

(REIT) Financial Report for Fiscal Period Ended February 29, 2020**April 14, 2020**

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Stock Exchange Listing: Tokyo Stock Exchange
 URL: <https://takara-reit.co.jp/>

Scheduled date of commencement of cash distribution payment: May 19, 2020
 Scheduled date of submission of securities report: May 28, 2020
 Preparation of supplementary financial results briefing materials: Yes
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for Fiscal Period Ended February 29, 2020 (from September 1, 2019 to February 29, 2020)**(1) Operating Results**

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended February 29, 2020	3,076	5.5	1,912	8.7	1,707	5.4	1,706	5.4
Ended August 31, 2019	2,916	37.0	1,760	34.2	1,620	38.1	1,619	38.2

Fiscal period	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	yen	%	%	%
Ended February 29, 2020	3,694	4.2	2.0	55.5
Ended August 31, 2019	4,686	4.9	2.3	55.6

(2) Distribution

Fiscal period	Distributions per unit (not including cash distribution in excess of earnings)	Total distribution (not including cash distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distribution in excess of earnings	Distribution per unit (including distribution in excess of earnings)	Total distribution (including distribution in excess of earnings)	Distribution payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Ended February 29, 2020	3,689	1,706	4	1	3,693	1,708	100.0	3.7
Ended August 31, 2019	4,680	1,616	13	4	4,693	1,621	99.9	4.9

(Note1) Distributions in excess of earnings per unit, consist only of allowance for temporary difference adjustment. There is no distribution under tax law resulting in a decrease of investment capital.

(Note2) For the fiscal period ended February 29, 2020 of distribution payout ratio is calculated by the following formula due to changes in the number of investment units during the period following issuance of new investment units during the period:

$$\text{Distribution payout ratio} = \text{Total distribution (not including distribution in excess of earnings)} \div \text{Net income} \times 100$$

(3) Financial Position

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended February 29, 2020	94,517	46,829	49.5	101,252
Ended August 31, 2019	72,736	33,526	46.1	97,036

(4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Ended February 29, 2020	3,180	△23,025	18,731	4,215
Ended August 31, 2019	4,675	△3,263	1,546	5,328

2. Forecasts of Financial Results for Fiscal Periods August 31, 2020 (from March 1, 2020 to August 31, 2020) and February 28, 2021 (from September 1, 2020 to February 28, 2021)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (not including distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	million yen
Ending August 31, 2020	2,772	△9.9	1,599	△16.4	1,389	△18.6	1,388	△18.6	2,996	4	3,000
Ending February 28, 2021	2,796	0.9	1,607	0.5	1,390	0.1	1,389	0.1	2,996	4	3,000

(Reference) Forecast net income per unit (fiscal period ending August 31, 2020) 3,000 yen

Forecast net income per unit (fiscal period ending February 28, 2021) 3,000 yen

*Distributions in excess of earnings per unit consist only of the allowance for temporary difference adjustment. There is no distribution under tax law resulting in a decrease of investment capital

* Other

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

- ① Total number of investment units issued and outstanding (including treasury units) at the end of the period |
 - Fiscal Period Ending February 29, 2020 : 462,500 units
 - Fiscal Period Ending August 31, 2019 : 345,500 units
- ② Number of treasury units at the end of the period
 - Fiscal Period Ending February 29, 2020 : 0 units
 - Fiscal Period Ending August 31, 2019 : 0 units

(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see “Notes on Per Unit Information” on page 26.

(3) Rounding processing

Unless otherwise specified in this document, numerical values such as monetary amounts are rounded down to the nearest unit and figures are rounded off to the second decimal place.

*Presentation of Status of Implementation of Audit Procedures

At the time of disclosure of this financial result, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

*Explanation of Appropriate Use of Forecasts of Financial Results, and Other Matters of Special Note

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by Takara Leben Real Estate Investment Corporation (hereafter referred to as “Investment Corporation”), and the actual operating results and so on may differ significantly from that anticipated by Investment Corporation due to various factors. Moreover, the forecasts are not intended to guarantee any amount of distribution and distribution in excess of earning. For notes regarding assumptions underlying these forecasts, please refer to “Assumptions for the Forecasts of Financial Results for the Fiscal Periods August 31, 2020 and February 28, 2021.” on page 3.

Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending
August 31, 2020 and February 28, 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none">• The fifth fiscal period: March 1, 2020 to August 31, 2020 (184 days)• The fourth fiscal period: September 1, 2020 to February 28, 2021 (181 days)
Property portfolio	<ul style="list-style-type: none">• It is assumed that there will be no changes (acquisition of new asset, disposal of property portfolio, etc.) in beneficiary right in trust assets mainly of real estate and real estate held by the Investment Corporation (36 properties) as of the date of this document (referred to as the “Existing Properties” hereinafter in these assumptions)• The actual property portfolio may vary due to the acquisition of new properties or the disposal of owned properties, etc.
Operating revenues	<ul style="list-style-type: none">• Operating revenues from the Existing Properties are based on the expected occupancy rate and the expected rent fluctuations, in turn based on the assumptions of tenant fluctuation and rent level, the contents of lease agreement that are effective as of the date of this document.• Gain on disposition of Kaden Sumairu Kan YAMADA Kobe Tarumi (Land) disposing as of June 30,2020 (“Asset to be Disposed”) is expected to be 25 million yen in the fiscal period ending August 31,2020 (5th fiscal period).• Considering influence of coronavirus disease, the Investment Corporation is expecting the decrease in operating revenues of 51 million yen in the fiscal period ending August 31,2020 (5th fiscal period).
Operating expenses	<div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div></div><div><div><div></div><div></div><div></div></div><div><div></div><div></div><div></div></div><div><div></div><div></div><div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Non-operating expenses	<ul style="list-style-type: none"> • The costs to issue and list the new investment units will be amortized on a monthly basis over three years from the time they are incurred, 19 million yen, and 19 million yen are expected for the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively. • For interest expenses and other borrowing-related costs, 190 million yen, and 197 million yen are expected for the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively.
Interest-bearing debt	<ul style="list-style-type: none"> • It is assumed that the total amount of interest-bearing debt will be 43,400 million yen, and 43,400 million yen as of the end of the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively. • The LTV ratio is expected to be around 45.9%, and 45.9% as of the end of the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively. • The LTV ratio is calculated using the following formula: $\text{LTV ratio} = \text{Total amount of interest-bearing debt as of the end of the fiscal period} / \text{Total assets as of the end of the fiscal period} \times 100$
Investment units	<ul style="list-style-type: none"> • It is assumed that, there will be no change in the number of investment units issued outstanding as of today (462,500) due to the issuance of new investment units or otherwise by the end of the fiscal period ending February 28, 2021 (the sixth fiscal period).
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the Investment Corporation's Articles of Incorporation. • Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in rental revenues, changes in investment assets and tenants, and unexpected repairs and other factors.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> • Allowance for temporary difference adjustment of 1 million yen is expected to book concerning the difference between net income and taxable income associated with recording of asset retirement obligation as of the end of the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively. It is assumed that the distribution in excess of earnings per unit will be 4 yen as of the end of the fiscal periods ending August 31, 2020 (the fifth fiscal period), and February 28, 2021 (the sixth fiscal period), respectively. • It is assumed that no deferred losses on hedges will be incurred, which is an item of deduction from net assets, as described above. • In addition, of distribution in excess of earnings, that falling under the category of distribution under tax law resulting in a decrease of investment capital is not scheduled at this point.
Other	<ul style="list-style-type: none"> • It is assumed that there will be no change in laws and regulations, the taxation system, accounting standards, the Securities Listing Regulations of the Tokyo Stock Exchange, or the rules of the Investment Trust Association, Japan, etc. that could affect the above forecasts. • It is assumed that there will be no unexpected significant change in general economic trends, real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheets

(Unit: thousand yen)

	3rd fiscal period (As of August 31, 2019)	4ht fiscal period (As of February 29, 2020)
Assets		
Current assets		
Cash and deposits	6,081,427	5,120,519
Cash and deposits in trust	1,006,748	1,752,399
Operating accounts receivable	75,299	84,699
Prepaid expenses	82,656	127,352
Consumption tax receivable	144,784	110,757
Other current assets	14,602	20,388
Total current assets	7,405,518	7,216,117
Fixed assets		
Tangible fixed assets		
Buildings	2,269,001	2,311,670
Accumulated depreciation	△14,867	△43,805
Buildings, net	2,254,133	2,267,864
Structures	9,641	9,641
Accumulated depreciation	△59	△148
Structures, net	9,582	9,493
Machinery and equipment	-	47,540
Accumulated depreciation	-	△1,188
Machinery and equipment, net	-	46,352
Land	795,779	1,463,924
Buildings in trust	17,044,450	21,080,088
Accumulated depreciation	△555,115	△841,477
Buildings in trust, net	16,489,335	20,238,610
Structures in trust	22,328	70,614
Accumulated depreciation	△572	△1,438
Structures in trust, net	21,756	69,175
Tools, furniture and fixtures in trust	14,948	17,872
Accumulated depreciation	△859	△2,253
Tools, furniture and fixtures in trust, net	14,088	15,618
Land in trust	45,529,850	62,107,922
Construction in progress in trust	4,000	-
Total tangible assets	65,118,526	86,218,961
Intangible assets		
Leasehold in trust	-	757,993
Software	4,675	4,125
Total intangible assets	4,675	762,118
Investments and other assets		
Investment securities	103,043	-
Long-term prepaid expenses	46,912	241,641
Deferred tax assets	21	20
Security deposits	11,000	11,000
Other assets	10	10
Total investments and other assets	160,986	252,671
Total fixed assets	65,284,188	87,233,750
Deferred assets		
Investment unit issuance costs	46,994	67,348
Total deferred assets	46,994	67,348
Total assets	72,736,701	94,517,217

(Unit: thousand yen)

	3rd fiscal period (As of August 31, 2019)	4ht fiscal period (As of February 29, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	350,998	133,518
Short-term loans payable	5,980,000	—
Current portion of long-term loans payable	15,000,000	15,000,000
Current portion of tenant leasehold and security deposits in trust	—	50,973
Accounts payable	163,964	176,974
Accrued expenses	13,167	12,522
Income tax payable	1,035	218
Advances received	12,744	8,179
Other current liabilities	4,631	10,130
Total current liabilities	21,526,540	15,392,518
Non-current liabilities		
Long-term loans payable	15,000,000	28,400,000
Tenant leasehold and security deposits	90,552	111,864
Tenant leasehold and security deposits in trust	2,422,827	3,633,966
Asset retirement obligations	88,015	87,632
Derivative liabilities	82,588	61,936
Total non-current liabilities	17,683,984	32,295,398
Total liabilities	39,210,524	47,687,917
Net assets		
Unitholders' equity		
Unitholders' capital	31,991,672	45,189,272
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	※ 1 △82,574	※ 1 △87,066
Total deduction from unitholders' capital	△82,574	△87,066
Unitholders' capital, net	31,909,097	45,102,206
Surplus		
Retained earnings	1,699,667	1,789,030
Total surplus	1,699,667	1,789,030
Total unitholders' equity	33,608,765	46,891,236
Valuation and translation adjustments		
Deferred gains or losses on hedges	△82,588	△61,936
Total valuation and translation adjustments	△82,588	△61,936
Total net assets	※ 2 33,526,176	※ 2 46,829,299
Total liabilities and net assets	72,736,701	94,517,217

(2) Statements of Income

(Unit: thousand yen)

	3rd fiscal period From: March 1, 2019 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Operating revenues		
Rental revenue	※ 1 2,010,180	※ 1 2,579,221
Other rental revenue	※ 1 165,226	※ 1 179,276
Dividend income from investments in securities	2,043	866
Gain on sales of real estate properties	※ 2 738,901	※ 2 316,856
Total operating revenue	2,916,352	3,076,219
Operating expenses		
Expenses related to property rental business	※ 1 944,320	※ 1 937,885
Asset management fee	137,894	144,262
Asset custody and administrative service fees	13,631	18,543
Directors' compensations	2,400	2,400
Taxes and dues	19,822	18,809
Other operating expenses	38,203	41,794
Total operating expenses	1,156,271	1,163,695
Operating income	1,760,080	1,912,523
Non-operating income		
Interest income	19	38
Refund of property taxes	-	5,670
Insurance income	212	-
Other	0	500
Total non-operating income	232	6,208
Non-operating expenses		
Interest expenses	83,538	122,526
Borrowing related expenses	43,711	69,429
Amortization of investment unit issuance costs	12,816	19,450
Total non-operating expenses	140,066	211,406
Ordinary income	1,620,246	1,707,326
Income before income taxes	1,620,246	1,707,326
Income taxes - current	1,038	1,023
Income taxes - deferred	△4	0
Total income taxes	1,033	1,023
Net income	1,619,213	1,706,302
Retained earnings brought forward	80,454	82,727
Unappropriated retained earnings	1,699,667	1,789,030

(3) Statements of Unitholders' Equity

3rd fiscal period (from March 1, 2019 to August 31, 2019)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at the beginning of the period	31,991,672	△14,165	△14,165	31,977,506	1,186,054	1,186,054	33,163,561
Changes during the period							
Dividends of surplus					△1,105,600	△1,105,600	△1,105,600
Excess profit distribution by provision for temporary difference adjustment		△68,409	△68,409	△68,409			△68,409
Net income					1,619,213	1,619,213	1,619,213
Net changes of items other than unitholders' equity							
Total changes during the period	-	△68,409	△68,409	△68,409	513,613	513,613	445,204
Balance at the end of the period	※ 1 31,991,672	△82,574	△82,574	31,909,097	1,699,667	1,699,667	33,608,765

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	△80,286	△80,286	33,083,275
Changes during the period			
Dividends of surplus			△1,105,600
Excess profit distribution by provision for temporary difference adjustment			△68,409
Net income			1,619,213
Net changes of items other than unitholders' equity	△2,302	△2,302	△2,302
Total changes during the period	△2,302	△2,302	442,901
Balance at the end of the period	△82,588	△82,588	33,526,176

4th fiscal period (from September 1, 2019 to February 29, 2020)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at the beginning of the period	31,991,672	△82,574	△82,574	31,909,097	1,699,667	1,699,667	33,608,765
Changes during the period							
Issuance of new investment units	13,197,600			13,197,600			13,197,600
Dividends of surplus					△1,616,940	△1,616,940	△1,616,940
Excess profit distribution by provision for temporary difference adjustment		△4,491	△4,491	△4,491			△4,491
Net income					1,706,302	1,706,302	1,706,302
Net changes of items other than unitholders' equity							
Total changes during the period	13,197,600	△4,491	△4,491	13,193,108	89,362	89,362	13,282,470
Balance at the end of the period	※ 1 45,189,272	△87,066	△87,066	45,102,206	1,789,030	1,789,030	46,891,236

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	△82,588	△82,588	33,526,176
Changes during the period			
Issuance of new investment units			13,197,600
Dividends of surplus			△1,616,940
Excess profit distribution by provision for temporary difference adjustment			△4,491
Net income			1,706,302
Net changes of items other than unitholders' equity	20,652	20,652	20,652
Total changes during the period	20,652	20,652	13,303,123
Balance at the end of the period	△61,936	△61,936	46,829,299

(4) Statements of Cash Distribution

(Unit: yen)

Category	3rd fiscal period From: March 1, 2019 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
I Unappropriated retained earning	1,699,667,703	1,789,030,148
II Addition of cash distribution in excess of earnings	4,491,500	1,850,000
Of which, allowance for temporary difference adjustment	4,491,500	1,850,000
III Total investment amount	—	20,652,443
[Of which, Temporary difference adjustment reserve reversal]	—	20,652,443
IV Cash distribution	1,621,431,500	1,708,012,500
[Cash distribution per unit]	(4,693)	(3,693)
Of which, cash distribution of earnings	1,616,940,000	1,706,162,500
[Of which, cash distribution of earnings per unit]	(4,680)	(3,689)
Of which, allowance for temporary difference adjustment	4,491,500	1,850,000
[Of which, cash distribution in excess of earnings per unit (attributable to allowance for temporary difference adjustment)]	(13)	(4)
V Retained earnings carried forward	82,727,703	62,215,205
Method of calculation of amount of cash distribution	<p>Cash distributions declared for the six months ended August 31, 2019 were 1,621,431,500 yen. In accordance with the distribution policy in Article 36, Paragraph 1, Item 1 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of earnings) declared for the six months ended August 31, 2019 were 1,616,940,000 yen which were all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.</p> <p>In addition, the Investment Corporation makes distributions in excess of earnings considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporation of Japan) in accordance with the policy for the distributions in excess of earnings prescribed in the article of incorporation 36, Paragraph 1, Item 2. Distributions in excess of earnings for the period ended August 31, 2019 were amounting to 4,491,500 yen which were</p>	<p>Cash distributions declared for the six months ended February 29, 2020 were 1,708,012,500 yen. In accordance with the distribution policy in Article 36, Paragraph 1, Item 1 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of earnings) declared for the six months ended February 29, 2020 were 1,706,162,500 yen which were all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.</p> <p>In addition, the Investment Corporation makes distributions in excess of earnings considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporation of Japan) in accordance with the policy for the distributions in excess of earnings prescribed in the article of incorporation 36, Paragraph 1, Item 2. Distributions in excess of earnings for the period ended February 29, 2020 were amounting to 1,850,000 yen which were</p>

	<p>corresponding to differences between net income and taxable income for the period, except for fractional distribution per unit in excess of earnings less than one yen. All of the distributions in excess of earnings for the period ended August 31, 2019 amounting to 4,491,500 yen consist only of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan). Unit capital refund from deduction of unit capital under tax rules is not included.</p>	<p>corresponding to differences between net income and taxable income for the period, except for fractional distribution per unit in excess of earnings less than one yen. All of the distributions in excess of earnings for the period ended February 29, 2020 amounting to 1,850,000 yen consist only of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan). Unit capital refund from deduction of unit capital under tax rules is not included.</p>
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(5) Statements of Cash Flow

(Unit: thousand yen)

	3rd fiscal period From: March 1, 2019 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Cash flows from operating activities		
Income before income taxes	1,620,246	1,707,326
Depreciation	259,440	322,112
Amortization of investment unit issuance costs	12,816	19,450
Borrowing related expenses	38,716	63,463
Interest income	△19	△38
Interest expenses	83,538	122,526
Decrease (increase) in operating accounts receivable	△111	△9,404
Decrease (increase) in consumption taxes receivable	△144,784	34,027
Increase (decrease) in accrued consumption taxes	△107,459	-
Decrease (increase) in prepaid expenses	△7,808	△13,191
Decrease (increase) in long-term prepaid expenses	3,655	△63,517
Increase (decrease) in operating accounts payable	92,531	△112,410
Increase (decrease) in accounts payable	34,607	13,010
Increase (decrease) in advances received	△10,763	△4,564
Decrease in disposal of property and equipment in trust	2,895,401	1,240,701
Other, net	△10,987	△13,739
Subtotal	4,759,020	3,305,754
Interest income received	19	38
Interest expenses paid	△82,224	△123,171
Income taxes paid	△942	△1,839
Net cash provided by operating activities	4,675,872	3,180,782
Cash flows from investing activities		
Purchase of property and equipment	△3,063,103	△758,660
Purchase of property and equipment in trust	△90,083	△21,992,294
Purchase of intangible assets in trust	-	△757,993
Proceeds from tenant leasehold and security deposits	27,165	6,326
Proceeds from tenant leasehold and security deposits in trust	57,283	397,298
Repayments of tenant leasehold and security deposits in trust	△91,558	△23,591
Payment for purchase of investment securities	△103,053	-
Proceeds from redemption of investment securities	-	103,043
Net cash used in investing activities	△3,263,350	△23,025,871
Cash flows from financing activities		
Proceeds from short-term loans	5,977,773	-
Repayment of short-term loans	△3,260,000	△5,980,000
Proceeds from long-term loans	-	13,173,819
Proceeds from issuance of investment units	-	13,157,794
Distributions paid	△1,171,597	△1,620,179
Net cash provided by financing activities	1,546,175	18,731,435
Net increase in cash and cash equivalents	2,958,698	△1,113,653
Cash and cash equivalents at beginning of period	2,370,111	5,328,810
Cash and cash equivalents at end of period	※ 1 5,328,810	※ 1 4,215,156

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Basis and Method of Valuation of Assets	Other securities Non-marketable The cost method based on the moving-average method is applied to securities with no market price available. The equity method is applied to an investment in silent partnership. The net income from the silent partnership is allocated to the Silent Partnership Equity Interest owned by the Investment Corporation.
2. Method of depreciation of non-current assets	(1) Property and equipment (including property and equipment in trust) The straight-line method is adopted. The useful life of primary property and equipment is as follows: Buildings 5~66 years Structures 10~65 years Machinery and equipment 20 years Tools, furniture and fixtures 2~15 years (2) Intangible assets The straight-line method is adopted. The useful life of primary intangible assets is as follows: Software 5 years (3) Long-term prepaid expenses The straight-line method is adopted.
3. Accounting for deferred assets	Amortization of investment unit issuance expenses Investment unit issuance expenses are amortized equally over three years.
4. Standards for revenue and expense recognition	Accounting for property tax, etc Accounting for property tax, city planning tax, depreciable asset tax, etc. (“property tax, etc.”) on real estate or beneficiary interest in trust for real estate held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to rent business. The amount equivalent to property tax, etc. in the initial fiscal year upon acquisition of real estate or beneficiary interest in trust for real estate is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, the amount equivalent to property tax for August 31, 2019, etc. included in the cost of acquisition of real estate, etc. was 18,069 thousand yen.
5. Method of hedge accounting	(1) Hedge accounting approach Deferral hedge accounting is adopted. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap Hedged items: Interest on loans (3) Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation pursuant to rules and regulations. (4) Method of assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.
6. Scope of cash and cash equivalents in the statements of cash flow	Cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.

<p>7. Other significant matters serving as the basis for preparation of financial statements</p>	<p>(1) Accounting for beneficiary interest in trust for real estate, etc.</p> <p>Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ul style="list-style-type: none"> ① Cash and deposits in trust ② Buildings, Structures, Tools, furniture and fixtures, Land and Construction in progress in trust ③ Security deposits in trust <p>(2) Accounting for consumption tax, etc.</p> <p>Consumption tax and local consumption tax are accounted for by the tax-excluded method, and non-deductible consumption taxes are treated as expenses incurred. However, non-deductible consumption taxes related to fixed assets are recorded as long-term prepaid expenses and amortized evenly over 5 years.</p>
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(Additional Information)

[Allowance for temporary difference adjustment]

3rd fiscal period (From March 1, 2019 to August 31, 2019)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Amount for allowance (or reversal)
Buildings in trust	Excess of depreciation allowance	2,418
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	2,073
Total		4,491

2. Concrete method of reversing

(1) Buildings in trust

The allowance will be reversed corresponding to disposal of the buildings in the future.

(2) Deferred gains or losses on hedges

The allowance will be reversed corresponding to future change in values of the hedging derivatives.

4th fiscal period (From September 1, 2019 to February 29, 2020)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Amount for allowance (or reversal)
Buildings in trust	Excess of depreciation allowance	1,850
Total		1,850

2. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Amount for allowance (or reversal)
Buildings in trust	Sale of property with asset retirement obligation	— ※
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	△20,652
Total		△20,652

※The portion canceled during the period (68 thousand yen) is deducted in "1. Excess of depreciation allowance s" above.

3. Concrete method of reversing

(1) Buildings in trust

The allowance will be reversed corresponding to disposal of the buildings in the future.

(2) Deferred gains or losses on hedges

The allowance will be reversed corresponding to future change in values of the hedging derivatives.

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1 Allowance for temporary difference adjustment

3rd fiscal period (From March 1, 2019 to August 31, 2019)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Initial accrual	Beginning balance	Current period provision amount	Net amount of the reversal	Period-end balance	Concrete method of reversing
Buildings in trust	Excess depreciation due to asset retirement obligations	108,832	345	2,073	-	2,418	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820	13,820	66,336	-	80,156	-
Total		122,652	14,165	68,409	-	82,574	-

2. Concrete method of reversing

(1) Buildings in trust

The allowance will be reversed corresponding to disposal of the buildings in the future.

(2) Deferred gains or losses on hedges

The allowance will be reversed corresponding to future change in values of the hedging derivatives.

4th fiscal period (From September 1, 2019 to February 29, 2020)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Initial accrual	Beginning balance	Current period provision amount	Net amount of the reversal	Period-end balance	Concrete method of reversing
Buildings in trust	Excess depreciation due to asset retirement obligations	108,832	2,418	2,418	-	4,837	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820	80,156	2,073	-	82,229	-
Total		122,652	82,574	4,491	-	87,066	-

2. Concrete method of reversing

(1) Buildings in trust

The allowance will be reversed corresponding to disposal of the buildings in the future.

(2) Deferred gains or losses on hedges

The allowance will be reversed corresponding to future change in values of the hedging derivatives.

*2 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

3rd fiscal period (As of August 31, 2019)	4th fiscal period (As of February 29, 2020)
50,000	50,000

[Notes to the Statement of Income]

*1 Breakdown of operating income (loss) from real estate leasing

	(Unit: thousand yen)			
	3rd fiscal period From: March 1, 2019 To: August 31, 2019		4th fiscal period From: September 1, 2019 To: February 29, 2020	
A. Operating revenue from real estate leasing				
Lease business revenue				
Rental revenue	1,696,509		2,257,592	
Common area charges	221,246		221,939	
Parking revenue	81,841		84,223	
Other rental revenue	10,583	2,010,180	15,465	2,579,221
Other lease business revenue				
Utilities reimbursement	142,602		157,175	
Other revenue	22,624	165,226	22,100	179,276
Total operating revenue from real estate leasing		2,175,407		2,758,497
B. Operating expenses from real estate leasing				
Expenses related to property rental business				
Management fee	218,458		193,646	
Utilities expenses	147,749		141,418	
Taxes and dues	167,993		157,071	
Insurance premium	3,960		4,515	
Repair expenses	135,710		103,391	
Trust fee	9,248		10,949	
Depreciation	258,890		321,562	
Other expenses	2,308		5,330	
Total operating expenses from real estate leasing		944,320		937,885
C. Operating income from real estate leasing (A－B)		1,231,087		1,820,612

*2 Breakdown of gain on sales of real estate properties

3rd fiscal period (From: March 1, 2019 To: August 31, 2019)

TTS Minami Aoyama Building (for a 70% interest)	(Unit: thousand yen)
Revenue on sales of real estate properties	3,710,939
Expenses on sales of real estate properties	2,897,067
Other expenses	74,971
Gain on sales of real estate properties	738,901

4th fiscal period (From September 1, 2019 to February 29, 2020)

TTS Minami Aoyama Building (for a 30% interest)	(Unit: thousand yen)
Revenue on sales of real estate properties	1,590,402
Expenses on sales of real estate properties	1,241,415
Other expenses	32,131
Gain on sales of real estate properties	316,856

[Notes to the Statement of Unitholders' Equity]

*1 Total number of investment units authorized, and total number of investment units issued and outstanding

	3rd fiscal period From: March 1, 2019 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	345,500 units	462,500 units

[Notes to the Statement of Cash Flows]

*1 Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet items

	3rd fiscal period From: March 1, 2019 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Cash and deposits	6,081,427 thousand yen	5,120,519 thousand yen
Cash and deposits in trust	1,006,748 thousand yen	1,752,399 thousand yen
Payment for restricted bank deposit (Note)	△1,759,365 thousand yen	△2,657,762 thousand yen
Cash and cash equivalents	5,328,810 thousand yen	4,215,156 thousand yen

(Note) It indicates a deposit in trust reserved for the repayment of the deposit to a tenant.

[Notes on Lease Transactions]

Disclosure is omitted due to immateriality.

[Notes on Financial Instruments]

1 . Our policy on financial instruments

(1) Policy for financial instrument transactions

The basic policy is to establish a stable and sound financial base with the aim of securing stable earnings over the medium to long term and realizing sustainable growth of assets under management. Based on this basic policy, the Investment Corporation will raise funds by borrowing from financial institutions and issuing new investment units, taking into consideration the bank formation, various borrowing methods, fixed and floating ratio and the dispersion of maturity date etc.

We may issue additional investment units for the purpose of property acquisitions, repair of our properties, repayment obligations including repayment of borrowings or other activities. In such event, we ensure our financial soundness and are mindful of the potential for dilution of our investment units in order to achieve stable growth in unitholders' value. In the case of investment of surplus funds, we shall try to operate with consideration for safety and exchangeability.

In addition, for derivatives transactions, the Investment Corporation makes for only hedging purpose of interest rate risk arising from liabilities related to borrowings, etc., not for speculative purpose.

(2) Nature and extent of risks arising from financial instruments and risk management

Borrowings are primarily aimed at acquisition of assets, procurement of debt repayment / repayment funds, and are exposed to risks that the borrowings cannot be refinanced and the Investment Corporation manages the risk by diversification of lenders and issuance of new investment units etc.

Regarding floating interest rate fluctuation risks, the Investment Corporation manages the risk by interest rate swap etc.

(3) Supplementary information on fair value, etc. of financial instruments

The fair value of financial instruments includes the value based on the market price, and the value reasonably calculated when there is no market price. Because the certain assumptions are adopted in the calculation of the above value, the value may differ depending on different assumptions etc.

2. Fair value, etc. of financial instruments

The amount on the balance sheet, the market value and the difference between them as of August 31, 2019 are as follows.

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	6,081,427	6,081,427	-
(2) Cash and deposits in trust	1,006,748	1,006,748	-
Assets total	7,088,176	7,088,176	-
(3) Short-term loans payable	5,980,000	5,980,000	-
(4) Long-term loans payable	15,000,000	15,000,000	-
Liabilities total	35,980,000	35,980,000	-
Derivative transactions (*)	(82,588)	(82,588)	-

The amount on the balance sheet, the market value and the difference between them as of February 29, 2020 are as follows.

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	5,120,519	5,120,519	-
(2) Cash and deposits in trust	1,752,399	1,752,399	-
Assets total	6,872,919	6,872,919	-
(4) Current portion of long-term loans payable	15,000,000	15,000,000	-
(5) Long-term loans payable	28,400,000	28,543,401	143,401
(6) Current portion of tenant leasehold and security deposits in trust	50,973	50,973	-
(7) Tenant leasehold and security deposits in trust	441,785	441,785	-
Liabilities total	43,892,759	44,036,160	143,401
Derivative transactions (*)	(61,936)	(61,936)	-

(*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses () when in a net liability position.

(Note1) Calculation method of fair value of financial instruments and derivatives transactions

(1) Cash and deposits ; (2) Cash and deposits in trust;

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at the book value.

(3) Short-term loans payable ; (4) Current portion of long-term loans payable

Since these are settled in a short period of time and are variable interest rates, the fair value is approximately equal to the book value, so it is based on the book value.

(5) Long-term loans payable

Those with floating interest rates reflect market interest rates in a short period of time and their fair values are considered to be approximately equal to their book values, so the book values are used.

(6) Current portion of tenant leasehold and security deposits in trust ;

Because these are settled in a short period of time, the fair value is approximately the same as the book value and thus stated at the book value.

(7) Tenant leasehold and security deposits in trust ;

Of the trust deposits and guarantee deposits, the balance sheet amount of 3,192,180 thousand yen is not included in the above because it is considered difficult to estimate the scheduled return date.

Since for items whose estimated repayment timing, etc. can be estimated, the fair value calculated based on the present value obtained by discounting the future cash flow by the period up to the repayment date and the interest rate including credit risk is close to the book value, the book value is used.

Derivative transactions

Please refer to "Notes on Derivative Transactions" later in this document.

(Note2) Financial instruments for which estimation of fair value is recognized to be difficult

(Unit: thousand yen)

Category	3rd fiscal period (As of August 31, 2019)	4th fiscal period (As of February 29, 2020)
Tenant leasehold and security deposits (*1)	90,552	111,864
Tenant leasehold and security deposits in trust (*1)	2,422,827	3,192,180

Investment securities (*2)	103,043	-
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(*1) Tenant leasehold and security deposits in trust and Tenant leasehold and security deposits are not subject to valuation at fair value, because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out.

(*2) Investment securities are not subject to valuation at fair value, because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price.

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (August 31, 2019)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	6,081,427
Cash and deposits in trust	1,006,748
Total	7,088,176

Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts (February 29, 2020)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	5,120,519
Cash and deposits in trust	1,752,399
Total	6,872,919

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts (August 31, 2019)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Short-term loans payable	5,980,000	-	-	-	-	-
Long-term loans payable	15,000,000	10,000,000	5,000,000	-	-	-
Total	20,980,000	10,000,000	5,000,000	-	-	-

Amount of repayment of loans scheduled to be due after the date of settlement of accounts (February 29, 2020)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	15,000,000	10,000,000	5,000,000	6,000,000	7,400,000	-
Total	15,000,000	10,000,000	5,000,000	6,000,000	7,400,000	-

[Notes on Securities]

3rd fiscal period (As of August 31, 2019)

Silent Partnership Equity Interest as investment securities (103,043 thousand yen) are not subject to valuation at fair value, because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price.

4th fiscal period (As of February 29, 2020)

Not applicable.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

3rd fiscal period (As of August 31, 2019)

Not applicable.

4th fiscal period (As of February 29, 2020)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

3rd fiscal period (As of August 31, 2019)

The following is the contract amount or the notional principal provided in the contract as of the date of fiscal period for each hedge accounting method.

(Unit: thousand yen)

Hedge accounting method	Derivative instruments	Hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	30,000,000	15,000,000	△82,588

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

4th fiscal period (As of February 29, 2020)

The following is the contract amount or the notional principal provided in the contract as of the date of fiscal period for each hedge accounting method.

(Unit: thousand yen)

Hedge accounting method	Derivative instruments	Hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	30,000,000	15,000,000	△61,936

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

[Notes on Retirement Benefits]

3rd fiscal period (As of August 31, 2019)

Not applicable.

4th fiscal period (As of February 29, 2020)

Not applicable.

[Notes on Income Taxes]

1. Deferred tax assets and deferred tax liabilities consist of the following:

(Unit: thousand yen)

	3rd fiscal period (As of February 28, 2019)	4th fiscal period (As of February 29, 2020)
Deferred tax assets		
Non-deductible accrued enterprise tax	21	20
Asset retirement obligations	27,689	27,569
Deferred consumption taxes	92	82
Deferred gains or losses on hedges	25,982	19,485
Total Deferred tax assets	53,785	47,157
Valuation allowance	△27,552	△21,671
Total Deferred tax assets	26,233	25,485
Deferred tax liabilities		
Building and equipment corresponding to the asset retirement obligations	26,211	25,465
Total Deferred tax liabilities	26,211	25,465
Deferred tax assets, net	21	20

2. A reconciliation of the Investment Corporation's effective tax rates and statutory tax rate is as follows:

(Unit:%)

	3rd fiscal period (As of February 28, 2019)	4th fiscal period (As of February 29, 2020)
Statutory tax rate	31.51	31.51
(Adjustments)		
Deductible distributions	△31.53	△31.52
Other	0.08	0.07
Effective income tax rate	0.06	0.06

[Notes on Related-Party Transactions]

1. Parent company, etc.

3rd fiscal period (from March 1, 2019 to August 31, 2019)

Not applicable.

4th fiscal period (from September 1, 2019 to February 29, 2020)

Not applicable.

2. Affiliated company, etc.

3rd fiscal period (from March 1, 2019 to August 31, 2019)

Not applicable.

4th fiscal period (from September 1, 2019 to February 29, 2020)

Not applicable.

3. Fellow subsidiary, etc.

3rd fiscal period (from March 1, 2019 to August 31, 2019)

Not applicable.

4th fiscal period (from September 1, 2019 to February 29, 2020)

Not applicable.

4. Director, major individual unitholder, etc.

3rd fiscal period (from March 1, 2019 to August 31, 2019)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital (million yen)	Description of business or occupation	Percentage of voting rights, etc. held by (in) TLR(%)	Relationship		Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
						Concurrent holding of position as officer, etc.	Business relations				
Director	Masayuki Ishihara	—	—	Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited	—	Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited		Payment of asset management fee to the Asset Management Company	153,994	Accounts payable - other	148,925

(Note1) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note2) The transaction is one that was conducted by Masayuki Ishihara as Executive Chairman and CEO of a third party (the Asset Manager), and the transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and Asset management agreement.

(Note3) The asset management fee includes the property acquisition fee included in the book value of individual real estate in the amount of 15,100 thousand yen, and investment in security (1,000 thousand yen).

4th fiscal period (from September 1, 2019 to February 29, 2020)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital (million yen)	Description of business or occupation	Percentage of voting rights, etc. held by (in) TLR(%)	Relationship		Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
						Concurrent holding of position as officer, etc.	Business relations				
Director	Masayuki Ishihara	—	—	Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited	—	Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited		Payment of asset management fee to the Asset Management Company	336,812	Accounts payable - other	158,521

(Note1) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note2) The transaction is one that was conducted by Masayuki Ishihara as Executive Chairman and CEO of a third party (the Asset Manager), and the transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and Asset management agreement.

(Note3) Asset management fee includes the property acquisition fee included in the book value of individual real estate in the amount of 192,550 thousand yen .

[Notes on Share of Profit (Loss) of Entities Accounted for Using Equity Method, etc.]

3rd fiscal period (from March 1, 2019 to August 31, 2019)

Not applicable.

4th fiscal period (from September 1, 2019 to February 29, 2020)

Not applicable.

[Notes on Asset Retirement Obligations]

3rd fiscal period (from March 1, 2019 to August 31, 2019)

1. Asset retirement obligation booked in the balance sheet

(1) Overview

The Investment Corporation has booked the asset retirement obligations required by regulations to remove asbestos from "Nagoya Center Plaza Building" and "Sendai Nikko Building" obtained as of July 30, 2018, and to eliminate PCB from "Nagoya Center Plaza Building" and "TTS Minami Aoyama Building"

(2) Method of calculating the amount of the asset retirement obligation

	Property	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%
PCB	Nagoya Center Plaza Building	26 years	0.748%
	TTS Minami Aoyama Building	- (Note)	0.784%

(Note) TTS Minami Aoyama Building are held for 30% as of August 31, 2019, because the Investment Corporation disposed for 70% of interest on August 30, 2019. On September 2, 2019, the Investment Corporation disposed for 30% of interest.

4th fiscal period (from September 1, 2019 to February 29, 2020)

1. Asset retirement obligation booked in the balance sheet

(1) Overview

The Investment Corporation has booked the asset retirement obligations required by regulations to remove asbestos from "Nagoya Center Plaza Building" and "Sendai Nikko Building" obtained as of July 30, 2018, and to eliminate PCB from "Nagoya Center Plaza Building".

(2) Method of calculating the amount of the asset retirement obligation

	Property	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%
PCB	Nagoya Center Plaza Building	26 years	0.748%

(3) Movement of asset retirement obligation

	(Unit: thousand yen)	
	3rd fiscal period From: March 1, 2018 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Balance at the beginning of the period	89,338	88,015
Increase due to acquisition of tangible fixed assets	-	-
Decrease due to disposition of tangible fixed assets	1,665	713
Adjustment for passage of time	342	329
Balance at the end of the period	88,015	87,632

[Notes on Segment Information]

(Segment information)

Segment information is omitted because the Investment Corporation operates a single segment, which is the real estate leasing business.

[Notes on Investment and Rental Properties]

The Investment Corporation mainly owns Office, Residence, Hotel, Retail and Other for the purpose of obtaining rental income in the four major metropolitan areas and the major regional cities. The amounts recorded in the balance sheet of these real estate for rental, etc., increase / decrease during the period and market value are as follows.

(Unit: thousand yen)

	3rd fiscal period From: March 1, 2018 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Carrying amount		
Balance at beginning of period	65,016,742	65,118,526
Amount of increase (decrease) during period	101,784	21,858,427
Balance at end of period	65,118,526	86,976,954
Fair value at end of period	69,635,000	93,793,000

(Note1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of real estate of 2 properties (3,074,422 thousand yen) and capex (194,011 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate of 1 property (2,897,067 thousand yen) and accumulated depreciation (258,890 thousand yen) in 3rd fiscal period. Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of real estate in trust of 7 properties (22,565,263 thousand yen), acquisition of real estate of a property (709,843 thousand yen) and capex (150,299 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate of 1 property (1,244,139 thousand yen) and accumulated depreciation (321,562 thousand yen) in 4th fiscal period.

The income (loss) concerning investment and rental properties for the fiscal period ended February 28, 2019 (2nd fiscal period) and the fiscal period ended August 31, 2018 (3rd fiscal period) is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Per Unit Information]

	3rd fiscal period From: March 1, 2018 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Net assets per unit	97,036 yen	101,252 yen
Net income per unit	4,686 yen	3,694 yen

(Note1) Net income per unit is calculated by dividing net income by daily weighted average number of investment units. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note2) The basis for calculation of net income per unit is as follows:

	3rd fiscal period From: March 1, 2018 To: August 31, 2019	4th fiscal period From: September 1, 2019 To: February 29, 2020
Net income (thousand yen)	1,619,213	1,706,302
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,619,213	1,706,302
Average number of investment units during period (units)	345,500	461,857

[Notes on Significant Subsequent Events]

Not applicable.

(9) Changes in Investment Units Issued and Outstanding

The total amount of investment and the total number of outstanding investment units until the end of February 29, 2020 are as follows.

Date	Event	Unitholders' capital (thousand yen)		Total number of investment units issued and outstanding (units)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 11,2017 (Note1)	Establishment through private placement	150,000	150,000	150	150	(Note2)
April 21,2018	Investment Unit Split	—	150,000	1,350	1,500	(Note3)
July 26,2018	Capital increase through public offering	31,841,672	31,991,672	344,000	345,500	(Note4)
September 2,2020	Capital increase through public offering	13,197,600	45,189,272	117,000	462,500	(Note5)

(Note1) The Investment Corporation were incorporated on September 11, 2017

(Note2) New investment units were issued at an offer price of 1,000,000 yen per unit upon the establishment of the Investment Corporation.

(Note3) We conducted a 10-for-1 unit split on April 21, 2018

(Note4) New investment units were issued through public offering at an issue price of 96,000 yen (paid-in amount of 92,563 yen) per unit for the purpose of acquisition of new properties, etc.

(Note5) New investment units were issued through public offering at an issue price of 117,000 yen (paid-in amount of 112,800 yen) per unit for the purpose of acquisition of new properties, etc.

3. Reference Information

(1) Prices of assets

① Investment Status

Type of asset	Primary use	Geographic area (Note 1)	3rd fiscal period (As of August 31, 2019)		4th fiscal period (As of February 29, 2020)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office	Four major metropolitan areas	-	-	710	0.8
		Major regional cities	-	-	-	-
	Residence	Four major metropolitan areas	-	-	-	-
		Major regional cities	-	-	-	-
	Hotel	Four major metropolitan areas	-	-	-	-
		Major regional cities	2,548	3.5	2,520	2.7
	Retail and Other	Four major metropolitan areas	511	0.7	510	0.5
		Major regional cities	-	-	-	-
	Subtotal		3,059	4.2	3,741	4.0
Real estate in trust	Office	Four major metropolitan areas	41,304	56.8	40,021	42.3
		Major regional cities	8,185	11.3	8,142	8.6
	Residence	Four major metropolitan areas	4,893	6.7	9,934	10.5
		Major regional cities	1,209	1.7	1,204	1.3
	Hotel	Four major metropolitan areas	-	-	2,510	2.7
		Major regional cities	4,436	6.1	4,410	4.7
	Retail and Other	Four major metropolitan areas	993	1.4	11,897	12.6
		Major regional cities	1,034	1.4	5,114	5.4
	Subtotal		62,059	85.3	83,235	88.1
Investment securities (Note4)			103	0.1	-	-
Deposits and other assets			7,515	10.3	7,540	8.0
Total amount of assets			72,736	100.0	94,517	100.0

	3rd fiscal period (As of August 31, 2019)		4th fiscal period (As of February 29, 2020)	
	Amount (million yen)	As a percentage of total assets (%)(Note 3)	Amount (million yen)	As a percentage of total assets (%)(Note 3)
Total amount of liabilities (Note2)	39,210	53.9	47,687	50.5
Total amount of net assets (Note2)	33,526	46.1	46,829	49.5

(Note1) References to Japan's "four major metropolitan areas" are to the Tokyo, Nagoya, Osaka and Fukuoka metropolitan areas. "Tokyo metropolitan area" are to Tokyo, Kanagawa, Chiba and Saitama prefectures. "Osaka metropolitan area" are to Osaka, Kyoto and Hyogo prefectures. "Nagoya metropolitan area" are to Aichi, Gifu and Mie prefectures. "Fukuoka metropolitan area" are to Fukuoka prefecture.

References to Japan's "major regional cities" are to ordinance-designated cities, core cities, specially-designated cities and prefectural capital cities, excluding those included in Japan's four major metropolitan areas. References to "ordinance-designated cities" are to the cities of Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima and Kumamoto as of the end of the period. References to "core cities" are to Japanese cities that have a population of at least 200,000 persons and are designated as such by an ordinance under the Local Autonomy Act of Japan. References to "specially-designated cities" are to Japanese cities that had a population of at least 200,000 persons and were designated as such by an ordinance under the same act at the time of the abolishment of the system of specially-designated cities as of April 1, 2015.

(Note2) "Total amount held", "Total amount of liabilities" and "Total amount of net assets" are based on the balance sheet as of February 28, 2019 (real estate in trust, the book value after depreciation), and as of August 31, 2019, respectively, rounded down to the nearest million yen is stated.

(Note3) "As a percentage of total assets" rounded to the second decimal place.

(Note4) Silent partnership equity interest in Godo Kaisya Island Ship 2nd

② Invested Assets

a Major investment securities

Not applicable.

b Investment property

As of February 29, 2020, the Investment Corporation holds real estate and trust beneficiary interests in real estate.

Therefore, for convenience of reference, the following “c Other major investment assets” summarizes the real estate and the trust beneficiary rights in real estate.

c Other major investment assets

(a) Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of February 29, 2020 (Trust beneficiary right with real estate or real estate as a trust property, hereinafter collectively referred to as "investment assets").

Category	Property Number (Note1)	Property	Location (city or ward, prefecture)	Acquisition price (million yen) (Note2)	Percentage of total acquisition price (%) (Note3)	Book value (million yen)	Appraisal value (million yen) (Note4)	Acquisition date
Office	O-01	NT Building	Shinagawa-ku, Tokyo	12,350	14.3	12,441	13,400	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	11.3	9,875	10,600	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	5.6	4,981	4,910	July 30, 2018
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	4.0	3,522	3,910	July 30, 2018
	O-06	SAMTY Shin-Osaka Center Building	Osaka, Osaka	3,450	4.0	3,439	3,680	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka, Fukuoka	2,500	2.9	2,501	2,780	July 30, 2018
	O-08	Chuo Bakuromachi Building	Osaka, Osaka	1,485	1.7	1,484	1,940	July 30, 2018
	O-09	L.Biz Jimbocho Building	Chiyoda-ku, Tokyo	1,006	1.2	1,013	1,140	July 30, 2018
	O-10	Shinsaibashi Building	Osaka, Osaka	772	0.9	762	805	July 30, 2018
	O-11	L.Biz Sendai	Sendai, Miyagi	1,680	1.9	1,672	1,840	July 30, 2018
	O-12	Sendai Nikko Building	Sendai, Miyagi	1,740	2.0	1,766	1,800	July 30, 2018
	O-13	Morioka Ekimae-dori Building	Morioka, Iwate	1,480	1.7	1,477	1,710	July 30, 2018
	O-14	Nagano Central Building	Nagano, Nagano	898	1.0	929	1,010	July 30, 2018
	O-15	EME Koriyama Building	Koriyama, Fukushima	900	1.0	908	1,030	July 30, 2018
	O-16	Utsunomiya Central Building	Utsunomiya, Tochigi	771	0.9	783	993	July 30, 2018
	O-17	Yamagata Ekimae-dori Building	Yamagata, Yamagata	600	0.7	604	724	July 30, 2018
	O-18	Akasaka Kawase Building	Minato-ku, Tokyo	690	0.8	710	727	October 31, 2019
	Subtotal		—	48,466	56.1	48,874	52,999	—
Residence	R-01	Amare Tokaidori	Nagoya, Aichi	1,100	1.3	1,090	1,240	July 30, 2018
	R-02	Dormy Ukimafunado	Itabashi-ku, Tokyo	1,080	1.3	1,089	1,140	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	1.2	1,028	1,100	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	1.2	1,078	1,080	July 30, 2018
	R-05	Alpha Space Toritsudai	Meguro-ku, Tokyo	589	0.7	596	621	July 30, 2018
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	1.4	1,204	1,300	July 30, 2018
	R-07	LUXENA HEIWADAI	Nerima-ku, Tokyo	3,910	4.5	3,925	4,340	September 3, 2019
	R-08	LUXENA KACHIDOKI	Chuo-ku, Tokyo	1,120	1.3	1,125	1,220	September 3, 2019
	Subtotal		—	11,091	12.8	11,139	12,041	—
Hotel	H-01	Dormy Inn Matsuyama	Matsuyama, Ehime	2,427	2.8	2,386	2,550	July 30, 2018
	H-02	Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	2,000	2.3	2,024	2,160	July 30, 2018
	H-03	Dormy Inn Morioka	Morioka, Iwate	2,520	2.9	2,520	2,550	June 28, 2019
	H-04	Arietta Hotel Nagoya	Nagoya, Aichi	2,500	2.9	2,510	2,630	September 3, 2019
	Subtotal		—	9,447	10.9	9,441	9,890	—

Category	Property Number (Note1)	Property	Location (city or ward, prefecture)	Acquisition price (million yen) (Note2)	Percentage of total acquisition price (%) (Note3)	Book value (million yen)	Appraisal value (million yen) (Note4)	Acquisition date
Retail and other assets	C-01	Prio Daimyo II	Fukuoka, Fukuoka	980	1.1	992	1,120	July 30, 2018
	C-02	Co-op Sapporo Syunko	Asahikawa, Hokkaido	1,036	1.2	1,048	1,100	July 30, 2018
	C-03	TA Shonan Kugenumakaigan	Fujisawa, Kanagawa	500	0.6	510	573	March 28, 2019
	C-04	Almost Blue	Minato-ku, Tokyo	6,520	7.6	6,603	7,210	September 3,2019
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Matsuyama, Ehime	4,030	4.7	4,066	4,410	September 3,2019
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Kobe, Hyogo	4,250	4.9	4,300	4,450	September 3,2019
	Subtotal		—	17,316	20.1	17,521	18,863	—
Total			—	86,320	100.0	86,976	93,793	—

(Note1) The code "O" represents office properties, "R" represents residential properties, "H" represents hotel properties and "C" represents retail and other properties.

(Note2) "Acquisition price" is the amount of the sale and purchase price of real estate, etc. stated in the trust beneficiary right transfer contract (hereinafter, the "Sale and Purchase Contract") for each portfolio asset (not including consumption tax and local consumption tax or brokerage fees and other expenses), rounded down to the nearest million yen.

(Note3) The sum of the ratio of the investment ratio of each acquired asset may not match the ratio described in the "total" column and "subtotal" column, since the Acquisition price of each acquired asset to the total amount of Acquisition price, rounded off to the second decimal place.

(Note4) "Appraisal value" indicates the appraisal value stated in the real estate appraisal report as of August 31, 2019. In addition, it is a generic name of each real estate appraisal report created by entrusting the appraisal evaluation of each invested asset to a real estate appraiser or an appraisal evaluation institution based on the evaluation standards.

(b) Summary of Buildings

The Buildings held by the Investment Corporation as of February 29, 2020 are as follows:

Category	Property Number	Property	Date of Construction (Note1)	Number of tenants (Note2)	Annual contracted rent (in million) (Note3)	Leasehold and security deposits (in million) (Note4)	Total leased area (㎡) (Note5)	Total leasable area (㎡) (Note6)	Occupancy rate (%) (Note7)
Office	O-01	NT Building	March 1996	14	621	523	10,104.12 (Note8)	10,104.12 (Note8)	100.0
	O-02	Higashi-Ikebukuro Central Place (Note8)	November 1984	8	476	405	7,793.60	7,793.60	100.0
	O-03	Nagoya Center Plaza Building	November 1978	34	338	277	9,531.70	9,560.86	99.7
	O-05	Omiya NSD Building	March 1993	9	193	126	3,687.10	4,006.68	92.0
	O-06	SAMTY Shin-Osaka Center Building	April 1991	8	192	95	5,022.79	5,022.79	100.0
	O-07	Hakata Gion Building	November 2007	15	155	72	3,653.70	3,653.70	100.0
	O-08	Chuo Bakuromachi Building	April 1993	19	104	44	3,673.68	3,739.57	98.2
	O-09	L.Biz Jimbocho Building	June 2009	1	53	35	859.82	859.82	100.0
	O-10	Shinsaibashi Building	December 1990	7	49	21	1,408.52	1,408.52	100.0
	O-11	L.Biz Sendai	March 1993	29	114	77	3,368.96	3,368.96	100.0
	O-12	Sendai Nikko Building	March 1989	6	115	84	2,540.11	2,540.11	100.0
	O-13	Morioka Ekimae-dori Building	April 1987	20	131	97	4,032.61	4,480.31	90.0
	O-14	Nagano Central Building	November 1994	20	77	51	2,282.38 (Note8)	2,619.93 (Note8)	87.1
	O-15	EME Koriyama Building	March 1988	20	96	86	2,837.80	2,931.65	96.8
	O-16	Utsunomiya Central Building	September 1995	20	82	55	2,603.49	2,768.91	94.0
	O-17	Yamagata Ekimae-dori Building	November 1984	6	45	26	1,641.85	2,505.92	65.5
	O-18	Akasaka Kawase Building	April 1989	8	34	21	511.61	511.61	100.0
	Subtotal / Average			244	2,883	2,102	65,553.84	67,877.06	96.6
Residence	R-01	Amare Tokaidori	July 2007	83	74	11	2,848.23	2,935.38	97.0
	R-02	Dormy Ukimafunado	April 1997	2	62	48	2,462.60	2,462.60	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	March 2009	60	59	1	2,414.19	2,782.51	86.8
	R-04	LUXENA HIGASHI-KOENJI	July 2008	32	56	5	1,294.41	1,405.29	92.1
	R-05	Alpha Space Toritsudai	April 1990	13	35	3	907.13	907.13	100.0
	R-06	J City Hatchobori	November 2005	58	75	13	2,327.71	2,623.39	88.7
	R-07	LUXENA HEIWADAI	March 2019	102	207	51	5,265.04	5,354.76	98.3
	R-08	LUXENA KACHIDOKI	May 2019	25	57	5	1,081.26	1,121.26	96.4
	Subtotal / Average			375	628	143	18,600.57	19,592.32	94.9
Hotel	H-01	Dormy Inn Matsuyama	October 2017	1	153	51	5,119.15	5,119.15	100.0
	H-02	Hotel Sunshine Utsunomiya	February 1991	1	128	31	5,267.16	5,267.16	100.0
	H-03	Dormy Inn Morioka	March 2019	1	149	74	5,046.83	5,046.83	100.0
	H-04	Arietta Hotel Nagoya	February 2019	1	125	20	2,531.93	2,531.93	100.0
	Subtotal / Average			4	556	178	17,965.07	17,965.07	100.0

Category	Property Number	Property	Date of Construction (Note1)	Number of tenants (Note2)	Annual contracted rent (in million) (Note3)	Leasehold and security deposits (in million) (Note4)	Total leased area (㎡) (Note5)	Total leasable area (㎡) (Note6)	Occupancy rate (%) (Note7)
Retail and other assets	C-01	Prio Daimyo II	April 2002	6	55	39	761.01	761.01	100.0
	C-02	Co-op Sapporo Syunko	August 1994	1	83	83	7,214.92	7,214.92	100.0
	C-03	TA Shonan Kugenumakaigan	February 2017	3	31	15	626.92	626.92	100.0
	C-04	Almost Blue	December 2001/ February 2002/ October 2014	5	272	238	1,931.54	1,931.54	100.0
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	October 2019	1	(Note 9)	(Note 9)	9,052.32	9,052.32	100.0
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	—	1	(Note 9)	(Note 9)	17,866.00	17,866.00	100.0
	Subtotal／Average			17	974	1,372	37,452.71	37,452.71	100.0
	Total／Average			640	5,043	3,796	139,572.19	142,887.16	97.7

(Note1) "Date of Construction" of the main building, as described in the property registry.

(Note2) The number of tenants is equal to the aggregate number of end tenants with which lease agreements have been entered into as of February 29, 2020.

For properties with master lease agreements, if the master lease agreement is a pass-through-type master lease agreement, the number of end tenants is indicated and if the master lease agreement is a fixed-type master lease agreement, the number of master lessees is indicated.

(Note3) The annual contracted rent for each property is yearly rent described in the lease agreements or calculated by multiplying the aggregate anticipated monthly rent (limited to rent for space occupied by tenants as of February 29, 2020), including common service fee (if any) and excluding usage fees for warehouses, parking lots and sales-linked rents, regardless of whether the rent was free or discounted as of February 29, 2020, as indicated in the lease agreements as of February 29, 2020, by 12 (if there are multiple lease agreements, the aggregate anticipated monthly rent for all lease agreements), excluding consumption tax.

(Note4) Indicates the total leasehold and security deposits from the relevant tenants set forth in lease agreements effective as of February 29, 2020.

(Note5) The total leased area is equal to total leased area to tenant in each property based on the lease agreements for building or floor plans as of February 29, 2020.

(Note6) The total leasable area is equal to gross floor area of leasable space in each property, based on the lease agreements for building or floor plans as of February 29, 2020.

(Note7) The occupancy rate is calculated by dividing total leased area (as of February 29, 2020) for each property by the total leasable area. The subtotal and total is calculated by dividing aggregate leased area for each property type by aggregate leasable area.

(Note8) For NT Building and Nagano Central Building, the figures provided are in proportion to our compartmentalized ownership.

(Note9) Since the tenant has not agreed to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

(c) Individual property profit

The income and expenditure situation of individual property in the current term is as follows.

(Unit: thousand yen)

Property Number	O-01	O-02	O-03	O-04	O-05
Property	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	TTS Minami Aoyama Building	Omiya NSD Building
① Lease business revenue	346,502	271,888	209,436	1,046	121,644
Lease business revenue	321,105	244,648	178,057	162	111,877
Other lease business revenue	25,396	27,239	31,378	883	9,767
② Operating expenses from real estate leasing	81,003	47,768	91,430	170	31,883
Management fee	20,723	10,109	22,764	15	13,264
Utilities expenses	26,282	15,671	22,734	136	6,174
Taxes and dues	27,807	14,457	15,504	9	7,854
Insurance premium	516	303	467	0	161
Repair expenses	5,231	6,815	29,312	-	4,068
Trust fee	400	375	300	0	300
Other expenses	43	35	346	7	61
③ NOI(①-②)	265,498	224,120	118,006	875	89,761
④ Depreciation	35,656	25,241	19,219	184	6,724
⑤ Operating income (loss) from real estate leasing (③-④)	229,841	198,879	98,786	691	83,036

(Unit: thousand yen)

Property Number	O-06	O-07	O-08	O-09	O-10
Property	SAMTY Shin-Osaka Center Building	Hakata Gion Building	Chuo Bakuromachi Building	L.Biz Jimbocho Building	Shinsaibashi Building
① Lease business revenue	111,218	84,500	65,405	26,912	31,224
Lease business revenue	102,106	77,543	57,964	26,527	27,144
Other lease business revenue	9,112	6,957	7,441	385	4,080
② Operating expenses from real estate leasing	27,902	25,816	22,487	4,331	14,052
Management fee	8,736	8,262	5,257	1,803	4,113
Utilities expenses	7,779	5,797	5,807	-	3,479
Taxes and dues	9,416	7,123	7,912	1,738	4,425
Insurance premium	187	139	146	26	72
Repair expenses	1,348	4,054	2,925	431	1,527
Trust fee	400	400	400	300	400
Other expenses	35	38	38	30	34
③ NOI(①-②)	83,315	58,684	42,917	22,581	17,172
④ Depreciation	10,957	11,360	3,685	2,548	2,843
⑤ Operating income (loss) from real estate leasing (③-④)	72,357	47,323	39,232	20,033	14,328

(Unit: thousand yen)

Property Number	O-11	O-12	O-13	O-14	O-15
Property	L.Biz Sendai	Sendai Nikko Building	Morioka Ekimae-dori Building	Nagano Central Building	EME Koriyama Building
① Lease business revenue	70,224	60,294	78,906	45,022	53,057
Lease business revenue	61,853	55,078	74,236	42,104	50,609
Other lease business revenue	8,371	5,215	4,670	2,918	2,448
② Operating expenses from real estate leasing	20,263	25,002	25,805	16,957	18,015
Management fee	8,502	7,593	10,712	7,394	7,453
Utilities expenses	5,620	5,226	7,154	3,374	5,456
Taxes and dues	4,879	7,374	4,969	4,547	2,898
Insurance premium	149	115	204	144	124
Repair expenses	767	4,159	2,343	1,157	1,748
Trust fee	300	450	375	300	300
Other expenses	44	83	46	38	34
③ NOI(①-②)	49,960	35,291	53,101	28,064	35,041
④ Depreciation	8,771	5,585	15,036	9,112	9,268
⑤ Operating income (loss) from real estate leasing (③-④)	41,189	29,705	38,064	18,952	25,773

(Unit: thousand yen)

Property Number	O-16	O-17	O-18	R-01	R-02
Property	Utsunomiya Central Building	Yamagata Ekimae-dori Building	Akasaka Kawase Building	Amare Tokaidori	Dormy Ukimafunado
① Lease business revenue	50,051	28,985	13,497	40,110	31,858
Lease business revenue	46,528	25,125	11,882	39,707	31,836
Other lease business revenue	3,523	3,860	1,615	402	21
② Operating expenses from real estate leasing	17,485	14,940	2,132	7,257	2,737
Management fee	7,612	6,769	1,417	3,384	318
Utilities expenses	3,642	4,178	645	280	6
Taxes and dues	4,741	3,447	4	2,147	1,652
Insurance premium	126	116	13	77	59
Repair expenses	1,028	95	49	882	370
Trust fee	300	300	-	300	300
Other expenses	34	32	3	184	30
③ NOI(①-②)	32,566	14,045	11,365	32,853	29,121
④ Depreciation	6,627	6,273	538	8,698	2,724
⑤ Operating income (loss) from real estate leasing (③-④)	25,939	7,771	10,827	24,155	26,396

(Unit: thousand yen)

Property Number	R-03	R-04	R-05	R-06	R-07
Property	Benefis Hakata-Minami Grand Sweet	LUXENA HIGASHI-KOENJI	Alpha Space Toritsudai	J City Hatchobori	LUXENA HEIWADAI
① Lease business revenue	33,389	29,514	17,631	41,617	106,425
Lease business revenue	32,209	28,203	17,442	40,226	104,409
Other lease business revenue	1,179	1,311	189	1,390	2,016
② Operating expenses from real estate leasing	10,706	19,914	3,419	7,781	9,900
Management fee	4,051	5,291	1,645	3,078	7,330
Utilities expenses	265	200	313	457	1,710
Taxes and dues	2,597	1,518	981	2,868	0
Insurance premium	74	38	28	74	164
Repair expenses	3,385	12,532	42	959	310
Trust fee	300	300	375	300	370
Other expenses	33	32	33	42	14
③ NOI(①-②)	22,682	9,600	14,212	33,835	96,525
④ Depreciation	6,692	3,601	1,195	4,747	11,776
⑤ Operating income (loss) from real estate leasing (③-④)	15,990	5,999	13,016	29,088	84,748

(Unit: thousand yen)

Property Number	R-08	H-01	H-02	H-03	H-04
Property	LUXENA KACHIDOKI	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	Arietta Hotel Nagoya
① Lease business revenue	29,405	76,500	64,321	74,958	61,805
Lease business revenue	29,278	76,500	64,263	74,958	61,805
Other lease business revenue	126	-	58	-	-
② Operating expenses from real estate leasing	2,924	9,146	16,275	925	1,171
Management fee	2,223	765	364	749	708
Utilities expenses	263	900	-	-	-
Taxes and dues	0	6,883	3,585	-	0
Insurance premium	38	142	160	170	77
Repair expenses	15	120	11,408	-	-
Trust fee	370	300	400	-	370
Other expenses	12	35	357	5	14
③ NOI(①-②)	26,481	67,353	48,046	74,032	60,633
④ Depreciation	4,766	19,220	13,128	27,122	8,790
⑤ Operating income (loss) from real estate leasing (③-④)	21,714	48,132	34,917	46,909	51,843

(Unit: thousand yen)

Property Number	C-01	C-02	C-03	C-04	C-05
Property	Prio Daimyo II	Co-op Sapporo Shunko	TA Shonan Kugenumakaigan	Almost Blue	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho
⑥ Lease business revenue	31,098	41,760	17,102	123,767	(Note2)
Lease business revenue	27,593	41,760	15,816	111,476	(Note2)
Other lease business revenue	3,504	-	1,286	12,290	(Note2)
⑦ Operating expenses from real estate leasing	6,326	8,179	2,567	15,094	(Note2)
Management fee	1,358	417	1,058	6,885	(Note2)
Utilities expenses	2,549	-	1,477	3,810	(Note2)
Taxes and dues	1,779	3,940	-	0	(Note2)
Insurance premium	18	95	14	62	(Note2)
Repair expenses	186	3,393	-	1,200	(Note2)
Trust fee	400	300	-	370	(Note2)
Other expenses	34	31	16	2,763	(Note2)
⑧ NOI(①-②)	24,771	33,580	14,535	108,673	154,033
⑨ Depreciation	1,110	7,526	1,365	3,863	15,593
⑩ Operating income (loss) from real estate leasing (③-④)	23,660	26,053	13,169	104,810	138,440

(Unit: thousand yen)

Property Number	C-06
Property	Kaden Sumairu Kan YAMADA Kobe Trumi (Land)
⑥ Lease business revenue	(Note2)
Lease business revenue	(Note2)
Other lease business revenue	(Note2)
⑦ Operating expenses from real estate leasing	(Note2)
Management fee	(Note2)
Utilities expenses	(Note2)
Taxes and dues	(Note2)
Insurance premium	(Note2)
Repair expenses	(Note2)
Trust fee	(Note2)
Other expenses	(Note2)
⑧ NOI(①-②)	108,832
⑨ Depreciation	-
⑩ Operating income (loss) from real estate leasing (③-④)	108,832

(Note1) The transfer of TTS Minami Aoyama Building was completed on September 2, 2019, and as of February 29, 2020, the Investment Corporation does not own it.

(Note2) Since the tenant has not agreed to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

(d) Summary of Appraisal value

Category	Property Number	Property	Appraisals	Appraisal value (in million)	Direct Capitalization Method		Discounted Cash Flow Method			Appraisal NOI (in million) (注1)	Appraisal NOI Yield (%) (注2)
					Price based on direct capitalization method (in million)	Capitalization rate (%)	Price based on DCF method (in million)	Discount rate (%)	Terminal Cap rate (%)		
Office	O-01	NT Building	Japan Real Estate Institute	13,400	13,700	3.9	13,100	3.6	4.1	557	4.5
	O-02	Higashi-Ikebukuro Central Place	Japan Real Estate Institute	10,600	10,800	3.9	10,400	3.7	4.1	426	4.4
	O-03	Nagoya Center Plaza Building	Japan Real Estate Institute	4,910	4,960	4.9	4,850	4.7	5.1	264	5.4
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	3,910	4,010	4.6	3,870	4.4	4.8	192	5.5
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	3,680	3,790	4.3	3,630	4.1	4.5	176	5.1
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	2,780	2,810	4.3	2,770	4.1	4.5	123	4.9
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	1,940	1,950	4.2	1,940	4.0	4.4	90	6.1
	O-09	L.Biz Jimbocho Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,140	1,170	3.8	1,120	3.9	4.0	45	4.5
	O-10	Shinsaibashi Building	Daiwa Real Estate Appraisal Co., Ltd.	805	818	4.2	799	4.0	4.4	39	5.1
	O-11	L.Biz Sendai	JLL Morii Valuation & Advisory K.K.	1,840	1,870	4.7	1,810	4.5	4.9	95	5.7
	O-12	Sendai Nikko Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,800	1,890	4.3	1,760	4.4	4.5	88	5.1
	O-13	Morioka Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	1,710	1,710	5.8	1,710	5.6	6.0	105	7.1
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	1,010	1,020	5.7	1,010	5.5	5.9	66	7.4
	O-15	EME Koriyama Building	Daiwa Real Estate Appraisal Co., Ltd.	1,030	1,020	5.7	1,030	5.5	5.9	65	7.3
	O-16	Utsunomiya Central Building	Daiwa Real Estate Appraisal Co., Ltd.	993	1,010	5.5	986	5.3	5.7	67	8.7
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	724	739	5.7	718	5.5	5.9	48	8.0
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	727	752	3.6	716	3.4	3.8	28	4.2
	Subtotal/Average			52,999	54,019	-	52,219	-	-	2,481	5.1

Category	Property Number	Property	Appraisals	Appraisal value (in million)	Direct Capitalization Method		Discounted Cash Flow Method			Appraisal NOI (in million) (注1)	Appraisal NOI Yield (%) (注2)
					Price based on direct capitalization method (in million)	Capitalization rate (%)	Price based on DCF method (in million)	Discount rate (%)	Terminal Cap rate (%)		
Residence	R-01	Amare Tokaidori	Tanizawa Sōgō Appraisal Co., Ltd.	1,240	1,260	4.6	1,230	4.7	4.8	60	5.5
	R-02	Dormy Ukimafunado	JLL Morii Valuation & Advisory K.K.	1,140	1,160	4.5	1,120	4.3	4.7	57	5.3
	R-03	Benefis Hakata- Minami Grand Sweet	Tanizawa Sōgō Appraisal Co., Ltd.	1,100	1,120	4.7	1,090	4.8	4.9	55	5.3
	R-04	LUXENA HIGASHI- KOENJI	Tanizawa Sōgō Appraisal Co., Ltd.	1,080	1,100	4.0	1,070	4.1	4.2	45	4.3
	R-05	Alpha Space Toritsudai	Daiwa Real Estate Appraisal Co., Ltd.	621	632	3.9	616	3.7	4.1	27	4.7
	R-06	J City Hatchobori	Tanizawa Sōgō Appraisal Co., Ltd.	1,300	1,310	4.8	1,290	4.9	5.0	65	5.4
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	4,340	4,430	4.0	4,300	3.8	4.2	180	4.6
	R-08	LUXENA KACHIDOKI	Chuo Real Estate Appraisal Co., Ltd.	1,220	1,240	3.8	1,210	3.6	4.0	47	4.3
	Subtotal／Average				12,041	12,252	-	11,926	-	-	540
Hotel	H-01	Dormy Inn Matsuyama	Chuo Real Estate Appraisal Co., Ltd.	2,550	2,510	5.0	2,560	4.8	5.2	131	5.4
	H-02	Hotel Sunshine Utsunomiya	Daiwa Real Estate Appraisal Co., Ltd.	2,160	2,150	4.9	2,170	4.7	5.1	116	5.8
	H-03	Dormy Inn Morioka	Chuo Real Estate Appraisal Co., Ltd.	2,550	2,580	4.9	2,530	4.7	5.1	129	5.1
	H-04	Arietta Hotel Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,630	2,660	4.1	2,620	3.9	4.3	110	4.4
	Subtotal／Average				9,890	9,900	-	9,880	-	-	488
Retail and other assets	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	1,120	1,140	4.0	1,110	3.8	4.2	46	4.7
	C-02	Co-op Sapporo Syunko	Chuo Real Estate Appraisal Co., Ltd.	1,100	1,100	6.2	1,100	6.0	6.4	70	6.8
	C-03	TA Shonan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	573	581	4.7	569	4.5	4.9	27	5.5
	C-04	Almost Blue	Tanizawa Sōgō Appraisal Co., Ltd.	7,210	7,460	3.1	7,100	3.0/ 3.1/ 3.2	3.3	231	3.5
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Japan Real Estate Institute	4,410	4,450	6.8	4,360	6.5	7.0	299	7.4
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Japan Real Estate Institute	4,450	4,500	4.7	4,400	4.1	-	209	4.9
	Subtotal／Average				18,863	19,231	-	18,639	-	-	884
Total／Average				93,793	95,402	-	92,664	-	-	4,394	5.1

(e) Engineering, Environmental and Seismic Reviews

Category	Property Number	Property	Surveyor	Survey date	Emergency repair expenses (in thousand) (Note1)	Short-term repair expenses (in thousand) (Note1)	Long-term repair expenses (in thousand) (Note2)	Repurchase price (in million) (Note3)	PML (%) (Note4)
Office	O-01	NT Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	37,390	4,752	1.2
	O-02	Higashi-Ikebukuro Central Place	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	14,178	2,796	2.9
	O-03	Nagoya Center Plaza Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	34,889	4,302	2.2
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	14,593	1,485	4.8
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	19,719	1,722	9.5
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	8,878	1,282	2.3
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	13,470	1,348	5.5
	O-09	L.Biz Jimbocho Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	1,998	239	7.2
	O-10	Shinsaibashi Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	6,969	664	9.1
	O-11	L.Biz Sendai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	11,246	1,376	2.3
	O-12	Sendai Nikko Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	13,645	1,065	2.0
	O-13	Morioka Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	12,052	1,878	7.0
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	11,910	1,330	6.7
	O-15	EME Koriyama Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	11,476	1,142	2.3
	O-16	Utsunomiya Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	15,560	1,163	2.3
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	0	0	9,939	1,074	4.8
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	September 2019	0	0	2,821	173	9.8
Residence	R-01	Amare Tokaidori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	4,321	714	6.7
	R-02	Dormy Ukimafunado	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	8,498	545	6.9
	R-03	Benefis Hakata-Minami Grand Sweet	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	4,107	681	2.5
	R-04	LUXENA HIGASHI-KOENJI	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	2,229	355	4.6
	R-05	Alpha Space Toritsudai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	3,246	263	4.5
	R-06	J City Hatchobori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	3,942	686	3.0
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	0	0	4,398	1,471	3.6
	R-08	LUXENA KACHIDOKI	Tokio Marine & Nichido Risk Consulting Co., Ltd.	June 2019	0	0	719	346	4.2
Hotel	H-01	Dormy Inn Matsuyama	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	656	1,314	2.8
	H-02	Hotel Sunshine Utsunomiya	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	11,637	1,480	1.4
	H-03	Dormy Inn Morioka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	May 2019	0	0	665	1,453	5.5
	H-04	Arietta Hotel Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	0	0	142	700	4.2

Category	Property Number	Property	Surveyor	Survey date	Emergency repair expenses (in thousand) (Note1)	Short-term repair expenses (in thousand) (Note1)	Long-term repair expenses (in thousand) (Note2)	Repurchase price (in million) (Note3)	PML (%) (Note4)
Retail and other assets	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	0	0	1,458	166	4.4
	C-02	Co-op Sapporo Syunko	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	0	0	6,186	882	0.9
	C-03	TA Shinan Kugenmakaigan	Daiwa Real Estate Appraisal Co., Ltd.	March 2019	0	0	3,255	123	14.5
	C-04	Almost Blue	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	0	0	3,255	561	9.9
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	0	0	6,865	1,649	2.6
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	—	—	—	—	—	—	—

(Note1) "Emergency repair expenses" and "Short-term repair expenses" are the total of the expenses required in the building status evaluation report as the urgently required expenses and the repair renewal expenses required within approximately one year.

(Note2) "Long-term repair costs" is based on the building status evaluation report, and indicates repair costs per year (excluding emergency repair costs and short-term repair costs) projected for the next 12 years.

(Note3) "Repurchase price" is based on the building status evaluation report, and the construction re-purchase price when newly constructed according to the same design and specifications at the time of the report preparation is rounded down to the nearest million yen .

(Note4) PML of portfolio is 1.0%.

(3) Capital expenditure of investment assets

① Scheduled capital expenditure

As for the assets held by the Investment Corporation as of August 31, 2020, the major planned amount of capital expenditure accompanying the renovation work etc. for the February 29, 2020 plan currently planned is as follows. In addition, the following planned amount of construction may occasionally be booked as repair expenses.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Planned amount(thousand yen)		
				Total	Current payment amount	Total spending
Nagoya Center Plaza Building	Nagoya, Aichi	Large-scale repair work	From January 2020 To May 2020	75,000	-	-
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Air conditioning renewal	From May 2020 To June 2020	24,219	-	-

② Capital expenditure during the period

The major constructions etc. corresponding to the capital expenditure in the fiscal period ended February 29, 2020 are as follows. The construction corresponding to the capital expenditure of the assets held as a whole in the 4th fiscal period is 150,299 thousand yen, and together with the repair expenses of 103,391 thousand yen, a total of 253,690 thousand yen is being implemented.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Amount (thousand yen)
Co-op Sapporo Syunko	Asahikawa, Hokkaido	Air conditioning renewal	From October 1, 2019 To November 28, 2019	24,000
Total				24,000

③ Reserve for long-term repair plan

Not applicable.