AOGIRI APPRAISAL CO., LTD.

ILLUSTRATIVE ENGLISH REPORT

Property Price Investigation & Sale Strategy

Seller-side sample for an overseas owner considering the sale of a vacation home in Karuizawa, Nagano Prefecture.

Subject property	Fictional detached vacation home - Karuizawa area, Nagano Prefecture
Client situation	Overseas owner considering sale within 6-12 months
Price investigation date	September 1, 2026
Scope	Market analysis, property analysis, investigated price and sale strategy
Report language	English

JPY 132m	JPY 128m-138m	JPY 148m
Investigated Price	Indicative Range	Suggested Ask

Important: This is a fictional marketing sample. The subject property, comparable transactions and value conclusions are illustrative. Selected public statistics and official land-price indicators are identified as public information. This document is not an appraisal or transaction advice concerning any real property.

1. Executive Summary

Conclusion

Based on the fictional assumptions and evidence set out in this sample, the subject is considered to have an investigated current market value of **JPY 132,000,000**, with a reasonable marketing range of approximately **JPY 128,000,000 to JPY 138,000,000**. For a seller seeking a normal marketing period rather than an urgent disposition, an initial asking price around **JPY 148,000,000** is used as an illustrative strategy.

JPY 132m	JPY 128m-138m	JPY 148m
Investigated price	Range	Initial ask

Key value drivers

- Established Karuizawa resort demand and strong recent public land-price indicators.

- Good privacy and mature landscaping with a usable central building area.

- Building quality and renovation history support continued second-home use.

- Access-road, slope and winter maintenance issues require clear disclosure and may affect buyer selection.

- The likely buyer is an affluent second-home purchaser or investor from the Tokyo metropolitan area or overseas; liquidity is therefore broader than a purely local residential market but still highly property-specific.

Recommended seller strategy

Prepare road, survey, tax, building and maintenance documents before marketing; launch with a price that leaves room for negotiation but remains anchored to current comparable evidence; re-test pricing if qualified buyer activity is limited after the first agreed marketing period.

2. General Factors - Karuizawa Town

Population, land-price indicators and market background

21,800	11,395	2026-09-01
Population	Households	Date

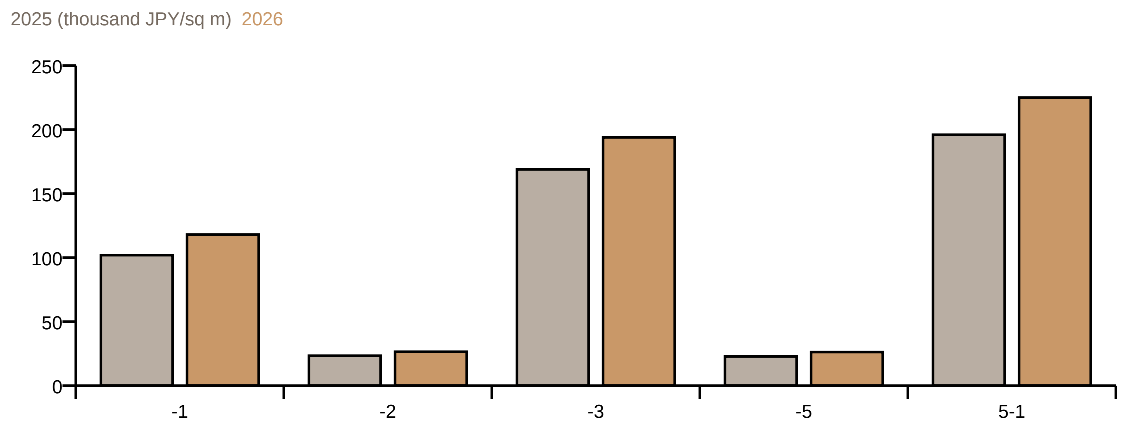
Population and demand background

Karuizawa is a nationally recognized resort and second-home market within commuting and leisure reach of the Tokyo metropolitan area. The resident population is supplemented by a substantial non-resident owner and visitor base, so transaction demand cannot be inferred from resident population alone. As of September 1, 2026, Karuizawa Town reported a resident population of 21,800 and 11,395 households.

Official land-price indicators

Official point	2025 JPY/sq m	2026 JPY/sq m	Approx. YoY
Karuizawa-1	102,000	118,000	+15.7%
Karuizawa-2	23,400	26,500	+13.2%
Karuizawa-3	169,000	194,000	+14.8%
Karuizawa-5	22,900	26,300	+14.8%
Karuizawa 5-1	196,000	225,000	+14.8%

Selected 2026 official benchmark points therefore show continued substantial increases, but the absolute price level varies widely by submarket. This reinforces the need to identify the subject property's competitive segment rather than apply a town-wide average unit rate.



Public sources: Karuizawa Town population statistics (September 1, 2026); Ministry of Land, Infrastructure, Transport and Tourism (MLIT), 2025 and 2026 Land Price Publication appraisal data. The chart uses selected points only and is not a market index.

3. Regional Analysis

Same supply-demand area, buyer profile and market position

Same supply-demand area

For this fictional subject, the same supply-demand area is considered to comprise established vacation-home and premium residential areas within practical access of Karuizawa Station and central Karuizawa, including comparable wooded villa districts where purchasers place weight on privacy, landscape, access, road quality, land usability and building condition.

Typical demand-side participants

- Affluent households from the Tokyo metropolitan area seeking a second home or dual-base residence.

- International purchasers seeking lifestyle or investment exposure to a recognized Japanese resort market.

- Corporations or family offices seeking accommodation, retreat or long-term asset holdings.

- Owner-occupiers who prioritize privacy, mature trees and an established neighborhood over new-build convenience.

Market analysis

Demand is not homogeneous. Premium buyers may pay materially more for favorable micro-location, approach roads, privacy and high-quality buildings, while properties with steep terrain, difficult snow access, unclear private-road rights or older unrenovated structures can face a narrower buyer pool. The subject should therefore be compared to properties that compete for the same buyer, not simply to geographically nearby transactions.

Marketability assessment

Buyer depth	Moderate to good, provided road/access and building documentation are clear.
Expected marketing period	Illustratively 4-9 months at a market-supported asking price.
Negotiation sensitivity	Moderate. Buyers are likely to price renovation, road/access and survey uncertainty explicitly.
Most important presentation	Privacy, usable site area, building condition, winter access and accurate documents.

4. Subject Property - Land Analysis

Location	Fictional Minamigaoka / central Karuizawa villa area
Land area	Approx. 1,295 sq m
Shape	Generally rectangular with minor irregularity
Topography	Gentle to moderate slope; central building platform is usable
Road	Approx. 6.5 m local road on southeast; final legal status to be verified
Access	Approx. 2.5 km from Karuizawa Station by road
Utilities	Public water and electricity assumed; wastewater system to be verified
Planning / restrictions	Low-density resort/residential controls assumed; actual planning, landscape and tree-removal rules require verification
Surroundings	Detached vacation homes, mature trees and private compounds

Land-specific analysis

The overall land area is attractive to second-home purchasers, but not all square metres contribute equally to utility. The central usable portion, road approach, privacy and landscaping are positive. Moderate slope and tree management create maintenance cost and reduce the relevance of simple unit-price comparison. Any private-road rights, boundary uncertainty or drainage/wastewater constraints would require explicit adjustment.

Factor	Assessment	Price effect
Privacy / landscape	Good	Positive
Road width / access	Generally good; verify legal position	Neutral to slightly positive
Slope	Moderate	Slight negative
Site usability	Good central platform	Positive
Utilities	Generally available; wastewater verify	Neutral pending confirmation
Size	Large enough for resort use; buyer pool still selective	Mixed

5. Subject Property - Building Analysis

Building type	Detached vacation residence
Structure	Wood-frame, 2 storeys
Floor area	Approx. 182 sq m
Year built	2003 (fictional)
Renovation	Kitchen, bath and selected finishes renewed in 2018 (fictional)
Layout	3 bedrooms + study + large living/dining + deck
Condition	Good ordinary condition for age, subject to professional inspection
Heating / winter use	Whole-house heating assumed; operating history to be confirmed
Functional utility	Good for second-home use; modern enough for target buyers

Building contribution

The existing building has continuing economic utility and contributes materially to total property value. However, buyers in this price band are sensitive to insulation, heating, moisture, roof condition, exterior maintenance and equipment age. A building inspection and documented renovation history can therefore directly affect negotiation. The building is not valued by depreciated construction cost alone; its contribution is tested against whole-property market evidence.

Items to verify before marketing

- Building confirmation / permit records and any later alterations.
- Roof, exterior, deck, moisture and foundation condition.
- Heating system, water systems and winterization history.
- Furniture / fixtures to remain or be removed.
- Wastewater / septic maintenance records if applicable.

6. Comparable Transaction Analysis

Illustrative nearby sales - fictionalized for demonstration

Comp	Timing	Land / Bldg	Sale price	Key comparison
A	2026 Q2	1,180 sq m / 170 sq m	JPY 128m	Similar privacy and age; slightly weaker road approach
B	2026 Q1	1,420 / 205	JPY 146m	Superior renovation; larger building; similar market segment
C	2025 Q4	1,050 / 155	JPY 119m	Smaller site; newer building; less privacy
D	2025 Q3	1,360 / 190	JPY 137m	Similar size; steeper site; strong interior condition

Adjustment framework

The comparable evidence is adjusted qualitatively and quantitatively for transaction timing, micro-location, road/access, site usability, land area, building age, renovation, condition and overall buyer appeal. Comp B supports the upper end but reflects superior renovation. Comp A is a close indicator after allowing for the subject's stronger privacy. Comps C and D provide lower/mid support.

Market comparison indication	Approx. JPY 130m-136m
Land/building component reasonableness check	Approx. JPY 125m-139m
Adopted emphasis	Whole-property market comparison, supported by component analysis

7. Assessment Policy and Price Determination

Assessment policy

For an owner-occupied resort residence, the primary evidence is the price at which comparable whole properties compete in the market. The sales comparison approach is therefore given greatest weight. A land-and-building component analysis is used as a reasonableness check, while an income approach is not emphasized because the fictional subject is not assumed to be purchased primarily for stabilized rental income.

Method	Indication	Weight / reasoning
Whole-property sales comparison	JPY 132m	Primary - closest to buyer behavior
Land + building component check	JPY 129m	Secondary - supports reasonableness
Income approach	Not applied	Owner-use resort market; stabilized rent evidence not assumed

Determination of investigated price

After reconciling the above evidence and placing greatest weight on the comparable whole-property market, the investigated price is concluded at **JPY 132,000,000**. Because actual transaction price depends on marketing period, buyer competition, inspection findings and negotiated conditions, a practical range of **JPY 128,000,000 to JPY 138,000,000** is also shown for decision support.

JPY 132m	JPY 128m-138m
Investigated price	Practical range

8. Sale Strategy and Transaction Support

Illustrative asking-price strategy

An initial asking price of approximately **JPY 148,000,000** is used in this sample. It provides negotiation room above the investigated price while remaining close enough to current evidence to attract qualified purchasers. The seller should agree in advance on a review point based on inquiry volume and buyer feedback.

Stage	Seller decision	Aogiri support
Before launch	Confirm documents, repairs, timing and minimum acceptable terms	Price investigation, document checklist, sale-readiness review
Marketing	Select asking price and target buyer segment	Brokerage, marketing coordination and inquiry handling if appointed
Negotiation	Compare price vs conditions and timing	Japanese-language negotiation with buyers / brokers within agreed scope
Contract	Approve terms and disclosure position	Coordinate important-matters explanation and sale contract
Closing	Complete settlement and handover	Coordinate counterparties and relevant professionals

Indicative fee for the separate price investigation: **from JPY 165,000 including tax**. Brokerage, if later appointed, is a separate engagement and fee.

Formal authority to sign or execute documents on a client's behalf is only undertaken where appropriate written authorization clearly defines that authority.

9. Sources, Assumptions and Limitations

Selected public information used to demonstrate report structure

- Karuizawa Town official population / household statistics, September 1, 2026.

- MLIT Real Estate Information Library / 2025 and 2026 Land Price Publication appraisal data for selected Karuizawa benchmark points.

Illustrative assumptions

- The subject property and all comparable transactions are fictional.

- No title, survey, planning, environmental, engineering, building-compliance or tax investigation has actually been performed.

- Actual reports identify the documents reviewed, site inspection scope, valuation date, assumptions and reliance conditions.

- A Property Price Investigation Report is a decision-support product and should not be represented as a formal real estate appraisal where a formal appraisal is required.

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