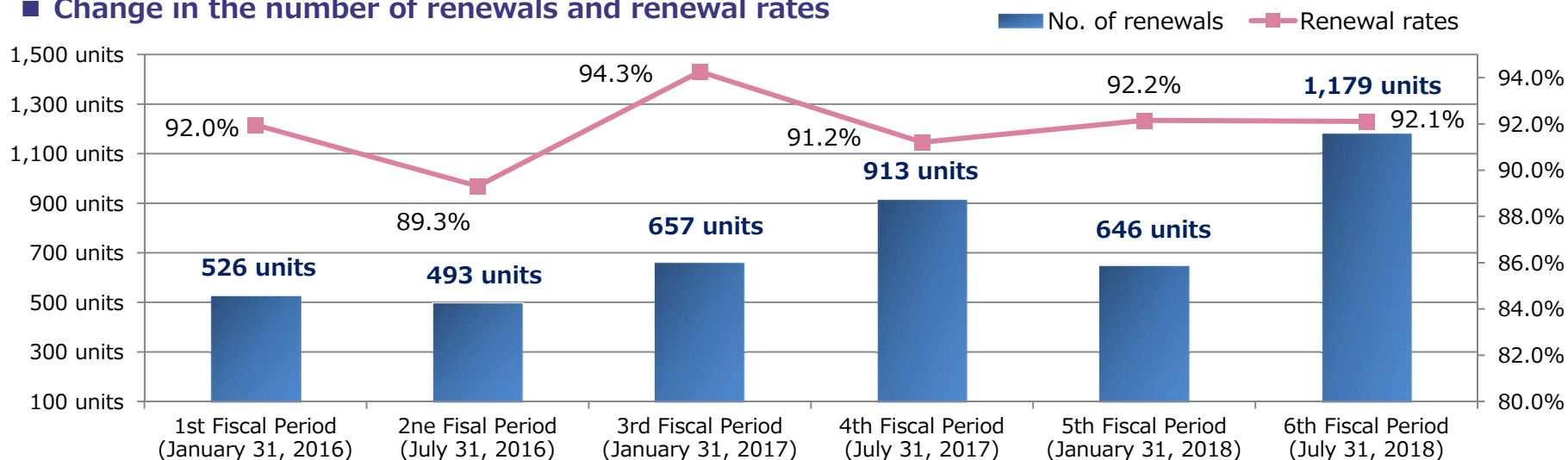
[Decrease factors/total number of decreased cases]

(1) Decrease due to review of rent balance	75cases
(2) Decrease due to rent gap	
(3) Decrease due to not receiving key money	95 cases
(unit rent excluding key money has risen as for 31 properties)	

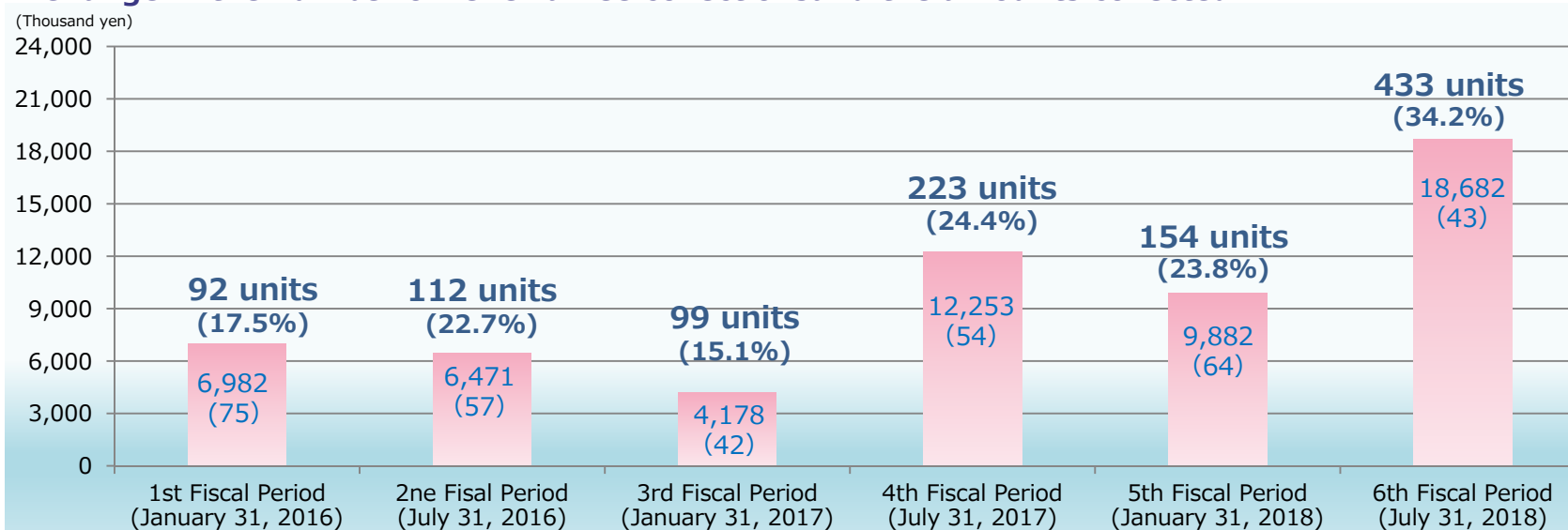
Change in Renewal Status of Owned Properties

◆ 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



Future measures for leasing ①

◆ Progress in properties with low occupancy in the previous fiscal period

【List of properties whose goal has been achieved】

Property name	Occupancy rate as of the end of January	Occupancy rate as of the end of July	Target of occupancy rate	Schedule for achieving initial goal	Efforts for achieving goal
S-FORT Shin Osaka ravir	89.8%	96.0%	92.0%	Until the end of April	-Increasing name recognition of the property by holding a viewing event and changing the PM company -Appealing the efficiency and improvement of various procedures, etc. to brokers
S-FORT Nakajima Koen	85.6%	95.5%	93.5%	Until the end of April	-Taking in relocation needs of neighboring residents through posting, etc. -Conducting a campaign limited to brokers with records of recently concluding contracts with customers
S-FORT Kurumamichi	79.8%	89.7%	97.1%	Until the end of April	-Renovating vacant units on the top floor -Occupancy rate as of the end of August is 100%

【List of properties making continuous progress】

Property name	Occupancy rate as of the end of January	Occupancy rate as of the end of July	Target of occupancy rate	Schedule for achieving initial goal	Cause of low occupancy (current status)	Improvement measures
S-FORT Shizuoka Hondori	85.7%	82.1%	96.4%	Until the end of May ↓ (reset) Until the end of December	-Width and open spaces of the property are not appealed and needs for a layout of over 30㎡ cannot be captured -Needs via brokerage companies in the Greater Tokyo area such as corporate contracts are not taken in -Insufficient parking lot within the site	-Changing the PM company and sub PM company -Scheduled to renovate the living room (changing lighting, cloth, etc.) -Aiming to strengthen the relation with corporate brokerage companies in the Greater Tokyo area with records and take in demand from corporations in early autumn -Securing vacant parking lot in the neighborhood of the property
S-FORT Tsurumai cube	89.0%	86.2%	94.4%	Until the end of April ↓ (reset) Until the end of November	-Although full occupancy was achieved during the 6th fiscal period (March) as a result of focusing on taking in target groups such as contacting luxury rental apartment brokers, lease contracts of family-type units were cancelled from June to July.	-Installing air conditioners at living rooms where air conditioners were not equipped -Preparing living rooms with furniture and home appliances to take in demand from corporations from the second half of August to the first half of October

(Note) PM company refers to property management company (management company of properties)

Future measures for leasing ②

◆ Properties with low occupancy in the current fiscal period and future improvement plans

Property name	Occupancy rate as of the end of July	Target of occupancy rate	Schedule for achieving goal	Cause of low occupancy	Improvement measures
S-FORT Aoi 1-Chome	87.0%	92.5%	Until the end of December	-Layout needs were not taken in -Not corresponding to the budgeted price range of corporate contracts	-Changing the layout through renovation -Reviewing the balance of rent for the upper and lower floors and changing the rent for the lower floors to a price range within the budget of corporations
S-FORT Aoi	78.6%	92.9%	Until the end of December	-Failed to gain advantage and achieve differentiation from competitive rental condominium as there were no vacant spaces at the parking lot within the site and parking lot outside the site was not be secured in the neighborhood	-Securing a parking lot outside the site in the neighborhood (also consider using the parking lot of S-RESIDENCE properties outside the site according to the occupancy status)
S-FORT Kita-Sanno	78.2%	92.7%	Until the end of December	-The price range of rent for medium to lower floors was set high compared to upper floor rents -Failed to differentiate the property from properties around terminal stations such as Sakae and Kanayama stations	-Considering the review of rent by the number of floors and layout -Considering the introduction of a plan to mitigate initial costs for living room -Creating a drawing that can appeal the enrichment of indoor facilities and property grade
S-FORT Kitamaruyama	81.6%	92.2%	Until the end of November	-There were large vacant areas as tenants of the retail space on the 1st floor were replaced in the same period -Rent for the retail portion was set low and rent for the residential portion was set high compared to competitive properties	-New tenant is scheduled to occupy the retail space on the 1st floor from August -Already reviewed the rent for the retail portion. Also considering reviewing the balance of rent for the residential portion
S-FORT Kobe Sannomiya-Kita	89.0%	93.4%	Until the end of October	- Failed to refill vacancies due to continuous cancellation of lease contracts from March onwards -New properties with low rent were constructed one after another in the neighborhood -The transfer period of corporations was delayed and demand from students was lower than assumed	-Renovating common area during March -Introducing free internet facility in July -Installing a model room and thoroughly informing the above construction work and capital investment -Implementing measures for corporations and contacting professional vendors of multinational tenants
S-FORT Suminodo	85.7%	92.9%	Until the end of December	-The price range of the rent of the property was competitive with that of a property with the same grade located in the center of Osaka City - Differentiation was insufficient for 1K type with a similar layout as competitive properties in the neighborhood	-Differentiating the property from others by renovating the concept room - Introducing free internet facility -Reviewing the balance of rent for the upper and lower floors and changing to a price range within the budget of corporations
S-FORT Nishinomiya	87.6%	93.5%	Until the end of October	-Failed to fulfill needs from customers sufficiently in terms of facility as most vacant units had a kitchen stove with only one burner and free internet facilities were not introduced	-Implementing leasing measures for individuals (implementation of a plan to reduce initial costs, use of drawing appealing to the eye such as the grade of the living room) -Considering leasing plan for corporations (reviewing key money and rent balance in line with the demand during the off-season) -Renovating the kitchen stove with two burners with high needs from female customers - Introducing free internet facility
S-FORT Sagamihara	88.6%	94.3%	Until the end of October	-Failed to differentiate the property from competitive properties in the surrounding area including properties with low rent	-Improving living convenience by enhancing storability such as installing a shelf at the kitchen and bathroom. -Aiming to attract relatively wealthy groups by conducting leasing activities in a wide range of areas centering on the terminal station as well as conducting a campaign limited to brokerage companies with many records of concluding contracts with customers

Measures for increasing earnings, usability and property value

◆ Changing the image of common areas and layout of living room significantly through renovation Contacting a wide range of customers by creating a new residential space

A-20 S-FORT Kurumamichi

Renovation cases (change in layout and facilities)



Relatively wide room with 4LDK (124.96㎡)
To implement renovation targeting domestic corporations and wealthy individuals after the termination of short-term lease contract concluded with a foreign company



■ Traditional Japanese style specification. Although there is a storage space, the width is narrow and usability is limited.

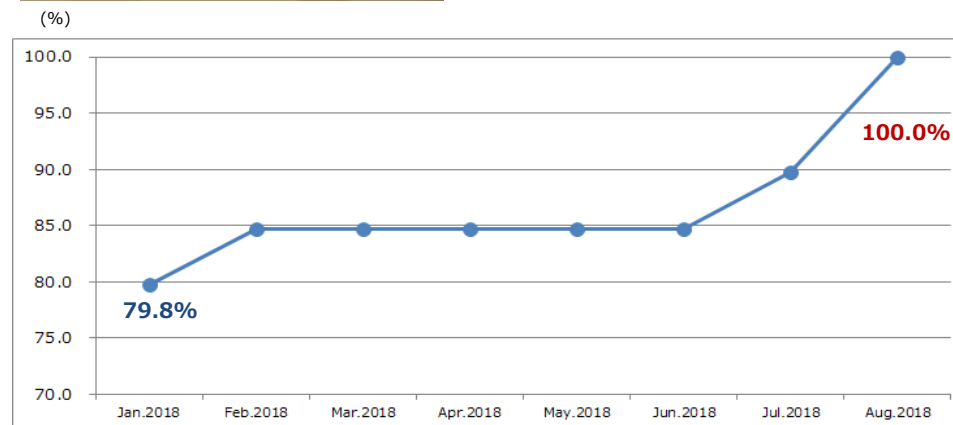
■ Sufficient light cannot be brought in due to partitions



【 Concluding a contract including a penal clause prohibiting short-term cancellation with a domestic corporation after the renovation 】

■ Having a stylish impression by changing the original tatami to Ryukyu tatami]

■ Changing a Japanese style room into a western style room and expanding the storage space. Responding to the needs from a wide range of customers by removing the partition and adopting a more open layout



Measures for increasing earnings, usability and property value

◆ Renovation work through the utilization of Samty Group

Intending to receive advice upon implementing large-scale renovation and construction of facilities and secure optimum construction schedule and quality by cooperating with Samty Property Management Co., Ltd. As for costs, ordering of repair and maintenance work at a price reasonable in comparison to other companies will become possible.



Advice and collaboration on appropriate construction work and schedule

~Amount of cost reduction~
(S-FORT Yokkaichi Motomachi)

- Amount estimated by Samty's PM Company 7,000 thousand yen (adopted)
- Amount estimated by A 7,450 thousand yen (+450 thousand yen)
- Amount estimated by B 7,600 thousand yen (+600 thousand yen)

【Orders of construction work placed with Samty Property Management Co., Ltd.】

■ S-FORT Yokkaichi Motomachi
(sounding of exterior wall and repair work of tiles)

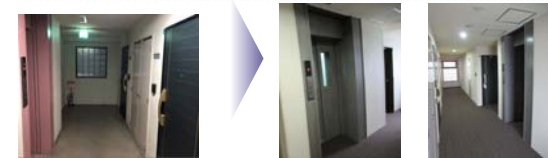
Implementing systematic surveying and construction work to maintain the value of properties



■ S-FORT Kobe Sannomiya-Kita
(renovation of common area)

Brightening the image of the entire common area by repainting the door of the elevator and replacing the carpet of the corridor

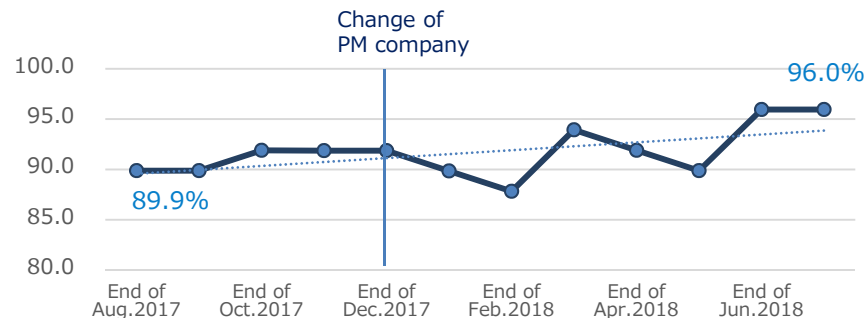
- ~Amount of cost reduction~
- Amount estimated by Samty's PM Company 1,600 thousand yen (adopted)
 - Amount estimated by A 1,750 thousand yen (+150 thousand yen)
 - Amount estimated by B 1,700 thousand yen (+100 thousand yen)



◆ Intending to strengthen leasing capacity through selection and change of property management company in line with property and location features

【S-FORT Shin Osaka ravir】

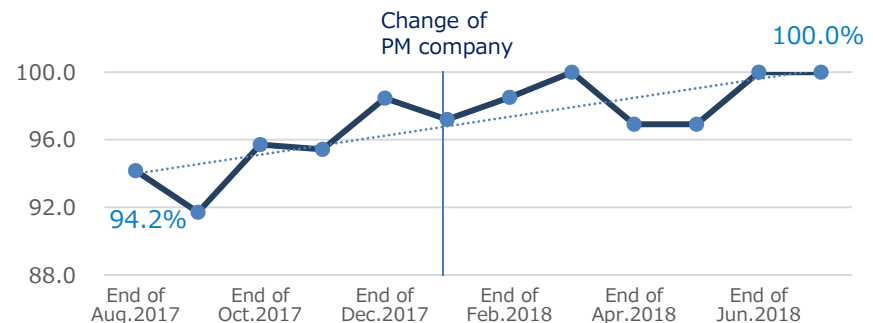
The vacant period tended to be long after the cancellation during the off-season when there are fewer movements including school entrance and job transfers but the utilization of cooperation with Samty Group and change of PM company to Samty Property Management Co., Ltd. based in Osaka and having leasing records in the neighboring area led to smooth refilling of vacancies even during the off-season.



【S-FORT Maita Koen】

Occupancy rate tended to remain low after the cancellation during the off-season, so the PM company was changed to Haseko Livenet, Inc. with a track record in the Greater Tokyo area.

Successfully maintained stably high occupancy even during the off-season by cooperating with Haseko Livenet, Inc. and conducting strategic leasing activities.



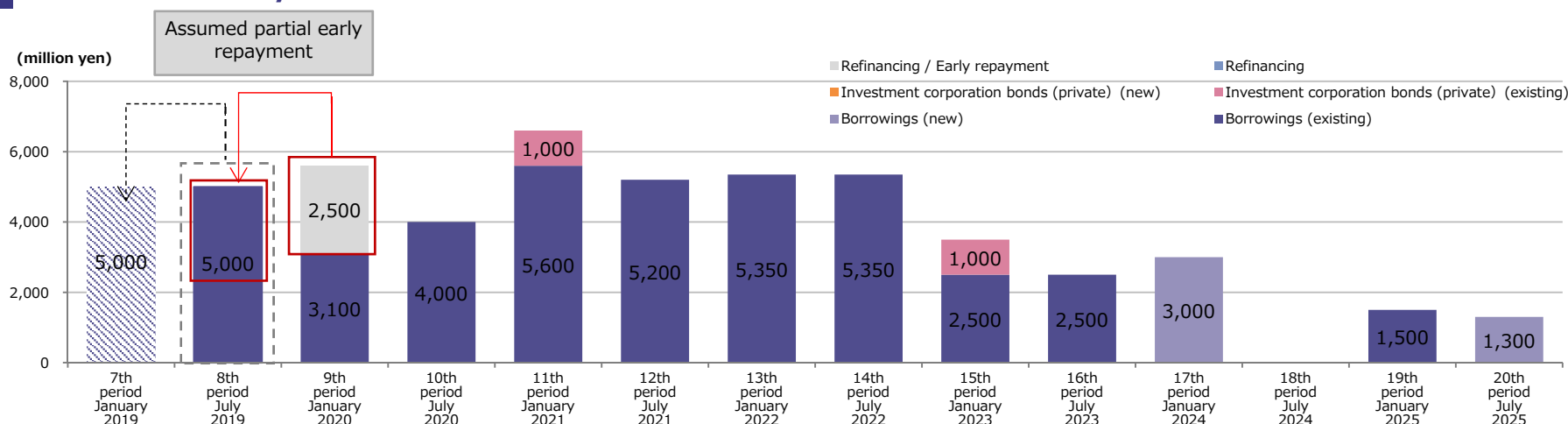
Financial highlight

Change in Financial status

	<u>End of 3rd period</u> (January 31, 2017)	<u>End of 4th period</u> (July 31, 2017)	<u>End of 5th period</u> (January 31, 2018)	<u>Capital increase through third-party allotment</u> (As of March 1, 2018)	<u>End of 6th period</u> (July 31, 2018)	<u>After issuance of new investment units (November 26, 2018)</u>
Total interest-bearing debt	<u>28.7 billion yen</u>	<u>28.6 billion yen</u>	<u>28.4 billion yen</u>	<u>44.8 billion yen</u>	<u>44.6 billion yen</u>	<u>48.9 billion yen</u>
Average remaining borrowing period	<u>2.7 years</u>	<u>2.3 years</u>	<u>2.2 years</u>	<u>3.0 years</u>	<u>2.8 years</u>	<u>2.8 years</u>
Ratio of long-term debt (1)	<u>98.1%</u>	<u>98.6%</u>	<u>99.3%</u>	<u>99.6%</u>	<u>100.0%</u>	<u>100.0%</u>
Ratio of long-term debt (2)	<u>98.1%</u>	<u>81.1%</u>	<u>90.5%</u>	<u>94.0%</u>	<u>88.8%</u>	<u>78.3%</u>
Ratio of fixed debt	<u>18.1%</u>	<u>18.2%</u>	<u>18.3%</u>	<u>29.1%</u>	<u>30.5%</u>	<u>30.5%</u>
Total asset based LTV	<u>51.5%</u>	<u>51.5%</u>	<u>51.4%</u>	<u>51.5%</u>	<u>51.2%</u>	<u>51.0%</u>

(Note) While long-term interest-bearing debt ① includes the current portion of long-term debt, long-term interest-bearing debt ② excludes the current portion of long-term debt.

Status of Maturity ladder



(Note) The total asset based LTV at the time of capital increase through third-party allotment is the forecast, calculated by dividing interest-bearing debt by total assets (the amount obtained by adding the total acquisition price of the 33 properties newly acquired on February 1, 2018 and March 1, 2018 including ancillary expenses and consumption taxes to total assets at the end of 5th fiscal period.) The total asset based LTV after the issuance of new investment units is the forecast, calculated by dividing interest-bearing debt by total assets (the amount obtained by adding the total acquisition price of the 11 properties scheduled to be acquired on August 28, 2018 and November 26, 2018, including ancillary expenses and consumption taxes to the total assets at the end of 6th fiscal period.)

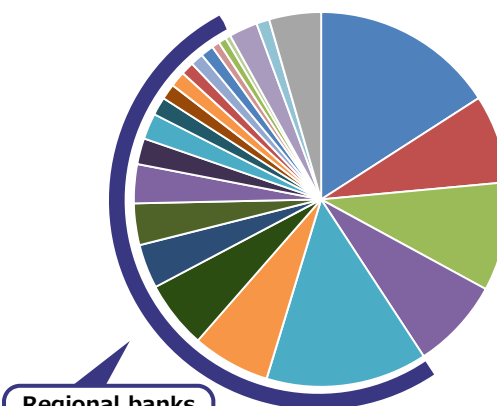
Financial highlight

◆ Status of Interest-Bearing Debt (As of November 26, 2018)

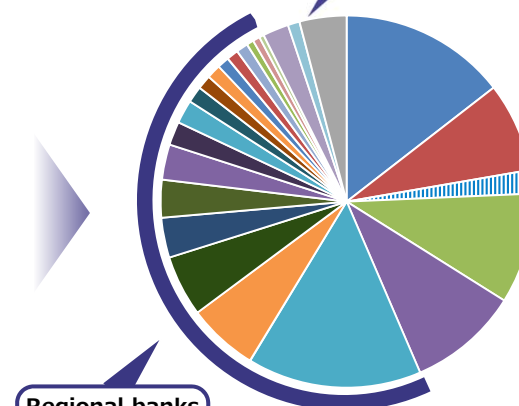
	Financial institution	Interest-bearing debt	Ratio
City banks	SMBC	7,090	14.5%
	Resona Bank	3,800	7.8%
	Mizuho Bank	1,000	2.0%
Major banks	Aozora Bank	4,700	9.6%
	Shinsei Bank	4,700	9.6%
	The Bank of Fukuoka	7,410	15.2%
Regional banks	The Kagawa Bank	3,000	6.1%
	Shinwa Bank	2,600	5.3%
	The Tokyo Star Bank	1,700	3.5%
	Kumamoto Bank	1,600	3.3%
	The Higo Bank	1,500	3.1%
	The Bank of Saga	1,000	2.0%
	The Hyakugo Bank	1,000	2.0%
	The Mie Bank	700	1.4%
	Hiroshima Bank	600	1.2%
	The Tochigi Bank	600	1.2%
	Shizuoka Bank	500	1.0%
	Oita Bank	500	1.0%
	The Minato Bank	500	1.0%
	Chiba Bank	300	0.6%
	The Kagoshima Bank	300	0.6%
	The Ashikaga Bank	200	0.4%
Insurance company	Fukoku Mutual Life	1,100	2.2%
	The Dai-ichi Life	500	1.0%
	Investment corporation bonds	2,000	4.1%

(Note) • New lenders are highlighted in light red.

(As of July 31, 2018)



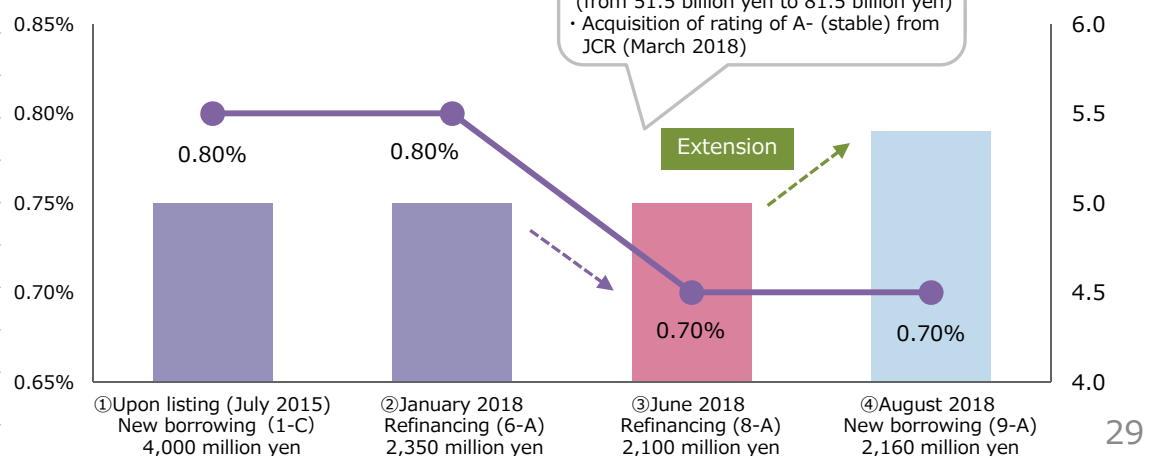
(As of November 26, 2018)



Investment corporation bonds (private)
[First] [Second]
Total issue amount 1 billion yen 1 billion yen
Maturity 4 years 5 years
Underwriter DBJ Securities Co., Ltd.

■ Change in floating borrowing spread

(Spread : %) Maturity Spread



Appraisal Value Status

Summary of Appraisal Value

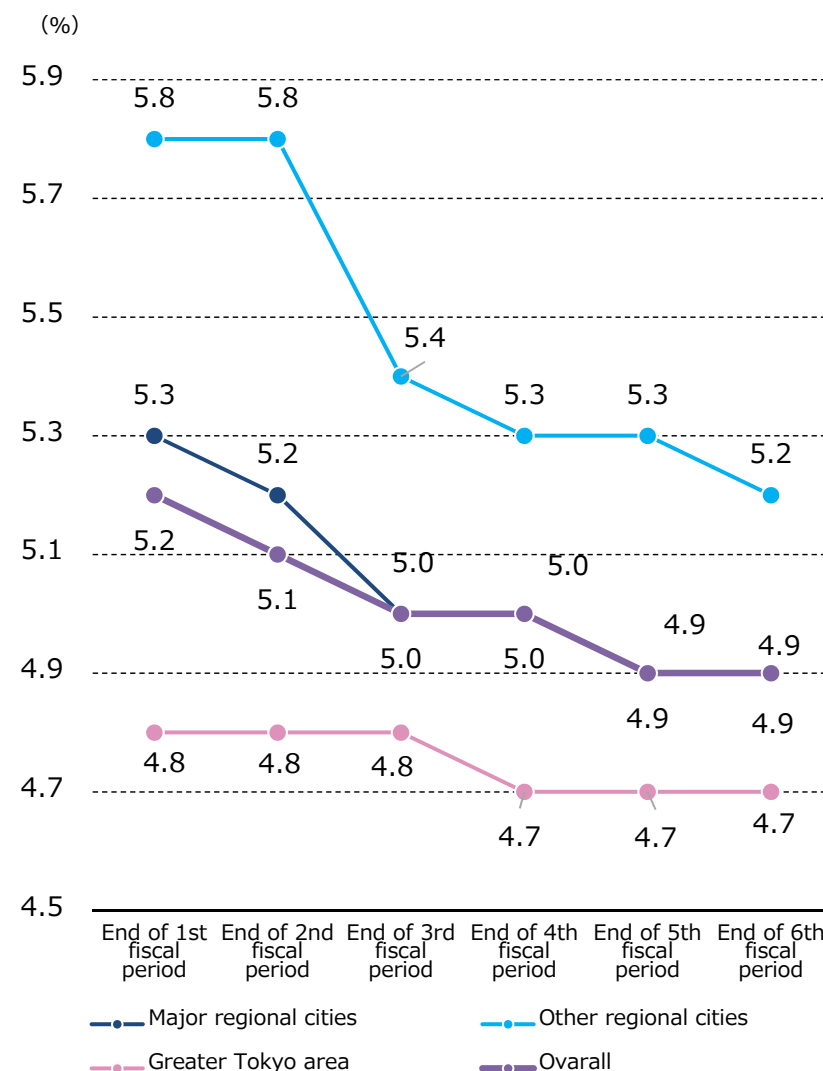
	Appraisal value (million yen)			Book value end of 6th period (million yen)	Unrealized gain (million yen)
	5th period	6th period	increase/ decrease		
49 properties acquired in the first and fifth periods					
Major regional cities	38,363	38,461	98	35,521	2,940
Other regional cities	8,431	8,461	30	7,966	495
Greater Tokyo area	9,864	9,928	64	9,180	748
Sub Total	56,658	56,850	192	52,668	4,182
33 properties associated with the third-party allotment					
Major regional cities	-	11,454	-	11,529	-75
Other regional cities	-	11,356	-	11,620	-264
Greater Tokyo area	-	8,316	-	8,330	-14
Sub Total	-	31,126	-	31,480	-354
Total	56,658	87,976	-	84,147	3,829

Appraisal Value Status and Cap Rate Status

Change in appraisal value and Cap Rate at the 6th period

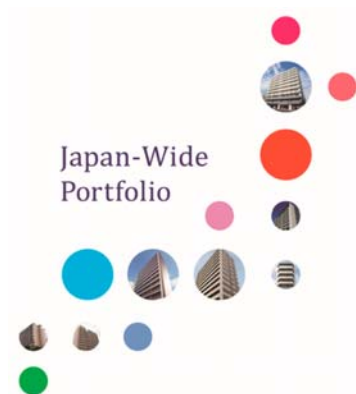
	No. of properties	
	Compared to end of 5th period	
	Change in Appraisal Value	Change in Cap Rate
Upward	20	0
Unchanged	29	29
Downward	0	20

Change in Cap Rate



(Note 1) Cap Rate is rounded off to one decimal place.

(Note 2) Cap Rate from the end of the 1st period to the end of the 2nd period is the figure in the appraisal report for the 29 properties. Cap Rate from the end of the 3rd period to the end of the 6th period is the figure in the appraisal report for the 49 properties including the 20 properties acquired in the 3rd period. .



4. Future Growth Strategy

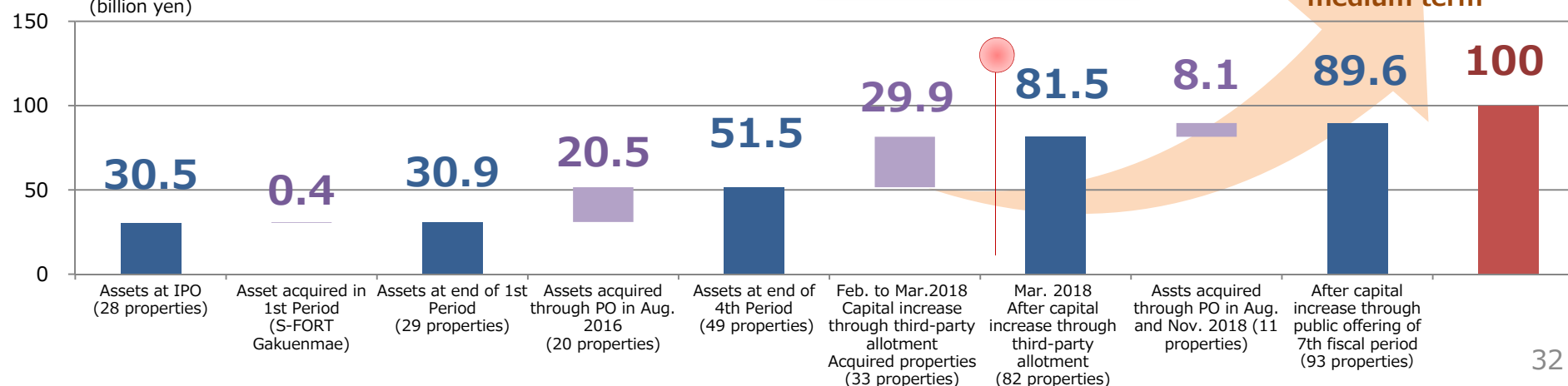
Growth Strategy · Managed Target

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 Improvement of credit rating

◆ Change in Asset size · Management Target

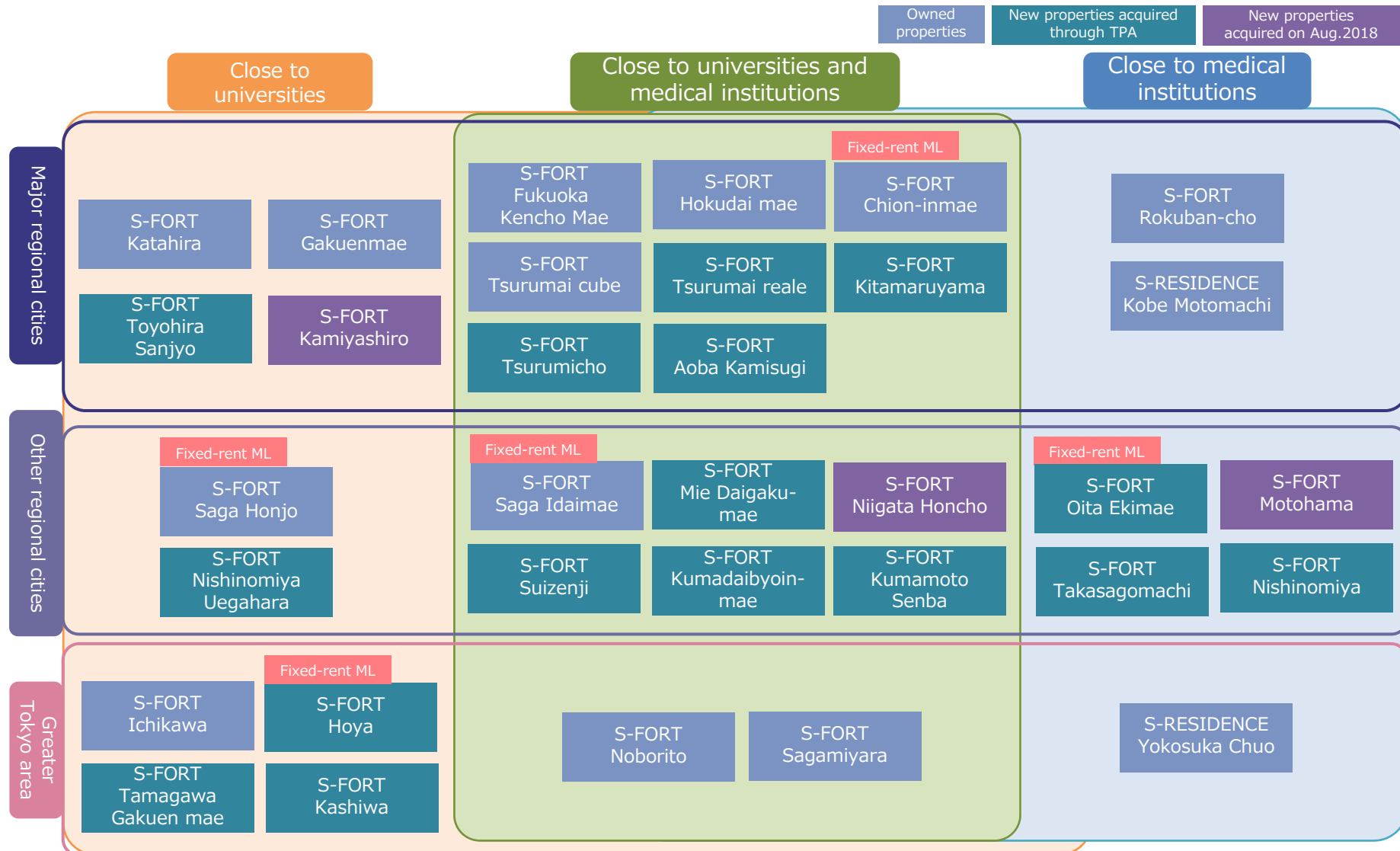
(Based on acquisition price)

(billion yen)



Investment policy

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).



External growth strategy

Status of pipeline

A	[Developed]		Property Name	Location	No. of units	(Scheduled) Completion date	Area
		①	S-RESIDENCE Higashi-ku Aoi 2cho-me	Higashi-ku, Nagoya	95 units	2018	Major regional cities
		②	S-RESIDENCE Kita-ku NishiTemma 3cho-me	Kita-ku, Osaka City	180 units	2019	Major regional cities
		③	S-RESIDENCE Nishi-ku MinamiHorie 3cho-me	Nishi-ku, Osaka	55 units	2019	Major regional cities
		④	S-RESIDENCE Kita-ku Shiga Hondouri	Kita-ku, Nagoya	88 units	2019	Major regional cities
		⑤	S-RESIDENCE Chigusa-ku Uchiyama 3 cho-me	Chigusa-ku, Nagoya	44 units	2019	Major regional cities
		⑥	S-RESIDENCE Hongo 3 cho-me	Meito-ku, Nagoya	77 units	2019	Major regional cities
		⑦	S-RESIDENCE Kita-ku Shiga Hondori 1cho-me, Shinmeicho	Kita-ku, Nagoya	108 units	2019	Major regional cities
		⑧	S-RESIDENCE Asahigaoka	Chuo-ku, Sapporo	36 units	2019	Major regional cities
		⑨	S-RESIDENCE Kita-ku Kurokawa Hondori 2cho-me	Kita-ku, Nagoya	105 units	2020	Major regional cities
		⑩	S-RESIDENCE Esaka-cho 1cho-me II	Suita-shi, Osaka	153 units	2019	Other regional cities
		⑪	S-RESIDENCE Minamiyawata 5cho-me	Ichikawa-shi, Chiba	100 units	2019	Greater Tokyo area
	[Owned · Warehousing]	⑫	Samty Noborimachi	Naka-ku, Hiroshima	60 units	2008	Major regional cities
		⑬	Samty Ohori Koen	Chuo-ku, Fukuoka	50 units	1997	Major regional cities
		Total 13 properites			1,151 units		

Examples of properties, developed/managed by main sponsor

[Hotel]

■ Center Hotel Tokyo
Nihonbashi, Chuo-ku,
Tokyo



■ Center Hotel Osaka
Kitahama, Chuo-ku,
Osaka



■ S-PERIA
Hotel Hakata
Hakata-ku, Fukuoka
(Bridge in cooperation
with Daiwa Securities
Group Inc.)



■ S-PERIA
Hotel Nagasaki
Nagasaki



■ Samty
Nihonbashi
Nakasu PJ
Chuo-ku, Tokyo



[Rental Properties]

■ Naka-ku, Nagoya
No. of units :
56 units



■ Nishi-ku,
Sapporo
No. of units :
26 units



■ Kagoshima City,
Kagoshima
No. of units : 64 units



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

Initiatives on Sustainability

Obtainment of DBJ Green Building Certification

【Initiatives on environmental and social awareness】

In order to diversify fund procurement methods, Samty Residential and Samty Asset Management aim to proactively obtain certifications given to real estate properties with high environmental and social awareness centering on the S-RESIDENCE series, the sponsor-developed properties we own, in particular, as well as for other properties we will own newly.

As part of such effort, we obtained DBJ Green Building Certification in three properties among those we own. 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).

■ A-11 S-FORT Nakajima Koen

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



■ A-31 S-FORT Tsurumai reale

2-9-3 Tsurumai, Showa-ku, Nagoya-shi, Aichi



■ B-05 S-RESIDENCE Esaka

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



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

Improvement of credit rating



5. Operating Results and Distribution Information

Management Forecast of the 6th and 7th Fiscal Periods



(million yen)

	6th fiscal period (July 31, 2018)	7th fiscal period Forecast (January 31, 2019)	Difference between 6th FP results and 7th forecast	8th fiscal period Forecast (July 31, 2019)	Difference between 7th FP forecast and 8th forecast
Operating revenue	2,888	3,079	191	3,167	88
Operating income	2,875	3,079	203	3,167	88
Anonymous partnership revenue	12	-	-12	-	-
Operating expenses	1,483	1,614	130	1,762	147
Real estate rental expenses	1,200	1,212	12	1,343	130
Miscellaneous rental expenses	438	420	-17	454	33
Taxes and dues	113	113	0	198	84
Depreciation	647	677	30	689	11
Real Estate rental income	1,687	1,866	178	1,824	-42
Other operating expenses	283	402	118	419	17
Asset management fees	127	225	97	240	15
Other expenses	155	176	21	178	2
Operating income	1,404	1,464	59	1,404	-59
Non-operating income and loss	-392	-329	63	-291	37
Ordinary income	1,011	1,135	123	1,113	-21
Corporate tax, etc.	0	1	0	1	0
Net income	1,010	1,134	123	1,112	-21
Distribution per unit	2,681	2,700	19	2,685	-15
Distribution per unit (Not including distribution in excess of earnings)	2,213	2,250	37	2,207	-43
Distribution in excess of earning per unit	468	450	-18	478	28

(Note) Management forecasts for the 7th and 8th fiscal periods are the figures disclosed in the "Summary of Financial Results for Fiscal Period Ended July 2018" announced on September 14, 2018.

Assumptions for Management Forecast of the 7th and 8th Fiscal Periods

- Calculation period
The 7th fiscal period :
August 1, 2018 to January 31, 2019
The 8th fiscal period :
February 1, 2019 to July 31, 2019
- Asset (No. of acquired properties
as of the date of this document)
The 7th fiscal period : 93 properties
The 8th fiscal period : 93 properties
- Period average month-end occupancy rate
The 7th fiscal period : 96.3%
The 8th fiscal period : 96.4%
- Balance of interest-bearing debt at end of period
The 7th fiscal period : 48,900 million yen
The 8th fiscal period : 48,900 million yen
- No. of outstanding units
(No. of investment units issued and outstanding
as of the date of this document)
The 7th fiscal period : 504,100 units
The 8th fiscal period : 504,100 units
- Capital expenditures (planned amount)
The 7th fiscal period : 99 million yen
The 8th fiscal period : 99 million yen

Difference factors between 6th FP results and 7th forecast

- Real estate rental revenue
 - Increase in revenue due to the increase in rent and common area expenses and key money during peak season in addition to the increase in the number of properties +191 million yen
- Real estate rental expenses
 - Increase in management service fee and repair expenses due to the increase in the number of properties +15 million yen
 - Decrease in restoration expenses and leasing promotion expenses during the off-season -27 million yen
- Non-operating income and loss
 - Decrease in borrowing related expenses due to borrowings, etc. related to the acquisition of new properties +63 million yen

Outlook of Distribution

◆ Continuing to pay stable distribution every fiscal period since listing

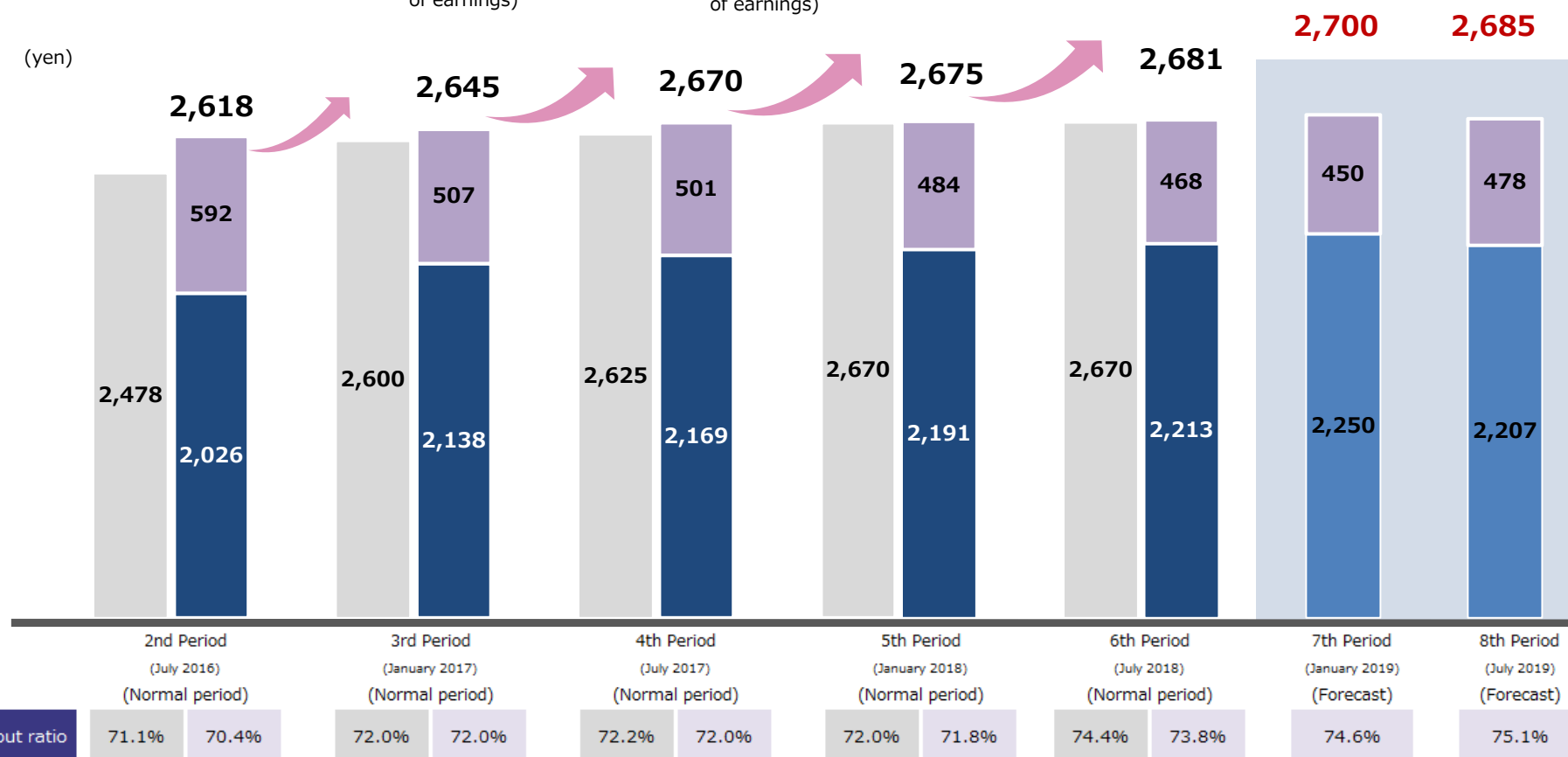
■ Distribution policy

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 6th fiscal periods]

Distribution in excess of earnings per unit: 859 million yen

Reinforcement of the financial base by reducing interest-bearing liabilities, etc.
 [1st to 6th fiscal periods] Repaid amount: 18,912 million yen

Investment that should help enhance the portfolio's profitability enhance
 [1st to 6th fiscal periods] Investment amount for Bridge funds: 270 million yen

Distribution Policy (2)

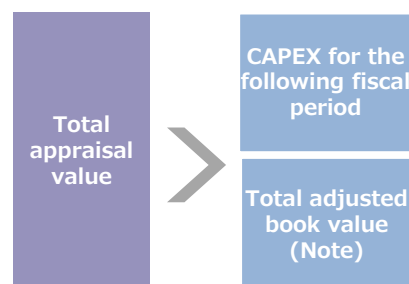
◆ Distributions in Excess of Earnings

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

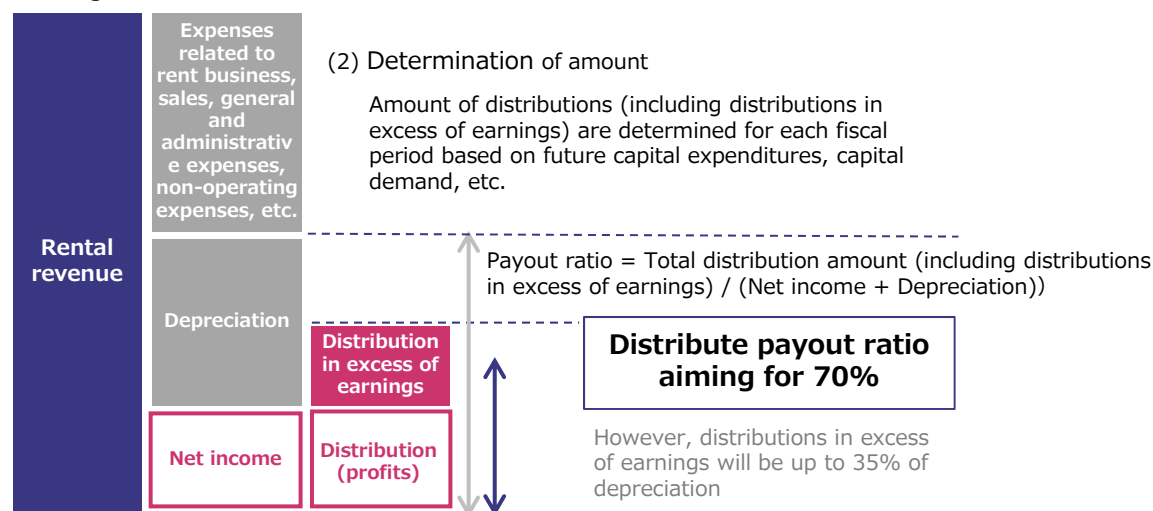
(1) Determination of distributions

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

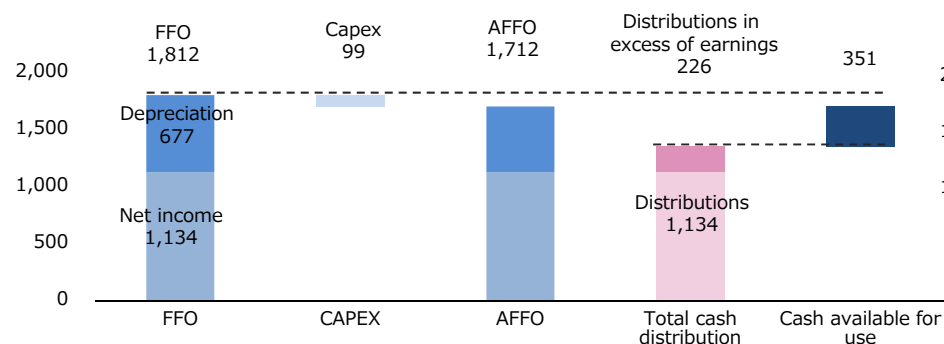
Amount of distributions (including distributions in excess of earnings) are determined for each fiscal period based on future capital expenditures, capital demand, etc.



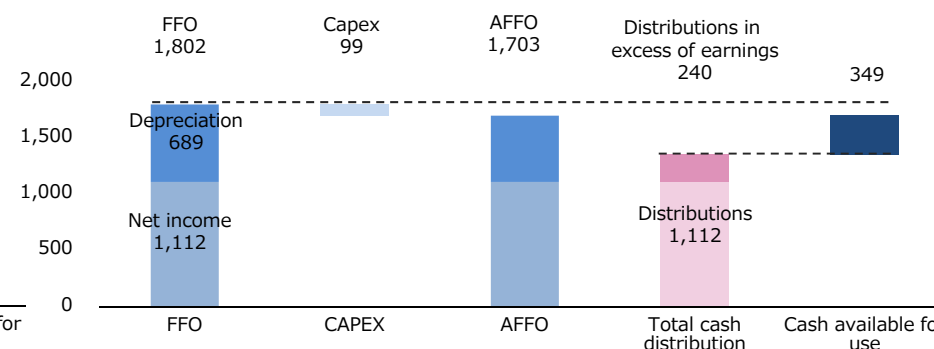
Note: Excluding amount equivalent to incidental expenses upon acquisition

◆ Outlook of cash flow

■ 7th fiscal period (January 2019)



■ 8th fiscal period (July 2019)

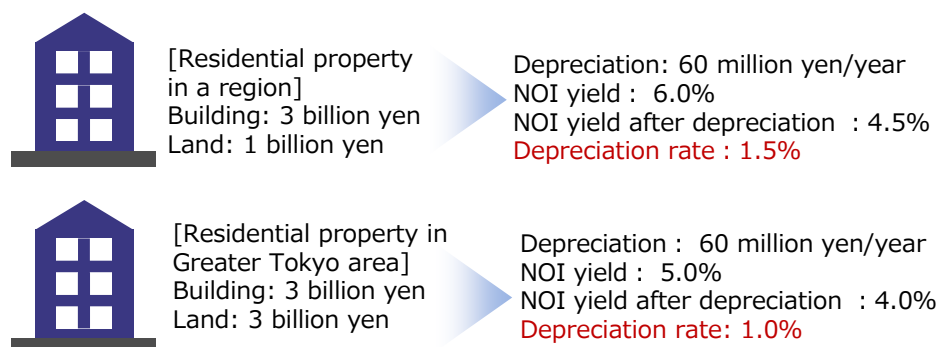


Feature of Excess of Earnings and Portfolio

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.

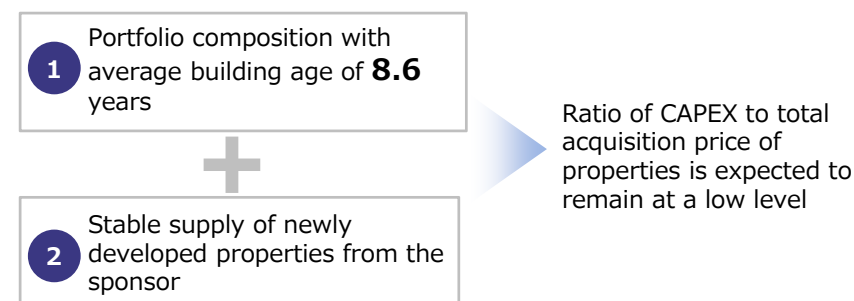
- Ex.: Comparison between residential properties in regions and in Greater Tokyo area
 (Assuming depreciation period as 50 years, NOI yield as 6.0% and 5.0% for regions and Greater Tokyo area respectively.
 These figures are examples and do not represent any specific property owned by Samty Residential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

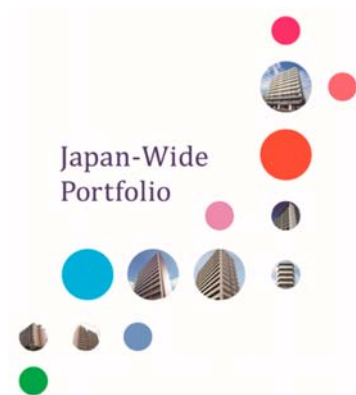


*Depreciation rate is the ratio of depreciation to the acquisition price of properties.

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.

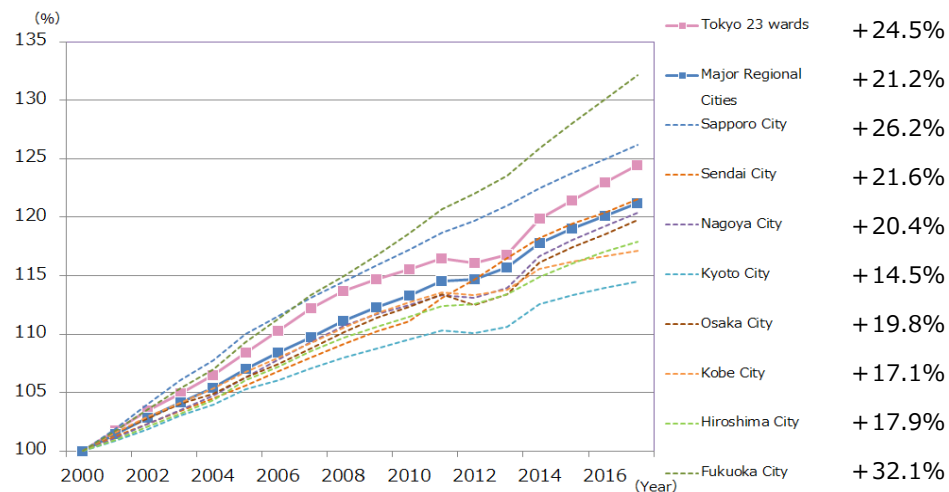




6 . Appendix

Characteristics of Regional Residence Investments (1)

Household growth rate (Year 2000 = 100%)



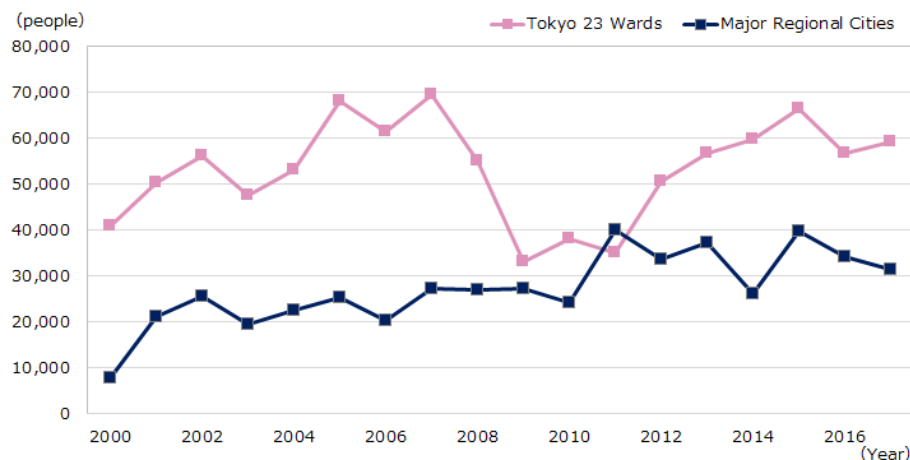
Growth rate from 2000 to 2017

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.

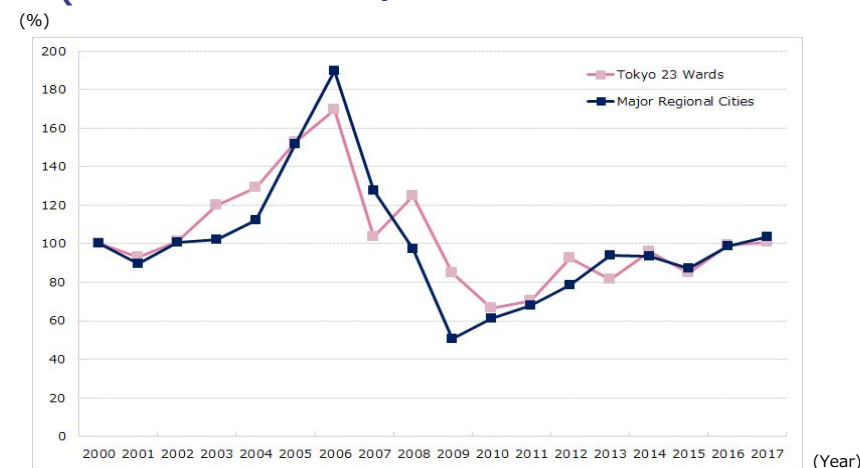
Source: Prepared by Sumitomo Mitsui Trust Research Institute based on "Basic Resident Registers," Ministry of Internal Affairs and Communications

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

Overview of the Samty Group

Samty Co., Ltd.

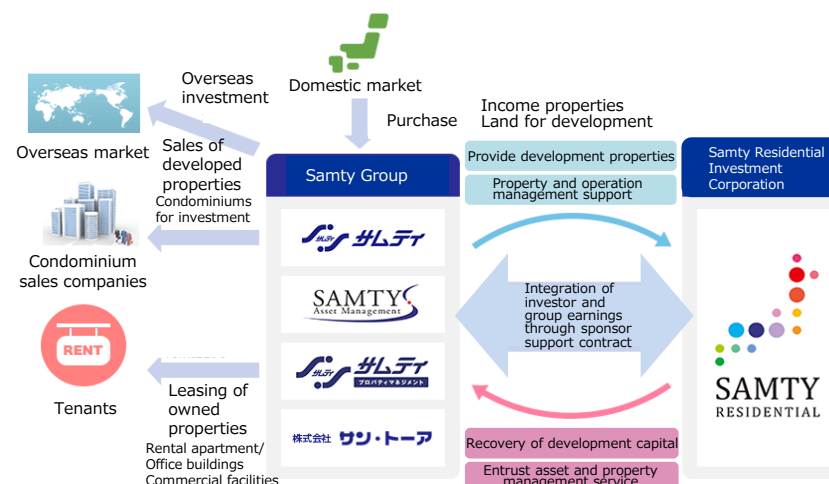
Listing	First Section of the Tokyo Stock Exchange (Securities code: 3244)
Established	December 1, 1982
Location of head office	4-3-24, Nishi-Nakajima, Yodogawa-ku, Osaka City
Capital	8.4 billion yen (as of the end of May 2018)
Business description	Real estate business Property leasing business Real estate planning and design, etc.
Operating results (consolidated basis)	Net sales 46,317 million yen (2 nd quarter, November 2018) Ordinary income 7,908 million yen (2 nd quarter, November 2018)
Number of employees	107 (as of the end of May 2018) ※195 on a consolidated basis

History and Business

沿革

Dec. 1982	Samty Development Co., Ltd. (currently Samty Co., Ltd.) established at Nakajima 1-chome, Higashi-Yodogawa Ward, Osaka City	Jun. 2012	Established Fukuoka Branch Office
Sep. 2002	Launched the real estate securitization business and conducted real estate securitization that was the first such operation approved by the Kinki Local Finance Bureau	Nov. 2012	Acquired shares in Samty Asset Management Co., Ltd. to make it a wholly-owned subsidiary
Mar. 2005	Launched the S-Residence series of rental condominiums for real estate funds and REITs	May 2015	Established Sapporo Branch Office
Jul. 2007	Shares listed on the Osaka Securities Exchange's Hercules market (currently the Tokyo Stock Exchange's JASDAQ Standard).	Oct. 2015	Moved up to the First Section of the Tokyo Stock Exchange.
Feb. 2011	Established Tokyo Branch Office	Mar. 2016	Established Nagoya Branch Office
Dec. 2011	Established Samty Kanri Co., Ltd. that is engaged in property management business		

Business Model of Samty Group



Samty's business

Real estate business

Planning, development and sales of for-sale condominiums for families and condominiums for investment. Planning, development, regeneration and sales of income properties, etc. Operation, management and investment in real estate investment funds

Property leasing business

Leasing and management of condominiums, office buildings, etc.

Other business

Hotel operation
Management of for-sale condominiums
Construction and reform
Planning of support system concerning medical care



Shiba Inu Maru
"Stand by You" Edition
Samty's TV commercial
now being
broadcasted!!



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



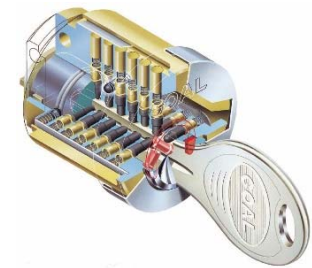
S-RESIDENCE Brand

- “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



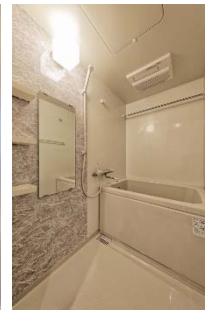
S-RESIDENCE Shin Osaka Ekimae



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

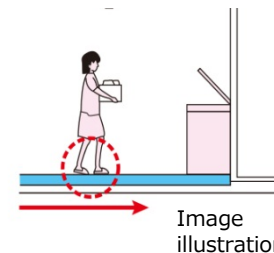


Serene and massive entrance hall



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

Flat-designed floors



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)

- Properties newly acquired on February 1, 2018 and March 1, 2018
- Properties newly acquired (or scheduled to be acquired) on August 28, 2018 and November 26, 2018

	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	685	5.3	49
	A-02	S-FORT Sanno	Nakagawa-ku, Nagoya	Single / Compact	2,890	3,270	6.1	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	1,220	5.5	90
	A-05	S-FORT Fukuoka Kencho Mae	Hakata-ku, Fukuoka	Single	979	1,080	5.7	104
	A-06	S-FORT Takamiya	Minami-ku, Fukuoka	Single / Commercial	794	830	5.4	82
	A-07	S-FORT Tsutsujigaoka Koen	Miyagino-ku, Sendai	Single / Compact / Family	1,340	1,410	5.8	94
	A-08	S-RESIDENCE Namba Briller	Naniwa-ku, Osaka	Single	2,020	2,360	5.3	154
	A-09	S-FORT Tsurumai marks	Naka-ku, Nagoya	Family	1,020	1,230	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	1,660	5.7	75
	A-12	S-FORT Hokudai Mae	Kita-ku, Sapporo	Compact / Commercial	690	759	5.7	59
	A-13	S-RESIDENCE Kobe Isogamidori	Chuo-ku, Kobe	Single / Compact	2,470	2,810	5.3	166
	A-14	S-FORT Kyoto Nishioji	Shimogyo-ku, Kyoto	Single / Commercial	745	825	5.9	71
	A-15	S-FORT Katahira	Aoba-ku, Sendai	Single / Compact	2,330	2,590	5.8	191
	A-16	S-FORT Gakuenmae	Toyohira-ku, Sapporo	Single / Compact	462	487	5.8	48
	A-17	S-RESIDENCE Shin Osaka Ekimae	Higashi Yodogawa-ku, Osaka	Single / Compact	2,489	2,760	5.1	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	432	5.8	19
	A-21	S-FORT Kamiotai	Nishi-ku, Nagoya	Family	720	744	5.6	40
	A-22	S-FORT Tsurumai arts	Naka-ku, Nagoya	Family	680	805	5.8	28
	A-23	S-FORT Tsurumai cube	Naka-ku, Nagoya	Compact / Family	570	673	5.8	32
	A-24	S-FORT Fukuoka Higashi	Hakata-ku, Fukuoka	Compact	1,900	2,040	5.3	135
	A-25	S-RESIDENCE Kobe Motomachi	Chuo-ku, Kobe	Single / Compact	1,200	1,390	5.6	81
	A-26	S-FORT Kobe Kaguracho	Nagata-ku, Kobe	Single	1,858	2,180	6.1	168
	A-27	S-FORT Nijo-jo mae	Nakagyo-ku, Kyoto	Single / Compact / Family	812	872	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 value is based on the figures as of the end of July 2018 for the existing 82 properties and the figures as of June 1, 2018 for the 11 properties newly acquired.

Portfolio List (2) Major Regional Cities



List of acquired properties

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

- Properties newly acquired on February 1, 2018 and March 1, 2018
- Properties newly acquired (or scheduled to be acquired) on August 28, 2018 and November 26, 2018

	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-30	S-RESIDENCE Midoribashi Ekimae	Higashi-ku, Osaka	Single	1,846	1,990	5.0	148
■	A-31	S-FORT Tsurumai reale	Showa-ku, Nagoya	Compact / Family	1,571	1,660	5.0	56
■	A-32	S-FORT Osu Kannon	Naka-ku, Nagoya	Single / Compact	1,147	1,270	5.6	84
■	A-33	S-FORT Kita-Sanno	Nakagawa-ku, Nagoya	Compact	841	844	4.8	36
■	A-34	S-FORT Aratamabashi	Minami-ku, Nagoya	Compact	449	455	5.6	29
■	A-35	S-FORT Toyohira Sanjyo	Toyohira-ku, Sapporo	Compact	762	787	5.9	63
■	A-36	S-FORT Kitamaruyama	Chuo-ku, Sapporo	Compact	425	431	5.5	49
■	A-37	S-FORT Hakata-Higashi I	Hakata-ku, Fukuoka	Single / Compact	389	392	5.3	35
■	A-38	S-FORT Hakata-Higashi II	Hakata-ku, Fukuoka	Single / Compact	382	386	5.3	35
■	A-39	S-FORT Kobe Sannomiya-Kita	Chuo-ku, Kobe	Single	515	519	5.1	45
■	A-40	S-FORT Nakahirodori	Nishi-ku, Hiroshima	Single	885	897	5.3	74
■	A-41	S-FORT Tsurumicho	Naka-ku, Hiroshima	Compact / Family	820	823	5.0	51
■	A-42	S-FORT Aoba Kamisugi	Aoba-ku, Sendai-shi	Compact	918	1,000	5.7	66
■	A-43	S-RESIDECE Shin Osaka Ridente	odogawa-ku, Osaka-shi	Single	1,338	1,390	4.6	90
■	A-44	S-FORT Fukushima La Luna	Kita-ku, Osaka-shi	Single / Compact	896	923	4.7	48
■	A-45	S-FORT Fukushima Libre	Fukushima-ku, Osaka-shi	Single	538	539	4.7	36
■	A-46	S-FORT Kamiyashiro	Meito-ku, Nagoya-shi	Single	429	430	5.7	42
■	A-47	S-RESIDENCE Miyanomori	Chuo-ku, Sapporo-shi	Family	660	679	5.4	22
■	A-48	S-FORT Higashi-Sapporo Nordo	Shiraishi-ku, Sapporo-shi	Compact	303	304	5.7	24

(Note) Appraisal value is based on the figures as of the end of July 2018 for the existing 82 properties and the figures as of June 1, 2018 for the 11 properties newly acquired.

Portfolio List (3) Other Regional Cities



List of acquired properties

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

- Properties newly acquired on February 1, 2018 and March 1, 2018
- Properties newly acquired (or scheduled to be acquired) on August 28, 2018 and November 26, 2018

	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	5.9	28
	B-02	S-FORT Suminodo	Daitou-shi, Osaka	Single / Compact	1,420	1,590	5.9	126
	B-03	S-FORT Yokkaichi motomachi	Yokkaichi-shi, Mie	Compact	480	542	6.7	54
	B-04	S-FORT Suzuka	Suzuka-shi, Mie	Compact	580	621	6.9	69
	B-05	S-RESIDENCE Esaka	Suita-shi, Osaka	Single / Compact	2,323	2,550	5.0	138
	B-06	S-FORT Utsunomiya	Utsunomiya-shi, Tochigi	Compact	612	643	6.0	52
	B-07	S-FORT Yokkaichi Nishishinchi	Yokkaichi-shi, Mie	Compact / Family	630	735	6.7	60
	B-08	S-FORT Saga Honjo	Saga-shi, Saga	Compact / Office	1,050	1,070	6.2	127
	B-09	S-FORT Saga Idaimae	Saga-shi, Saga	Compact	375	399	6.6	46
■	B-10	S-FORT Nishinomiya	Nishinomiya-shi, Hyogo	Single / Compact	1,412	1,500	5.3	102
■	B-11	S-FORT Nishinomiya Uegahara	Nishinomiya-shi, Hyogo	Single	789	805	5.1	62
■	B-12	S-FORT Mito Chuo	Mito-shi, Ibaraki	Family	1,807	1,820	5.5	80
■	B-13	S-FORT Tsu Shinmachi	Tsu-shi, Mie	Compact	767	836	6.2	69
■	B-14	S-FORT Mie Daigaku-mae	Tsu-shi, Mie	Compact	599	645	6.2	62
■	B-15	S-FORT Takasagomachi	Oita-shi, Oita	Single / Compact / Family	1,015	1,020	5.7	92
■	B-16	S-FORT Oita Ekimae	Oita-shi, Oita	Single / Compact	904	911	5.7	91
■	B-17	S-FORT Oita Otemachi	Oita-shi, Oita	Single	277	289	5.6	35
■	B-18	S-FORT Suizenji	Chuo-ku, Kumamoto	Single / Compact	1,332	1,340	5.6	119
■	B-19	S-FORT Kumadaibyoin-mae	Chuo-ku, Kumamoto	Compact	1,125	1,150	5.6	99
■	B-20	S-FORT Kumamoto Senba	Chuo-ku, Kumamoto	Single / Compact / Family	1,010	1,040	5.9	91
■	B-21	S-FORT Esaka Tarumicho	Sita-shi, Osaka	Single	774	788	5.0	48
■	B-22	S-FORT Niigata Honcho	Chuo-ku, Niigata	Compact	960	967	5.6	83
■	B-23	S-FORT Motohama	Naka-ku, Hamamatsu	Single	239	240	6.0	34

(Note) Appraisal value is based on the figures as of the end of July 2018 for the existing 82 properties and the figures as of June 1, 2018 for the 11 properties newly acquired.

Portfolio List (4) Greater Tokyo Area



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

- Properties newly acquired on February 1, 2018 and March 1, 2018
- Properties newly acquired (or scheduled to be acquired) on August 28, 2018 and November 26, 2018

	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
Greater Tokyo area								
	C-01	S-FORT Maita Koen	Minami-ku, Yokohama	Single / Compact	987	1,070	5.2	70
	C-02	S-FORT Nihombashi Hakozaki	Chuo-ku, Tokyo	Single / Compact	925	1,040	4.7	36
	C-03	S-FORT Itabashi Shimura	Itabashi-ku, Tokyo	Compact	645	688	4.9	32
	C-04	S-FORT Shiomi	Koto-ku, Tokyo	Single	866	1,030	5.3	52
	C-05	S-FORT Noborito	Tama-ku, Kawasaki	Single	666	695	4.9	40
	C-06	S-FORT Shonan Hiratsuka	Hiratsuka-shi, Kanagawa	Single	818	975	5.8	66
	C-07	S-FORT Nishifunabashi	Funabashi-shi, Chiba	Single / Compact	732	781	5.2	47
	C-08	S-FORT Maihama	Urayasu-shi, Chiba	Single	1,130	1,220	5.3	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 Sagamihara	Sagamihara-shi, Kanagawa	Single	585	623	5.2	53
	■ C-12	S-FORT Hoya	Nishitokyo-shi, Tokyo	Single	645	742	5.7	60
	■ C-13	S-FORT Tamagawagakuen-mae	Machida-shi, Tokyo	Single	587	605	4.9	45
	■ C-14	S-FORT Tsurukawa	Machida-shi, Tokyo	Family	520	533	5.1	30
	■ C-15	S-RESIDENCE Yokohama Tanmachi	Kanagawa-ku, Yokohama-shi	Single	627	701	5.0	36
	■ C-16	S-FORT Chigasaki	Chigasaki-shi, Kanagawa	Single / Compact	1,137	1,150	4.8	36
	■ C-17	S-FORT Kawaguchi Namiki	Kawaguchi-shi, Saitama	Single	1,110	1,140	4.7	70
	■ C-18	S-FORT Todakoen	Toda-shi, Saitama	Single	914	953	4.8	62
	■ C-19	S-FORT Funabashi Tsukada	Funabashi-shi, Chiba	Compact	1,900	1,940	5.0	117
	■ C-20	S-FORT Kashiwa	Kashiwa-shi, Chiba	Single / Compact	536	552	5.2	37
	■ C-21	S-FORT Fujimidai	Nakano-ku, Tokyo	Single / Compact	1,150	1,270	5.1	61
	■ C-22	S-RESIDENCE Matsudo	Matsudo-shi, Chiba	Single	840	850	4.6	52
Total		93 properties			89,642	96,356	5.4	6,460

(Note) Appraisal value is based on the figures as of the end of July 2018 for the existing 82 properties and the figures as of June 1, 2018 for the 11 properties newly acquired.
C-22 S-RESIDENCE Matsudo is scheduled to be acquire on November 26, 2018.

Income and Expenditure by Property (1)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(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 (%)	0.8	3.5	0.9	1.4	1.2	1.0	1.6
	Balance sheet amount (million yen)	636	2,905	737	1,172	990	792	1,358
(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 (㎡)	1,238.56	7,416.64	1,788.50	3,583.84	2,492.68	1,931.25	3,382.50
	Occupancy rate (%)	95.9	91.1	91.3	96.7	97.1	91.7	93.7
(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)	20,570	112,671	29,971	44,448	35,877	28,412	51,726
	Real estate rental revenues	18,676	102,749	26,726	40,190	33,995	27,113	45,654
	Other lease business revenues	1,893	9,922	3,245	4,258	1,882	1,299	6,071
	(3) Real estate rental expenses (thousand yen)	8,289	24,404	8,889	9,504	8,385	6,756	12,132
	Management service fee	1,140	5,881	1,581	1,516	1,470	1,232	2,233
	Taxes and dues	1,316	8,131	1,982	2,996	2,423	2,029	2,859
	Utilities expenses	289	830	305	468	366	305	1,593
	Repair Cost	2,048	5,164	1,957	2,441	1,741	1,483	2,793
	Insurance expenses	33	176	45	93	61	60	82
	Trust fees	496	296	296	296	296	296	296
	Other lease business expenses	2,965	3,924	2,721	1,692	2,024	1,349	2,273
	(4) NOI(=(2)-(3)) (thousand yen)	12,280	88,266	21,081	34,944	27,492	21,655	39,594
	(5) Depreciation (thousand yen)	4,676	26,734	10,174	10,859	9,273	8,814	12,314
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	7,604	61,532	10,906	24,084	18,219	12,841	27,279
	(7) Capital Expenditures (thousand yen)	429	947	321	643	150	321	321
	(8) NCF (=(6)-(7))	11,851	87,319	20,759	34,300	27,342	21,333	39,272

Income and Expenditure by Property (2)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(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 (%)	2.5	1.3	0.9	2.0	0.8	3.0	0.9
	Balance sheet amount (million yen)	2,055	1,062	721	1,639	711	2,506	757
(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 (㎡)	3,465.45	2,640.00	1,706.59	5,030.65	2,115.36	4,197.33	1,569.24
	Occupancy rate (%)	95.4	95.2	93.1	95.0	92.5	96.0	94.7
(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)	69,650	36,324	23,186	58,873	24,503	87,209	27,941
	Real estate rental revenues	64,046	33,056	20,981	54,958	23,157	79,145	25,234
	Other lease business revenues	5,604	3,268	2,204	3,915	1,346	8,064	2,706
	(3) Real estate rental expenses (thousand yen)	14,203	6,376	6,504	14,028	6,395	13,205	7,796
	Management service fee	2,545	1,702	1,217	2,731	990	2,710	1,796
	Taxes and dues	4,635	1,576	1,655	4,799	1,572	5,026	1,443
	Utilities expenses	781	238	203	1,079	422	538	1,046
	Repair Cost	2,158	870	1,244	1,241	1,191	2,250	1,508
	Insurance expenses	103	55	38	120	52	115	45
	Trust fees	394	296	296	394	296	394	296
	Other lease business expenses	3,584	1,637	1,849	3,661	1,870	2,168	1,660
	(4) NOI(= (2)-(3)) (thousand yen)	55,446	29,948	16,681	44,845	18,108	74,004	20,144
	(5) Depreciation (thousand yen)	13,849	9,746	7,501	14,120	5,300	18,373	6,511
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	41,597	20,201	9,180	30,725	12,807	55,631	13,632
	(7) Capital Expenditures (thousand yen)	321	321	441	7,770	321	-	584
	(8) NCF (= (4)-(7))	55,124	29,626	16,240	37,074	17,786	74,004	19,559

Income and Expenditure by Property (3)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(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 (%)	2.9	0.6	3.1	1.3	1.1	0.5	0.9
	Balance sheet amount (million yen)	2,309	475	2,551	1,135	929	418	770
(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 (㎡)	5,026.47	1,597.87	4,534.98	1,900.50	1,447.82	1,089.24	2,624.40
	Occupancy rate (%)	91.7	90.9	100.0	87.0	78.6	89.7	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)	89,898	16,989	86,376	32,291	27,917	13,543	28,028
	Real estate rental revenues	80,314	15,552	79,309	28,410	25,667	11,769	25,253
	Other lease business revenues	9,583	1,436	7,066	3,880	2,249	1,774	2,775
	(3) Regal estate rental expenses (thousand yen)	21,295	4,567	15,525	8,559	5,047	4,073	6,511
	Management service fee	4,252	741	3,199	1,459	1,241	882	1,103
	Taxes and dues	6,268	1,283	4,850	2,230	1,171	1,041	2,016
	Utilities expenses	647	465	845	311	204	160	337
	Repair Cost	6,628	1,115	2,534	1,307	611	1,204	1,425
	Insurance expenses	144	48	151	70	53	34	67
	Trust fees	296	276	296	296	-	-	296
	Other lease business expenses	3,057	636	3,647	2,884	1,765	750	1,263
	(4) NOI(= (2)-(3)) (thousand yen)	68,602	12,421	70,850	23,731	22,869	9,470	21,517
	(5) Depreciation (thousand yen)	27,322	4,723	18,999	7,383	4,893	2,529	6,672
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	41,280	7,698	51,851	16,347	17,976	6,941	14,845
	(7) Capital Expenditures (thousand yen)	1,925	-	-	321	321	3,522	1,481
	(8) NCF (= (4)-(7))	66,677	12,421	70,850	23,409	22,547	5,947	20,035

Income and Expenditure by Property (4)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(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 (%)	0.8	0.7	2.3	1.5	2.3	1.0	0.6	
	Balance sheet amount (million yen)	731	591	1,976	1,230	1,907	825	509	
(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 (㎡)	1,917.54	1,259.55	5,359.71	2,169.67	4,696.29	1,735.95	1,049.01	
	Occupancy rate (%)	96.4	86.2	96.0	100.0	95.8	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)		25,441	21,948	65,000	40,014	72,707	23,249	14,797
		Real estate rental revenues	22,150	19,083	57,603	38,132	67,926	23,248	14,797
		Other lease business revenues	3,291	2,864	7,396	1,882	4,780	0	0
	(3) Regal estate rental expenses (thousand yen)		5,591	5,463	12,673	6,134	12,571	1,726	1,152
		Management service fee	1,394	1,384	2,180	1,626	2,352	-	-
		Taxes and dues	1,210	996	3,907	2,893	4,347	1,364	788
		Utilities expenses	174	122	394	332	450	-	-
		Repair Cost	1,192	879	4,304	342	2,937	10	25
		Insurance expenses	50	44	149	78	127	47	29
		Trust fees	-	296	296	296	296	296	296
		Other lease business expenses	1,569	1,739	1,441	565	2,060	8	13
	(4) NOI(=(2)-(3)) (thousand yen)	19,850	16,485	52,326	33,880	60,135	21,522	13,645	
	(5) Depreciation (thousand yen)	4,503	4,114	13,384	9,932	12,441	6,070	3,580	
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	15,346	12,370	38,942	23,947	47,693	15,451	10,065	
	(7) Capital Expenditures (thousand yen)	321	1,251	636	-	-	683	-	
	(8) NCF (= (4)-(7))	19,528	15,233	51,690	33,880	60,135	20,838	13,645	

Income and Expenditure by Property (5)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(1) Area category		Major regional cities						
(2) Property No.		A-29	A-30	A-31	A-32	A-33	A-34	A-35
(3) Property name		S-FORT Miyamachi	S-RESIDENCE Midoribashi Ekimae	S-FORT Tsurumai reale	S-FORT Osu Kannon	S-FORT Kita-Sanno	S-FORT Aratamabashi	S-FORT Toyohira Sanjyo
(4) Acquisition date		Aug-02, 2016	Feb-01, 2018	Feb-01, 2018	Mar-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	1,085	1,846	1,571	1,147	841	449	762
	Composition rate (%)	1.3	2.3	1.9	1.4	1.0	0.6	0.9
	Balance sheet amount (million yen)	1,108	1,936	1,647	1,223	882	473	805
(6) Leasing information	Total rentable area (㎡)	2,213.12	3,691.67	3,597.72	2,514.12	1,757.61	1,699.11	2,868.75
	Leased area (㎡)	2,068.64	3,691.67	3,522.84	2,514.12	1,375.06	1,640.52	2,623.89
	Occupancy rate (%)	93.5	100.0	97.9	100.0	78.2	96.6	91.5
(7) Income and expenses information	(1) Number of operating days	181	181	181	153	181	181	181
	(2) Total real estate rental income (thousand yen)	38,348	60,372	50,147	33,260	21,868	15,695	31,146
	Real estate rental revenues	33,399	57,864	45,480	31,784	20,655	13,756	26,551
	Other lease business revenues	4,949	2,508	4,667	1,476	1,212	1,939	4,595
	(3) Real estate rental expenses (thousand yen)	10,719	11,845	3,397	3,012	5,172	2,357	4,540
	Management service fee	1,788	2,341	1,817	1,394	981	932	1,360
	Taxes and dues	1,851	-	-	-	-	-	-
	Utilities expenses	1,290	542	212	214	250	133	640
	Repair Cost	4,009	1,834	228	208	1,530	732	796
	Insurance expenses	60	100	81	51	47	39	66
	Trust fees	296	296	296	249	296	-	296
	Other lease business expenses	1,422	6,730	760	893	2,067	520	1,380
	(4) NOI(=(2)-(3)) (thousand yen)	27,629	48,527	46,749	30,248	16,695	13,338	26,606
	(5) Depreciation (thousand yen)	9,131	13,059	10,819	6,085	5,826	2,639	6,844
	(6) Real estate rental income (= (4)-(5)) (thousand yen)	18,498	35,468	35,930	24,162	10,869	10,698	19,761
	(7) Capital Expenditures (thousand yen)	3,300	288	150	2,562	160	1,277	-
	(8) NCF (= (4)-(7))	24,329	48,238	46,599	27,686	16,534	12,060	26,606

Income and Expenditure by Property (6)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(1) Area category		Major regional cities						
(2) Property No.		A-36	A-37	A-38	A-39	A-40	A-41	A-42
(3) Property name		S-FORT Kitamaruyama	S-FORT Hakata-Higashi I	S-FORT Hakata-Higashi II	S-FORT Kobe Sannomiya- Kita	S-FORT Nakahirodori	S-FORT Tsurumicho	S-FORT Aoba Kamisugi
(4) Acquisition date		Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	425	389	382	515	885	820	918
	Composition rate (%)	0.5	0.5	0.5	0.6	1.1	1.0	1.1
	Balance sheet amount (million yen)	458	409	409	544	921	857	958
(6) Leasing information	Total rentable area (㎡)	1,613.38	1,034.20	1,034.20	884.88	2,127.92	2,006.49	2,072.84
	Leased area (㎡)	1,317.12	974.14	1,034.20	787.63	2,072.74	1,853.42	2,041.34
	Occupancy rate (%)	81.6	94.2	100.0	89.0	97.4	92.4	98.5
(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)	17,074	14,975	14,635	15,597	29,695	26,015	35,003
	Real estate rental revenues	14,948	11,910	11,668	15,160	27,582	23,446	32,766
	Other lease business revenues	2,125	3,065	2,967	437	2,113	2,569	2,237
	(3) Regal estate rental expenses (thousand yen)	3,369	2,525	2,472	3,492	4,308	4,333	4,361
	Management service fee	834	735	716	870	1,505	1,289	1,578
	Taxes and dues	-	-	-	-	-	-	-
	Utilities expenses	532	568	564	264	212	234	376
	Repair Cost	1,343	535	372	1,274	1,134	1,065	634
	Insurance expenses	40	28	28	31	48	47	53
	Trust fees	-	-	-	-	296	296	296
	Other lease business expenses	617	658	790	1,050	1,111	1,399	1,420
	(4) NOI(=(2)-(3)) (thousand yen)	13,705	12,449	12,162	12,105	25,387	21,682	30,642
	(5) Depreciation (thousand yen)	3,249	2,381	2,340	2,730	5,354	5,763	7,166
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	10,456	10,067	9,822	9,374	20,033	15,918	23,476
	(7) Capital Expenditures (thousand yen)	2,420	1,276	8,253	4,324	1,071	273	434
	(8) NCF (=(4)-(7))	11,285	11,172	3,909	7,780	24,316	21,408	30,208

Income and Expenditure by Property (7)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(1) Area category		Other regional cities						
(2) Property No.		B-01	B-02	B-03	B-04	B-05	B-06	B-07
(3) Property name		S-FORT Miyamachi	S-FORT Suminodo	S-FORT Yokkaichi Motomachi	S-FORT Suzuka	S-RESIDENCE Esaka	S-FORT Utsunomiya	S-FORT Yokkaichi Nishishinchi
(4) Acquisition date		Apr-15, 2015	Apr-15, 2015	Jul-01, 2015	Jul-01, 2015	Aug-02, 2016	Aug-02, 2016	Aug-02, 2016
(5) Price information	Acquisition price (million yen)	297	1,420	480	580	2,323	612	630
	Composition rate (%)	0.4	1.7	0.6	0.7	2.8	0.8	0.8
	Balance sheet amount (million yen)	300	1,415	504	599	2,379	633	677
(6) Leasing information	Total rentable area (㎡)	911.40	3,332.16	1,691.28	2,286.69	3,739.30	2,330.64	2,192.48
	Leased area (㎡)	748.65	2,855.84	1,691.28	2,175.45	3,739.30	2,152.92	2,192.48
	Occupancy rate (%)	82.1	85.7	100.0	95.1	100.0	92.4	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)	9,718	53,441	22,666	27,151	77,694	25,175	28,287
	Real estate rental revenues	9,354	44,758	19,706	22,287	69,345	23,581	23,748
	Other lease business revenues	363	8,683	2,959	4,863	8,348	1,593	4,538
	(3) Real estate rental expenses (thousand yen)	3,092	11,793	5,064	8,912	17,574	6,361	6,562
	Management service fee	962	1,776	1,410	1,599	2,447	1,532	1,506
	Taxes and dues	854	2,879	1,119	1,629	4,099	2,291	1,419
	Utilities expenses	202	1,655	755	1,141	343	462	918
	Repair Cost	294	2,517	624	2,635	3,233	950	1,084
	Insurance expenses	24	87	37	53	135	59	56
	Trust fees	496	496	296	296	296	296	-
	Other lease business expenses	257	2,381	821	1,556	7,019	768	1,577
	(4) NOI(=(2)-(3)) (thousand yen)	6,626	41,647	17,602	18,238	60,120	18,813	21,724
	(5) Depreciation (thousand yen)	3,144	14,937	6,271	7,414	14,938	5,383	6,129
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	3,481	26,710	11,330	10,824	45,181	13,430	15,594
	(7) Capital Expenditures (thousand yen)	804	2,471	7,835	321	-	321	236
	(8) NCF (=(4)-(7))	5,821	39,176	9,767	17,916	60,120	18,491	21,487

Income and Expenditure by Property (8)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(1) Area category		Other regional cities						
(2) Property No.		B-08	B-09	B-10	B-11	B-12	B-13	B-14
(3) Property name		S-FORT Saga Honjo	S-FORT Saga Idaimae	S-FORT Nishinomiya	S-FORT Nishinomiya Uegahara	S-FORT Mito Chuo	S-FORT Tsu Shinmachi	S-FORT Mie Daigaku-mae
(4) Acquisition date		Aug-02, 2016	Aug-02, 2016	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	1,050	375	1,412	789	1,807	767	599
	Composition rate (%)	1.3	0.5	1.7	1.0	2.2	0.9	0.7
	Balance sheet amount (million yen)	1,072	383	1,478	817	1,896	810	638
(6) Leasing information	Total rentable area (㎡)	4,972.84	1,507.35	2,887.26	1,546.28	6,503.80	2,463.30	1,874.88
	Leased area (㎡)	4,972.84	1,507.35	2,528.50	1,521.28	6,091.54	2,463.30	1,874.88
	Occupancy rate (%)	100.0	100.0	87.6	98.4	93.7	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)	36,223	12,898	43,797	26,021	65,516	33,201	29,283
	Real estate rental revenues	35,537	12,649	41,389	23,558	56,746	27,645	22,196
	Other lease business revenues	685	248	2,407	2,463	8,770	5,556	7,086
	(3) Regal estate rental expenses (thousand yen)	4,120	1,587	6,358	3,435	10,266	5,063	3,842
	Management service fee	-	-	2,123	1,610	3,461	1,520	1,128
	Taxes and dues	2,969	963	-	-	-	-	-
	Utilities expenses	-	-	778	679	632	640	662
	Repair Cost	729	284	1,943	267	2,772	1,306	928
	Insurance expenses	118	34	71	40	136	51	40
	Trust fees	296	296	296	296	296	296	-
	Other lease business expenses	7	9	1,144	540	2,966	1,248	1,082
	(4) NOI(=(2)-(3)) (thousand yen)	32,103	11,311	37,438	22,586	55,250	28,138	25,441
	(5) Depreciation (thousand yen)	13,921	4,590	8,376	4,395	14,171	6,973	4,825
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	18,181	6,720	29,062	18,191	41,079	21,164	20,615
	(7) Capital Expenditures (thousand yen)	183	107	2,341	166	4,314	1,626	246
	(8) NCF (=(4)-(7))	31,920	11,203	35,096	22,420	50,936	26,512	25,194

Income and Expenditure by Property (9)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(1) Area category		Other regional cities					
(2) Property No.		B-15	B-16	B-17	B-18	B-19	B-20
(3) Property name		S-FORT Takasagomachi	S-FORT Oita Ekimae	S-FORT Oita Otemachi	S-FORT Suizenji	S-FORT Kumadaibyoin- mae	S-FORT Kumamoto Senba
(4) Acquisition date		Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	1,015	904	277	1,332	1,125	1,010
	Composition rate (%)	1.2	1.1	0.3	1.6	1.4	1.2
	Balance sheet amount (million yen)	1,077	952	303	1,389	1,185	1,070
(6) Leasing information	Total rentable area (㎡)	3,588.84	2,662.36	905.80	4,256.91	3,459.60	3,224.24
	Leased area (㎡)	3,280.78	2,662.36	905.80	4,080.53	3,146.93	3,051.55
	Occupancy rate (%)	91.4	100.0	100.0	95.9	91.0	94.6
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	39,329	31,663	10,076	51,399	44,723	39,021
	Real estate rental revenues	32,676	30,953	10,073	39,945	34,553	34,651
	Other lease business revenues	6,653	710	2	11,454	10,170	4,370
	(3) Real estate rental expenses (thousand yen)	10,304	3,174	1,219	10,641	8,538	6,401
	Management service fee	3,166	1,806	915	2,669	2,339	1,926
	Taxes and dues	-	-	-	-	-	-
	Utilities expenses	1,853	529	66	1,308	1,219	354
	Repair Cost	2,349	452	-	3,065	2,310	1,479
	Insurance expenses	92	71	27	93	85	69
	Trust fees	296	296	-	296	296	296
	Other lease business expenses	2,545	17	210	3,207	2,287	2,275
	(4) NOI(=(2)-(3)) (thousand yen)	29,025	28,489	8,856	40,757	36,185	32,620
	(5) Depreciation (thousand yen)	11,002	7,933	2,648	10,263	11,416	10,777
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	18,022	20,555	6,208	30,494	24,768	21,843
	(7) Capital Expenditures (thousand yen)	3,230	164	414	120	692	273
	(8) NCF (=(4)-(7))	25,794	28,325	8,442	40,637	35,493	32,346

Income and Expenditure by Property (10)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(1) Area category		Greater Tokyo area						
(2) Property No.		C-01	C-02	C-03	C-04	C-05	C-06	C-07
(3) Property name		S-FORT Maita Koen	S-FORT Nihonbashi Hakozaki	S-FORT Itabashi Shimura	S-FORT Shiomi	S-FORT Noborito	S-FORT Shonan Hiratsuka	S-FORT Nishifunabashi
(4) Acquisition date		Apr-15, 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)	987	925	645	866	666	818	732
	Composition rate (%)	1.2	1.1	0.8	1.1	0.8	1.0	0.9
	Balance sheet amount (million yen)	980	950	651	877	669	851	736
(6) Leasing information	Total rentable area (㎡)	1,609.80	1,114.38	1,119.54	1,042.48	1,022.10	1,717.46	1,397.64
	Leased area (㎡)	1,609.80	1,028.47	1,055.46	1,022.47	996.95	1,688.45	1,308.87
	Occupancy rate (%)	100.0	92.3	94.3	98.1	97.5	98.3	93.6
(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)	34,207	28,296	20,409	30,342	21,570	32,765	25,304
	Real estate rental revenues	30,831	24,556	18,768	26,700	20,038	30,152	23,724
	Other lease business revenues	3,375	3,739	1,640	3,642	1,532	2,613	1,580
	(3) Real estate rental expenses (thousand yen)	8,045	5,455	5,641	6,814	4,942	6,389	5,488
	Management service fee	2,493	1,652	1,418	1,944	1,348	1,949	1,450
	Taxes and dues	1,984	1,298	1,302	1,356	1,090	1,780	1,359
	Utilities expenses	357	382	256	462	201	171	182
	Repair Cost	1,173	864	1,113	1,756	746	606	1,090
	Insurance expenses	52	35	32	39	31	42	34
	Trust fees	496	394	394	394	394	394	394
	Other lease business expenses	1,487	827	1,123	859	1,130	1,443	976
	(4) NOI(=(2)-(3)) (thousand yen)	26,161	22,841	14,768	23,528	16,627	26,376	19,815
	(5) Depreciation (thousand yen)	8,411	5,177	4,155	6,103	4,723	6,467	6,074
	(6) Real estate rental income (=(4)-(5)) (thousand yen)	17,749	17,663	10,613	17,425	11,904	19,908	13,740
	(7) Capital Expenditures (thousand yen)	118	332	321	115	321	-	725
	(8) NCF (=(4)-(7))	26,043	22,508	14,446	23,412	16,305	26,376	19,090

Income and Expenditure by Property (11)

Fiscal Period Ending July 2018 (As of July 31, 2018)



(1) Area category		Greater Tokyo area						
(2) Property No.		C-08	C-09	C-10	C-11	C-12	C-13	C-14
(3) Property name		S-FORT Maihama	S-FORT Ichikawa	S-RESIDENCE Yokosuka Chuo	S-FORT Sagamihara	S-FORT Hoya	S-FORT Tamagawagakuen- mae	S-FORT Tsurukawa
(4) Acquisition date		Jul-01, 2015	Jul-01, 2015	Aug-02, 2016	Aug-02, 2016	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	1,130	809	850	585	645	587	520
	Composition rate (%)	1.4	1.0	1.0	0.7	0.8	0.7	0.6
	Balance sheet amount (million yen)	1,154	827	884	596	670	612	543
(6) Leasing information	Total rentable area (㎡)	1,726.56	1,255.90	1,492.09	1,198.26	1,177.94	978.75	1,886.70
	Leased area (㎡)	1,705.84	1,234.08	1,492.09	1,061.99	1,177.94	935.25	1,886.70
	Occupancy rate (%)	98.8	98.3	100.0	88.6	100.0	95.6	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)	38,214	27,542	29,640	19,716	19,620	19,538	19,216
	Real estate rental revenues	33,883	25,475	29,520	18,175	19,620	17,707	16,831
	Other lease business revenues	4,331	2,066	120	1,540	0	1,830	2,384
	(3) Real estate rental expenses (thousand yen)	7,858	6,403	3,808	5,747	333	3,821	2,003
	Management service fee	1,797	2,181	1,417	1,530	-	1,677	1,020
	Taxes and dues	1,390	1,570	2,284	1,335	-	-	-
	Utilities expenses	593	777	-	391	-	180	178
	Repair Cost	1,479	574	29	1,527	-	770	488
	Insurance expenses	44	39	55	41	32	33	46
	Trust fees	394	394	-	197	296	296	-
	Other lease business expenses	2,156	865	22	725	4	862	270
	(4) NOI(=(2)-(3)) (thousand yen)	30,356	21,139	25,831	13,968	19,286	15,716	17,212
	(5) Depreciation (thousand yen)	6,944	3,734	7,710	4,452	3,779	3,356	2,138
	(6) Real estate rental income(=(4)-(5)) (thousand yen)	23,412	17,405	18,121	9,516	15,507	12,360	15,074
	(7) Capital Expenditures (thousand yen)	3,589	-	-	429	126	736	1,463
	(8) NCF(=(6)-(7))	26,766	21,139	25,831	13,539	19,160	14,980	15,748

Income and Expenditure by Property (12)

Fiscal Period Ending July 2018 (As of July 31, 2018)

(1) Area category		Greater Tokyo area					
(2) Property No.		C-15	C-16	C-17	C-18	C-19	C-20
(3) Property name		S-RESIDENCE Yokohama Tanmachi	S-FORT Chigasaki	S-FORT Kawaguchi Namiki	S-FORT Todakoen	S-FORT Funabashi Tsukada	S-FORT Kashiwa
(4) Acquisition date		Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018	Feb-01, 2018
(5) Price information	Acquisition price (million yen)	627	1,137	1,110	914	1,900	536
	Composition rate (%)	0.8	1.4	1.4	1.1	2.3	0.7
	Balance sheet amount (million yen)	658	1,190	1,163	963	1,968	558
(6) Leasing information	Total rentable area (㎡)	772.38	1,382.17	1,457.51	1,438.71	5,640.60	983.06
	Leased area (㎡)	772.38	1,320.08	1,394.97	1,415.43	5,640.60	930.78
	Occupancy rate (%)	100.0	95.5	95.7	98.4	100.0	94.7
(7) Income and expenses information	(1) Number of operating days	181	181	181	181	181	181
	(2) Total real estate rental income (thousand yen)	18,410	32,406	31,986	29,482	58,110	18,027
	Real estate rental revenues	18,360	31,378	31,746	27,810	54,126	15,768
	Other lease business revenues	50	1,028	240	1,671	3,984	2,259
	(3) Regal estate rental expenses (thousand yen)	1,760	2,323	3,375	3,302	7,196	3,582
	Management service fee	1,152	1,369	1,816	1,503	3,078	1,217
	Taxes and dues	-	-	-	-	-	-
	Utilities expenses	162	130	228	236	909	270
	Repair Cost	-	198	305	375	2,782	993
	Insurance expenses	25	39	45	42	124	30
	Trust fees	296	296	287	296	296	-
	Other lease business expenses	123	289	692	848	5	1,071
	(4) NOI(=(2)-(3)) (thousand yen)	16,649	30,082	28,611	26,180	50,913	14,444
	(5) Depreciation (thousand yen)	4,218	6,796	6,695	6,391	9,998	2,922
	(6) Real estate rental income(=(4)-(5)) (thousand yen)	12,430	23,286	21,915	19,788	40,915	11,521
	(7) Capital Expenditures (thousand yen)	-	128	-	-	399	155
	(8) NCF(=(4)-(7))	16,649	29,954	28,611	26,180	50,514	14,288

Financial Documents: Balance Sheet (1)



	(Unit : thousand yen)	
	Previous Fiscal Year (January 31, 2018)	Current Fiscal Year (July 31, 2018)
Assets		
Current Assets		
Cash and deposits	680,374	1,003,479
Cash and deposits in trust	975,119	1,508,337
Operating accounts receivable	4,349	9,498
Prepaid expenses	66,944	105,539
Consumption tax receivable	0	93,769
deferred tax assets	11	18
Other	36,010	4,308
Total-current assets	1,762,811	2,724,951
Non-current assets		
Property, plant and equipment		
Buildings	2,212,968	4,077,538
Accumulated depreciation	-76,006	-127,285
Buildings, net	2,136,961	3,950,253
Machinery and equipment	0	1,698
Accumulated depreciation	0	-57
Machinery and equipment, net	0	1,641
Tools, furniture and fixtures	1,849	8,990
Accumulated depreciation	-268	-574
Tools, furniture and fixtures, net	1,580	8,416
Land	1,524,232	4,021,075
Buildings in trust	29,865,892	44,176,029
Accumulated depreciation	-1,806,912	-2,385,167
Buildings in trust, net	28,058,979	41,790,862
Structures in trust	13,251	13,251
Accumulated depreciation	-555	-1,177
Structures in trust, net	12,695	12,073
Machinery and equipment in trust	469,744	547,966
Accumulated depreciation	-52,884	-66,976
Machinery and equipment in trust, net	416,860	480,989
Tools, furniture and fixtures in trust	32,580	41,319
Accumulated depreciation	-6,255	-9,604
Tools, furniture and fixtures in trust, net	26,325	31,714
Land in trust	20,879,603	33,850,471
Total property, plant and equipment	53,057,238	84,147,497

	(Unit : thousand yen)	
	Previous Fiscal Year (January 31, 2018)	Current Fiscal Year (July 31, 2018)
Investments and other assets		
Investment securities	259,518	5,898
Lease and guarantee deposits	10,428	10,542
Long-term prepaid expenses	81,490	168,125
Total investments and other assets	351,436	184,566
Total non-current assets	53,408,675	84,332,063
deferred assets		
Investment unit issuance expenses	13,942	28,229
Investment corporation bond issuance costs	16,805	37,134
Total deferred assets	30,748	65,364
Total Assets	55,202,235	87,122,379

Financial Documents: Balance Sheet (2)

(Unit : thousand yen)

	Previous Fiscal Year (January 31, 2018)	Current Fiscal Year (July 31, 2018)
Liabilities		
Current liabilities		
Operating accounts payable	116,336	167,304
Short-term loans payable	200,000	—
Current portion of long-term loans payable	2,500,000	5,000,000
Accounts payable – other	19,094	40,366
Accrued expenses	6,405	7,258
Accrued dividend	8,603	9,990
Accrued consumption taxes	3,581	—
Income taxes payable	675	718
Advances received	262,856	394,805
Deposits received	4,532	7,787
Total current liabilities	3,122,085	5,628,232
Non-current liabilities		
Investment corporation bonds	1,000,000	2,000,000
Long-term loans payable	24,700,000	37,600,000
Tenant leasehold and security deposits	29,907	46,934
Tenant leasehold and security deposits in trust	223,281	363,420
Total non-current liabilities	25,953,188	40,010,354
Total Liabilities	29,075,273	45,638,586
Net assets		
Unitholders' equity		
Unitholders' capital	26,015,517	41,118,717
Amount deducted from Unitholders' capital	-508,713	-645,685
Unitholders' capital (Net amount)	25,506,804	40,473,032
Surplus		
Unappropriated retained earnings	620,156	1,010,760
Total surplus	620,156	1,010,760
Total unitholders' equity	26,126,961	41,483,792
Total net assets	26,126,961	41,483,792
Total liabilities and net assets	55,202,235	87,122,379

Financial Documents : Statement of Income



	(Unit : thousand yen)	
	Previous Fiscal Year (From: August 1, 2017 To: January 31, 2018)	Current Fiscal Year (From: February 1, 2018 To: July 31, 2018)
Operating revenue		
Rent revenue - real estate	1,681,707	2,602,421
Other lease business revenues	135,508	273,095
Silent partnership revenue	17,764	12,487
Total operating revenue	1,834,981	2,888,004
Operating expenses		
Expenses related to rent business	803,495	1,200,247
Asset management fee	129,063	127,973
Asset custody fee	4,926	5,585
Administrative service fees	36,160	50,018
Directors' compensations	2,400	2,400
Remuneration for Accounting Auditors	10,000	10,000
Other operating expenses	59,111	87,335
Total operating expenses	1,045,157	1,483,560
Operating income	789,823	1,404,444
Non-operating income		
Interest income	2	4
Total non-operating income	2	4
Non-operating expenses		
Interest expenses	101,580	170,670
Interest expenses on investment corporation bonds	3,864	9,017
Borrowing related expenses	55,492	198,840
Amortization of investment unit issuance expenses	4,690	8,352
Amortization of investment corporation bond issuance costs	3,383	5,930
Total non-operating expenses	169,011	392,812
Ordinary income	620,814	1,011,635
Net income before income taxes	620,814	1,011,635
Income taxes - current	842	986
Deferred Income taxes	3	-6
Total income taxes	846	979
Net income	619,968	1,010,656
Balance brought forward	188	103
Unappropriated retained earnings (-)	620,156	1,010,760

Financial Documents : Statement of Cash Flows



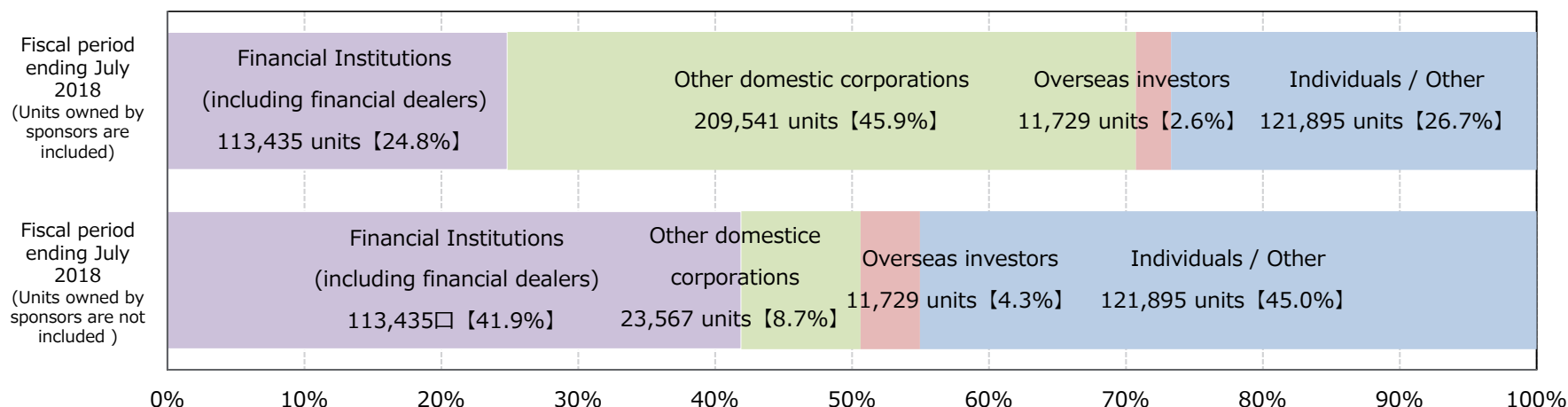
(Unit : thousand yen)			(Unit : thousand yen)		
	Previous Fiscal Year (From: August 1, 2017 To: January 31, 2018)	Current Fiscal Year (From: February 1, 2018 To: July 31, 2018)		Previous Fiscal Year (From: August 1, 2017 To: January 31, 2018)	Current Fiscal Year (From: February 1, 2018 To: July 31, 2018)
Cash flows from operating activities			Cash flows from investing activities		
Net income before income taxes	620,814	1,011,635	Purchase of property, plant and equipment	-11,158	-4,361,924
Depreciation	433,805	647,959	Purchase of property, plant and equipment in trust	-45,508	-27,364,071
Interest income	-2	-4	Payment for lease and guarantee deposits	-	-218
Interest expenses	105,445	179,688	Proceeds from collection of lease and guarantee deposits	27	105
Amortization of investment unit issuance expenses	4,690	8,352	Repayments of lease and guarantee deposits received	-1,891	-5,780
Amortization of investment corporation bond issuance costs	3,383	5,930	Proceeds from lease and guarantee deposits received	1,260	22,807
Decrease (increase) in operating accounts receivable	825	-5,148	Repayments of lease and guarantee deposits in trust received	-23,256	-42,455
Decrease (increase) in consumption taxes receivable	-	-93,769	Proceeds from lease and guarantee deposits in trust received	14,214	182,594
Decrease (increase) in consumption taxes payable	-4,420	-3,581	Proceeds from redemption of investment securities	8,246	266,107
Decrease (increase) in prepaid expenses	1,035	-38,595	Cash flows from investing activities	-58,067	-31,302,836
Increase (decrease) in operating accounts payable	16,273	38,746	Cash flows from financing activities		
Increase (decrease) in accounts payable – other	1,505	21,272	Decrease in short-term loans payable	-200,000	-200,000
Increase (decrease) in advances received	4,198	131,949	Proceeds from long-term loans payable	2,500,000	17,900,000
Decrease (increase) in long-term prepaid expenses	1,518	-86,635	Proceeds from issuance of investment corporation bonds	-2,500,000	-2,500,000
Other, net	-52,515	25,107	Proceeds from issuance of investment units	-	973,741
Subtotal	1,136,556	1,842,907	Payments for investment unit issuance expenses	-	15,080,561
Interest income received	2	4	Dividends paid	-756,622	-755,638
Interest expenses paid	-105,552	-178,834	Cash flows from financing activities	-956,622	30,498,662
Income taxes – current	-2,254	-3,580	Net increase (decrease) in cash and cash equivalents	14,062	856,323
Cash flows from operating activities	1,028,752	1,660,496	Cash and cash equivalents at the beginning of period	1,641,431	1,655,494
			Cash and cash equivalents at the end of period	1,655,494	2,511,817

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 January 31, 2017	As of July 31, 2017	As of January 31, 2018	As of July 2018	Number of unitholders by unitholder type	As of January 31, 2017	As of July 31, 2017	As of January 31, 2018	As of July 2018
Financial Institutions (including financial dealers)	88,799 units	95,611 units	102,851 units	113,435 units	Financial Institutions (including financial dealers)	59 people	53 people	51 people	51 people
Other domestic corporations	28,285 units	31,195 units	36,482 units	209,541 units	Other domestic corporations	262 people	235 people	216 people	198 people
Overseas investors	8,038 units	6,730 units	9,604 units	11,729 units	Overseas investors	53 people	53 people	58 people	58 people
Individuals / Other	157,878 units	149,464 units	134,063 units	121,895 units	Individuals / Other	16,906 people	16,725 people	15,493 people	14,329 people
Total	283,000 units	283,000 units	283,000 units	456,600 units	Total	17,280 people	17,066 people	15,818 people	14,636 people

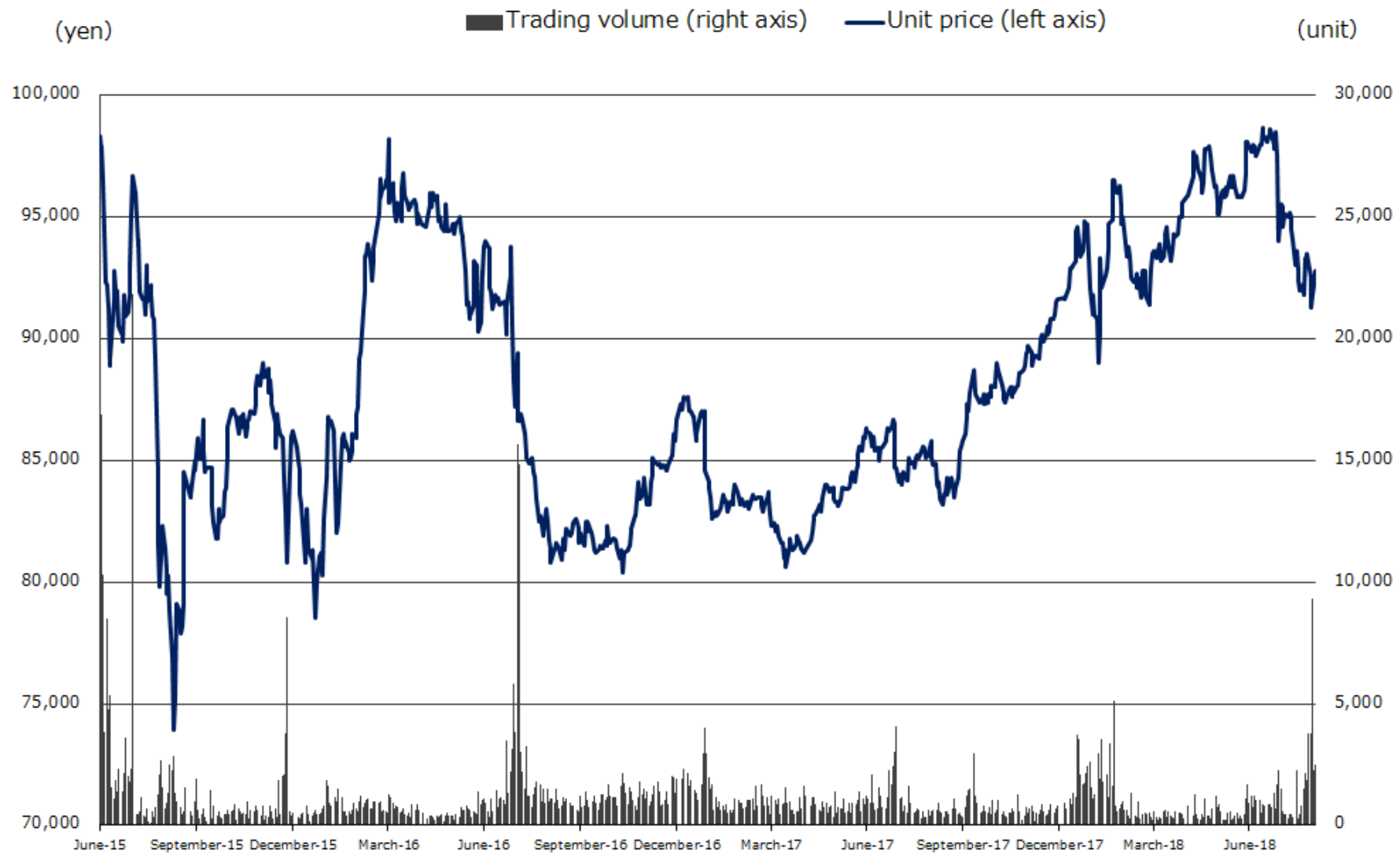
Unitholder Information (2) Major Unitholders



◆ Major Unitholders (top 10) as of July 31, 2018

Unitholder	Investment units (units)	Ratio (%)
Daiwa Securities Group Inc.	161,700	35.41
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,638	6.27
Samty Co., Ltd.	24,274	5.31
Japan Trustee Services Bank, Ltd. (Trust Account)	22,195	4.86
Kinki Sangyo Credit Union	18,400	4.02
Daiwa PI Partners Co.Ltd.	10,858	2.37
Trust & Custody Services Bank, Ltd. (Securities	9,089	1.99
The Nomura Trust and Banking Co., Ltd. (Trust	8,984	1.96
Osaka co-sei Shinkin Bank	5,820	1.27
Daido Shinyoukumiai	4,957	1.08
Total of major unitholders (top 10)	294,915	64.58
Total of units	456,600	100.00

Change in Investment Unit Price (June 30, 2015 to August 31, 2018)



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

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