

Explanation of the “Summary of the Asset-To-Be-Acquired” and “Summary of the Appraisal Report” in the Notice Concerning Acquisition of Investment Asset

The following is a supplemental explanation regarding the press releases "Notice Concerning Acquisition of Assets" or "Notice Concerning Acquisition of Real Estate Trust Beneficiary Interest in Japan " after February 28, 2024, and "today" in the following refers to the date of publication of the press release.

■ Explanation of Summary of the Asset-To-Be-Acquired

Explanation of Summary of the Asset To Be Required				
Trustee		“Trustee” indicates the trustee of the trust agreement for the real estate in trust as of today or the trustee scheduled to be appointed is listed.		
Address		"Address" indicates the residential indication. However, for those that do not have a residential indication, the building address based on the street number or the building address in the registry book is stated.		
Land	Type of Ownership	“Type of Ownership” indicates the type of rights held or to be held by the trustee or owner with respect to the real estate in trust or real estate.	Zoning	“Zoning” for the land indicates the type of zoning as listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.
	Land Area	“Land Area” is based on the description in the registry book. The description in the registry may not match the status of the property.	FAR / Building Coverage Ratio	“FAR / Building Coverage Ratio” indicates the designated floor-area ratio or designated building-to-land ratio as stipulated in the city plan.
Building	Structure / Floors	“Total Floor Area,” “Structure / Floors,” “Use” and “Construction Completion Date” for the building are each pursuant to the entries indicated in the registry for the property.		
	Type of Ownership	“Type of Ownership” indicates the type of rights held or to be held by the trustee or owner with respect to the real estate in trust or real estate.	Use	“Use” is pursuant to the entries indicated in the registry for the property. However, “Use” provides the primary use out of the types indicated in the registry.
	Total Floor Space	“Total Floor Space” is pursuant to the entries indicated in the registry for the property. “Total floor area” provides the floor area of the overall building (excludes floor area of annexed buildings).	Construction Completion Date	“Construction Completion Date” is pursuant to the entries indicated in the registry for the property.
Property Management Company		“Property Management Company” provides the property management (here in after, PM) companies that have been or will be entrusted with PM services for each real estate in trust or real estate as of today are listed. In cases where the PM services have been or will be recommissioned, the PM company to which the recommissioning has been made is listed.		
Master Lessee		“Master lessee” indicates the lessee that has executed or will execute a master lease agreement with the real estate owner in trust or the real estate owner as of today.		
Master Lease type		“Master lease type” is based on the type of master lease agreement as of today and is “Pass-through” when the master lessee pays the same amount of rent as the end-tenant owes to the master lessee, and “Guaranteed Rent” when the master lessee pays the guaranteed rent. In addition, although the master lease agreement that has been executed or is scheduled to be executed is “Pass-through” type, the case in which a sublessee that has been or is scheduled to be subleased in bulk by the master lessee is entrusted with PM services and is required to pay guaranteed rent to the master lease company is also considered a “Guaranteed Rent” type.		
Lease Conditions				
Total Tenants		“Total Tenants” indicates the number of tenants as 1 when a master lease agreement has been executed or is scheduled to be executed with the master lessee.		

Leasable Units	<p>“Leasable Units” indicates the number of units available for lease as of today, based on information provided by the current owner, and for properties with guaranteed rent, the number of units available for sublease by the lessee.</p>
Leasable Floor Area	<p>“Leasable Floor Area” means the total leasable area of each building as of today, excluding the leasable area of land (parking lots, etc.), and includes information provided by the current owner or indicated in the lease agreement or plans of the relevant property, etc.</p>
Leased Area	<p>“Leased Area” indicates the area that is leased out of the leasable area.</p> <p>In the case where a master lease agreement is executed or scheduled to be executed with a master lessee and the type of master lease is Pass-through, the leased area is the area that is actually leased through the execution of the lease agreement with the end-tenant.</p> <p>When the master lease type is Guaranteed Rent, the area covered by the rent guarantee is stated in principle.</p> <p>However, in cases where an agreement of the different master lease type has been executed or is scheduled to be executed, the figure is the sum of the area leased and the area subject to the rent guarantee, where the lease agreement has been executed between the master lessee or each property or property owner in trust and the end tenant.</p> <p>For each master lease type, the information is based on the information provided by the current owner or indicated in the lease agreement or drawings of the relevant property.</p>
Occupancy Rate (based on floor area)	<p>“Occupancy Rate (based on floor area)” is calculated as follows. “Leased area” ÷ “Leasable area” × 100. The figures are rounded to the second decimal place.</p>
Total Monthly Rent	<p>“Total Monthly Rent”, in principle, when the master lease agreement has been executed or is scheduled to be executed with a master lessee and the type of master lease is Pass-through, the total amount of monthly rent indicated in the lease agreement, etc. executed between the master lessee or the owner of each property or property in trust and the end-tenant (including common service charges, but excluding the charges for the use of annex facilities such as parking lots and trunk rooms) is used.</p> <p>In the case where the master lease agreement is executed or scheduled to be executed with the master lessee, and the type of master lease is a Guaranteed Rent, the lease agreement with a guaranteed rent that has been executed or scheduled to be executed between the master lessee and each real estate or real estate in trust owner, or in the case of Guaranteed Rent, it is the total amount of the monthly guaranteed rent (including the fixed amount of common service charges, but excluding the usage fees of annex facilities such as monthly parking lots and trunk rooms) indicated in the sublease agreement with the rent guarantee concluded or to be concluded between the master lessee and the sublessor who has a bulk sublease from the master lessee.</p> <p>However, in cases where contracts of different master lease types have been executed or are scheduled to be executed, the total amount of Pass-through monthly rent and guaranteed monthly rent is shown. Figures are rounded down to the nearest thousand yen and exclude consumption tax, etc.</p>
Deposits, Guarantees, etc.	<p>“Deposits, Guarantees, etc.”, in principle, in cases where the master lease agreement has been executed or is scheduled to be executed with a master lessee and the type of master lease is Pass-through, the total balance of security deposit, guarantee money, etc. of each end tenant based on the lease agreement executed between the master lessee or each property or property owner in trust and the end tenant is stated, rounded down to the nearest thousand yen.</p> <p>However, if there is any portion that is not required to be returned due to a special agreement such as a security deposit or amortization of security deposit in each lease contract, the amount after deduction of such amount is stated.</p> <p>In cases where a master lease agreement has been executed or is scheduled to be executed with the master lessee and the type of master lease is a Guaranteed Rent, the balance of security deposits, etc. based on the lease agreement with the rent guarantee executed or to be executed between the master lessee and the owner of each property or property in trust, or the sublease agreement with the rent guarantee executed or to be executed between the master lessee and a sublessee who is subleasing in bulk from the master lessee with a rent guarantee is shown.</p> <p>However, in cases where contracts of different master lease types have been executed or are scheduled to be executed, the total amount of Pass-through security deposits, guarantees, etc. and rent-guaranteed security deposits, guarantees, etc. is shown. The amount is rounded down to the nearest thousand yen.</p>

Number of Units by Type (Excluding Operational Rental Residence)	“Number of Units by Type (Excluding Operational Rental Housing)” indicates the number of unit type based on the following classification.																																																														
	“Other” indicates uses other than residential units, such as stores and offices. Based on information provided by the current owner, the number of leasable units of each unit type as of today in the number of leasable units of the real estate in trust or real estate, and for properties with guaranteed rent, the number of units that can be subleased by the lessee is shown.																																																														
	In addition, Operating rental housing is excluded. Operational rental housing is a property operated differently from common rental housing by their operators, and its uses include serviced apartments (furnished rental housing for short-term residents), dormitories for working people and students, and housing for the elderly, etc.																																																														
	<table><tr><th rowspan="2">Floor Plan</th><th colspan="8">Exclusive-use floor area</th></tr><tr><th>~30m²</th><th>~40m²</th><th>~50m²</th><th>~60m²</th><th>~70m²</th><th>~80m²</th><th>~90m²</th><th>Over 90m²</th></tr><tr><td>Studio</td><td>S</td><td>S</td><td>C</td><td>C</td><td>L</td><td>L</td><td>L</td><td>L</td></tr><tr><td>1 bedro</td><td>S</td><td>C</td><td>C</td><td>C</td><td>L</td><td>L</td><td>L</td><td>L</td></tr><tr><td>2 bedro</td><td>S</td><td>C</td><td>C</td><td>F</td><td>F</td><td>F</td><td>F</td><td>L</td></tr><tr><td>3 bedro</td><td></td><td></td><td>F</td><td>F</td><td>F</td><td>F</td><td>F</td><td>L</td></tr><tr><td>4 bedro</td><td></td><td></td><td></td><td></td><td>F</td><td>F</td><td>F</td><td>L</td></tr></table>	Floor Plan	Exclusive-use floor area								~30m ²	~40m ²	~50m ²	~60m ²	~70m ²	~80m ²	~90m ²	Over 90m ²	Studio	S	S	C	C	L	L	L	L	1 bedro	S	C	C	C	L	L	L	L	2 bedro	S	C	C	F	F	F	F	L	3 bedro			F	F	F	F	F	L	4 bedro					F	F	F	L
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		~30m ²	~40m ²	~50m ²	~60m ²	~70m ²	~80m ²	~90m ²	Over 90m ²																																																						
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	3 bedro			F	F	F	F	F	L																																																						
4 bedro					F	F	F	L																																																							
S: Single type Primarily residential units designed for single-person households																																																															
C: Compact type Primarily residential units designed for single-person households and small-family households (2 to 3 people)																																																															
F: Family type Primarily residential units designed for family households																																																															
L: Large type Primarily residential units designed for foreigners																																																															
Studio 1R or 1K																																																															
1 bedroom 1DK or 1LDK																																																															
2 bedroom 2DK, 2LDK, 1LDK+S, etc.																																																															
3 bedroom 3DK, 3LDK, 2LDK+S, etc.																																																															
4 bedroom 4DK, 4LDK, 3LDK+S, etc., or those with 5 or more rooms that are in ongoing use for living, working, gathering, leisure or other similar purposes																																																															
Number of Operated Rental Residence	“Number of Operational Rental Housing Units” indicates the number of leasable units of the real estate in trust or real estate as of today, based on information provided by the current owner, and for Rent Guarantee properties, the number of units available for sublease by the lessee.																																																														
Other Relevant Information																																																															
“Other Relevant Information” presents matters recognized to be of importance in association with the rights, use of the Asset-to-be-Acquired, as well as matters recognized to be of importance in the consideration of the degree of impact on the appraised value, profitability and appropriation of the Asset-To-Be-Acquired, including the following items.																																																															
• Major limitations or restrictions under laws and regulations																																																															
• Major burdens or restrictions on rights, etc. • Main cases where there are structures, etc. beyond the boundaries of the relevant real estate in trust or real estate, or where there are problems with boundary confirmation, etc., and the agreements, etc. related thereto																																																															
• Major agreements or understandings made with co-owners/compartmentalized owners																																																															
Summary of Building Conditions Investigation Report																																																															
• The summary is based on the report prepared by the investigator listed in this column regarding the Asset-To-Be-Acquired. However, the contents of the report are solely the opinion of the aforementioned investigator, and ADR does not guarantee its validity or accuracy.																																																															
• “Long-term Repair Costs (next 12 years)” is rounded down to the nearest unit.																																																															
• “Building Replacement Price” is rounded down to the nearest unit.																																																															

■ Explanation of “Summary of the Appraisal Report”

- The values are those stated in the appraisal report or price survey report prepared for the property to be appraised by the appraiser stated in this column.
- Even if an appraisal or price survey is conducted again for the same property, the appraisal value or survey price may differ depending on the real estate appraiser who conducts the appraisal or price survey, the method or timing of the appraisal or price survey.
- The appraisal value or survey price of a property is not a guarantee or promise that the property will be sold or purchased at that appraisal value or survey price at present or in the future.
- There is no conflict of interest between the appraiser listed in this column who conducted the appraisal or price survey and ADR.