

(REIT) Financial Report for Fiscal Period Ended August 31, 2021**October 13, 2021**

REIT Securities Issuer:	Takara Leben Real Estate Investment Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	3492	URL:	https://takara-reit.co.jp/
Representative:	Masayuki Ishihara, Executive Director		
Asset Management Company Representative:	Takara PAG Real Estate Advisory Ltd. Tetsuo Saida, President		
Contact:	Shinya Ito, Director and Chief Financial Officer		
	TEL: +81-3-6435-5264		

Scheduled date of commencement of cash distribution payment:	November 12, 2021
Scheduled date of submission of securities report:	November 25, 2021
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 August 31, 2021 (from March 1, 2021 to August 31, 2021)

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

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended August 31, 2021	3,061	6.5	1,843	8.3	1,621	8.0	1,563	5.9
Ended February 28, 2021	2,874	4.5	1,702	5.7	1,500	7.2	1,476	5.5

Fiscal period	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	yen	%	%	%
Ended August 31, 2021	3,381	3.3	1.7	53.0
Ended February 28, 2021	3,192	3.2	1.6	52.2

(2) Distribution

Fiscal period	Distributions per unit (not including distributions in excess of earnings)	Total distributions (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions per unit (including distributions in excess of earnings)	Total distributions (including distributions in excess of earnings)	Distribution payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Ended August 31, 2021	3,156	1,459	-	-	3,156	1,459	93.3	3.1
Ended February 28, 2021	3,100	1,433	-	-	3,100	1,433	97.1	3.1

(Note) The difference between the total amount of dividends (excluding distributions in excess of earnings) and net income for the years ended February 28, 2021, and August 31, 2021, was attributable to the fact that a portion of net income was retained in order to stabilize dividends per unit in the future.

(3) Financial Position

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended August 31, 2021	94,281	46,784	49.6	101,156
Ended February 28, 2021	94,380	46,644	49.4	100,853

(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 end of period
	million yen	million yen	million yen	million yen
Ended August 31, 2021	6,532	(10,537)	(1,576)	3,458
Ended February 28, 2021	7,220	(339)	(1,400)	9,039

2. Forecasts of Financial Results for Fiscal Periods Ending February 28, 2022 (from September 1, 2021 to February 28, 2022) and August 31, 2022 (from March 1, 2022 to August 31, 2022)

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

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
Ending February 28, 2022	3,353	9.5	1,977	7.2	1,687	4.1	1,685	7.8	2,997	3	3,000
Ending August 31, 2022	3,398	1.3	1,865	(5.6)	1,569	(7.0)	1,568	(7.0)	2,797	3	2,800

(Reference) Forecast net income per unit (fiscal period ending February 28, 2022): 2,931 yen
Forecast net income per unit (fiscal period ending August 31, 2022): 2,727 yen

(Note 1) For the fiscal periods ending February 28, 2022, and August 31, 2022, the amount obtained by adding a portion of the retained earnings carried forward from the previous fiscal period to net income is distributed as a profit distribution. Therefore, the projected amount of net income per unit for each fiscal period (excluding distributions in excess of earnings) differs from the projected amount of net income per unit.

(Note 2) 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 ended August 31, 2021	: 462,500 units
Fiscal period ended February 28, 2021	: 462,500 units

2) Number of treasury units at end of period

Fiscal period ended August 31, 2021	: 0 units
Fiscal period ended February 28, 2021	: 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 31.

(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 first decimal place.

* Presentation of Status of Implementation of Audit Procedures

At the time of disclosure of these financial results, 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

(Notes 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 (hereinafter referred to as the "Investment Corporation"), and the actual operating results and so on may differ significantly from that anticipated by the Investment Corporation due to various factors. Moreover, the forecasts are not intended to guarantee any amount of distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2022, and August 31, 2022" on page 9.

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1. Operating Results

(1) Operating Results

1) Overview of the Current Fiscal Period

a. Key Events of the Investment Corporation

The Investment Corporation was established in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trust Act”) on September 11, 2017, with Takara PAG Real Estate Advisory Ltd. (formerly PAG Real Estate Advisory Ltd.; hereinafter, the “Asset Management Company”) as founding planner, and completed its registration with the Kanto Local Finance Bureau on October 11, 2017 (registration number: Director of Kanto Local Finance Bureau No. 129). Subsequently, on July 27, 2018, the Investment Corporation was listed on the Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (Securities Code: 3492). The total number of investment units issued and outstanding as of the end of the fiscal period under review (August 31, 2021) is 462,500 units.

b. Investment Environment and Performance

Investment Environment:

During the fiscal period under review, the Japanese economy continued to suffer under a harsh environment, with several states of emergency declared in some areas in response to COVID-19. However, Japan showed signs of a full-fledged resumption of economic activity due to progress in vaccination and other factors. In the real estate trading market, appetites remained strong for investment in high-quality, income-generating real estate among various market participants, including publicly listed and privately placed REITs, domestic and overseas private funds, real estate agents, and general business corporations, and transaction prices remained high. The real estate leasing market generally trended strongly, with the exception of certain asset types. For office space, although vacancy rates trended upward in the key office space markets of Tokyo, Nagoya, and Osaka with increased corporate needs for cost-cutting due to COVID-19 and other factors, demand for office space is expected to recover if economic activity makes a full-fledged resumption. As for residential properties, COVID-19 had limited impact, and the market remained stable. In retail facilities, although retail sales declined, lifestyle-oriented retail facilities still trended strongly. The outlook for hotels continues to be uncertain due to re-declared states of emergency and concerns over re-emergence of COVID-19.

Investment Performance:

Amid the aforementioned environment, while keeping the impact of COVID-19 on assets held by the Investment Corporation to limited levels, the Investment Corporation strove to achieve internal growth by negotiating rent increases and reducing costs in accordance with the four investment strategies of “steady expansion of asset size,” “improvement of portfolio quality and stability,” “realization of solid internal growth,” and “implementation of financial strategies and other measures.” In addition, the Investment Corporation took proactive action to conduct replacement of portfolio assets, selling 70% of quasi-co-ownership interest in Almost Blue in March 2021 and selling Alpha Space Toritsudai in July 2021, while acquiring each of the following: AEON Style Onomichi (Land) in March 2021, DCM Daiki Onomichi (Land), LUXENA Kadoma, and the Yoyogi 1 Chome Building in April 2021, BIGMOTOR Sapporo Kiyota (Land) in May 2021, and Cainz Omiya in July 2021.

As a result of these investment activities, operating revenues were 3,061 million yen, ordinary income was 1,621 million yen, and net income was 1,563 million for the fiscal period under review. Despite the decision to retain a portion of distributable income to stabilize future distributions per unit, distributions per unit were 3,156 yen, 56 yen higher than the forecast of 3,100 yen per unit (including distributions in excess of earnings) announced in the “(REIT) Financial Report for Fiscal Period Ended February 28, 2021” dated April 13, 2021.

c. Overview of Funds Procurement

The Investment Corporation refinanced 10,000 million yen (repayment date: July 30, 2021) borrowed on July 30, 2018, from the syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation on July 30, 2018 (2,150 million yen (repayment date: July 31, 2024) and 7,850 million yen (repayment date: July 31, 2026)) on July 30, 2021.

As a result, the balance of borrowings as of the end of the fiscal period under review (August 31, 2021) was 43,400 million yen, and the ratio of interest-bearing debt to total assets (“LTV”) was 46.0%.

On March 22, 2021, Rating and Investment Information, Inc. (R&I) assigned an “A-/Stable” issuer credit rating to the Investment Corporation, and on June 29, 2021, Japan Credit Rating Agency, Ltd. (JCR) changed its long-term issuer credit rating from “A-/Stable” to “A-/Positive.”

d. Overview of Performance and Dividends

As a result of the aforementioned investment activities, the Investment Corporation recorded operating revenues of 3,061 million yen, operating income of 1,843 million yen, ordinary income of 1,621 million yen, and net income of 1,563 million yen for the fiscal period under review.

Dividend amounts shall exceed the amount equivalent to 90/100 of the amount of dividends available to the Investment Corporation as stipulated in Article 36, Paragraph 1 (1) of the Articles of Incorporation and Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended; the same shall apply hereinafter). In determining the distribution amount for the period under review, the Investment Corporation planned to retain a portion of the dividends available for internal use in order to stabilize future distributions per unit, while giving consideration to the distribution level. Specifically, the Investment Corporation decided to reserve 150 million yen internally in order to stabilize future distributions, considering that 457 million yen in gain on sales of real estate, etc. was generated, and to distribute as a profit distribution the entire amount of 1,459 million yen after deducting reversal of retained earnings and the reserve for temporary difference adjustment (which is defined in Article 2, Paragraph 2, Item 30 of the Regulation on Accounting at Investment Corporations) from unappropriated retained earnings at the end of the fiscal period under review. In addition, in consideration of the impact of the discrepancy in excess of income tax (as defined in Article 2, Paragraph 2, Item 30(a) of the Regulation on Accounting at Investment Corporations of Japan) on dividends, the Investment Corporation will distribute excess earnings in accordance with Article 36(1)(ii) of the Rules as an amount equivalent to the discrepancy in excess income tax as determined by the Investment Corporation. However, in the fiscal period under review, no distribution in excess of earnings was made due to internal reserves. As a result of the above, distributions for the fiscal period under review totaled 1,459 million yen, with distributions per unit of 3,156 yen (distributions per unit of 3,156 yen and distributions in excess of earnings per unit of 0 yen).

2) Forecast for the Next Fiscal Period

a. Future Investment Policy

In the pursuit of “external growth,” as well as “stable investment and internal growth,” the Investment Corporation’s basic policy is to target achieving external growth through asset acquisitions leveraging PAG Investment Management Limited’s (“PAG”) information collection capabilities and investment decisions and expertise capable of adapting flexibly to the market environment, and leveraging the stable property supply from the Takara Leben Group (refers to Takara Leben Co., Ltd., its subsidiaries and affiliates; the same shall apply hereinafter), an entity with high development capabilities. This basic policy also includes targeting stable investment and internal growth by combining the Takara Leben Group’s value chain with PAG’s asset management expertise in the Japanese real estate market, as well as the unique networks and investment expertise cultivated for individual asset classes of Kyoritsu Maintenance Co. Ltd, and Yamada Holdings Co., Ltd.

Furthermore, based on the four investment strategies of “steady expansion of asset size,” “improvement of portfolio quality and stability,” “realization of solid internal growth,” and “implementation of financial strategies and other measures,” the Investment Corporation will take the measures of “expanding asset size through stronger property acquisition,” “active investment and stable management leveraging comprehensive REIT strengths,” “solid portfolio management amid the COVID-19 pandemic,” and “expanding financing methods and acquiring external evaluations with a focus on medium to long-term strategies” in order to improve unitholder value.

The impact of the spread of COVID-19 will continue to be monitored closely, and a certain degree of impact is also expected on the Investment Corporation’s operating results.

(i) External Growth Strategy

The Investment Corporation aims to achieve external growth by leveraging the development capabilities of the Takara Leben Group and the sourcing capabilities of PAG, both of which are backed by extensive track records. Aiming to create a well-balanced portfolio, we will acquire mainly development properties from the Takara Leben Group, and acquire carefully selected properties from PAG in areas and scales undeveloped by the Takara Leben Group. In addition, we will consider asset replacement, etc. in consideration of improving our portfolio quality.

(ii) Internal Growth Strategy

The Investment Corporation will conduct stable investment in real estate by receiving and utilizing expertise on real estate management suited to various asset classes from the sponsors.

(iii) Financial Strategy

The Investment Corporation's basic policy is to build a stable and sound financial base for the purpose of securing stable earnings over the medium to long term and achieving sustainable growth in the property portfolio. In order to realize this basic policy, the Investment Corporation shall procure and manage funds in accordance with the following policies.

(a) Funds Procurement (Equity Financing)

We may flexibly issue additional investment units for the purpose of property acquisitions, repair of properties, payment of management expenses of the Investment Corporation including repayment of borrowings or other activities, and are mindful of the potential of dilution of our investment units in considering economic conditions and other factors.

(b) Funds Procurement (Debt Financing)

The Investment Corporation may borrow funds or issue investment corporation bonds (including short-term investment corporation bonds) contributing to the steady growth of investment assets and efficient and stable management of the Investment Corporation's assets for the purpose of asset acquisition, payment of repair expenses or distributions, funding required for the Investment Corporation's management, or repayment of debts (including refund of leasehold and security deposits, repayment of borrowings, and redemption of investment corporation bonds).

With regard to lenders, the Investment Corporation will establish a stable bank formation that focuses on procurement from major financial institutions, and will consider various borrowing methods including commitment lines, and give consideration to the fixed and floating ratio and diversification of repayment deadlines.

(c) LTV

LTV (Note) shall be in principle no higher than 60%, with attention paid to securing sufficient funds.

(Note) LTV (%) = (a / b) × 100(%)

a = Balance of interest-bearing debt at end of period

b = Total assets at end of period

b. Operating Results Forecast

The Investment Corporation's operating results for the period ending February 28, 2022, and the period ending August 31, 2022, is forecast as follows. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2022, and August 31, 2022" on page 9.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
Fiscal period ending February 28, 2022 (8th period)	3,353 million yen	1,977 million yen	1,687 million yen	1,685 million yen	2,997 yen	3 yen	3,000 yen
Fiscal period ending August 31, 2022 (9th period)	3,398 million yen	1,865 million yen	1,569 million yen	1,568 million yen	2,797 yen	3 yen	2,800 yen

(Note) The above forecast figures are calculated based on certain assumptions, and actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary due to future acquisitions or sales of real estate, etc., changes in the real estate market, etc., fluctuations in interest rates, changes in other circumstances surrounding the Investment Corporation and other factors, and this forecast is not a guarantee of the figures provided.

3) Significant Subsequent Events

a. Issuance of New Investment Units

Per resolutions at the Board of Directors' meetings held on August 13, 2021, and August 23, 2021, regarding the issuance of new investment units, the Investment Corporation issued 112,500 new investment units through primary offering, for which payment of 12,192,862,500 yen was completed on September 1, 2021. As a result, unitholders' capital was 57,382,134 thousand yen and the total number of investment units issued and outstanding was 575,000 units as of September 1, 2021.

<Issuance of New Investment Units through Public Offering (Primary Offering)>

• Number of new units issued	112,500 units
• Issue price (offer price)	112,417 yen per unit
• Total issue price (offer price)	12,646,912,500 yen
• Issue amount (paid-in amount)	108,381 yen per unit
• Total issue price (paid-in amount)	12,192,862,500 yen
• Payment date	September 1, 2021
• Purpose of funds raised	Allocation to acquisition of new domestic real estate trust beneficiary interests per "c. Acquisition of Assets," below, and allocation to a portion of associated costs.

b. Borrowing of Funds

In order to allocate funds to acquisition of new domestic real estate trust beneficiary interest per "c. Acquisition of Assets," below, and to a portion of their associated expenses, the Investment Company conducted the following borrowings on September 2, 2021.

Category (Note 1)	Lender	Amount borrowed (millions of yen)	Interest rate (Note 3)	Drawdown date	Repayment date (Note 4)	Repayment method	Notes
Long-term loans payable	A syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	7,350	0.49915%	September 2, 2021	February 28, 2025	Lump-sum repayment on maturity	Unguaranteed/unsecured
		6,550	0.60088%		February 27, 2026		
Total		13,900	—	—	—	—	—

(Note 1) "Long-term loans payable" refers to loans with a maturity of more than one year from the date of borrowing to the repayment date.

(Note 2) The "syndicate of lenders" is composed of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Aozora Bank, Ltd., Shinsei Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Minato Bank, Ltd., The Bank of Yokohama, Ltd., Kansai Mirai Bank, Ltd., The 77 Bank, Ltd., The Nishi-Nippon City Bank, Ltd., Aichi Bank, Ltd., The Chiba Bank, Ltd., and Resona Bank, Limited.

(Note 3) The first interest payment date shall be the last day of November 2021, and subsequent interest payment dates shall be the last day of February, May, August and November of every year thereafter and the principal repayment date. However, if the payment date in question is not a bank business day, this shall fall on the next business day, and if the next business day in question falls in the next month, this shall fall on the previous business day.

(Note 4) After the borrowing commences and up to the repayment date, all or part of the borrowings may be repaid in advance upon prior written notice, provided that certain conditions are met. If the repayment date is not a bank business day, the repayment date shall be the business day immediately following the repayment date, and if the next business day in question falls in the next month, this shall fall on the previous business day.

c. Acquisition of Assets

The Investment Corporation acquired the following domestic real estate trust beneficiary interests on September 2, 2021.

Category	Property number (Note 1)	Property	Location (City)	Acquisition price (millions of yen) (Note 2)	Seller
Office	O-20	Kawagoe West Building	Kawagoe City, Saitama	2,600	Undisclosed (Note 3)
	O-21	Hakata Reisenmachi Building	Fukuoka City, Fukuoka	2,700	
Residence	R-11	LUXENA TODAKOEN	Toda City, Saitama	910	Takara Leben Co., Ltd.
	R-12	LUXENA TODAKOEN II	Toda City, Saitama	1,200	
	R-13	LUXENA AKIHABARA	Taito City, Tokyo	2,300	
	R-14	Fiore Residence Dejima Kaigan Dori	Sakai City, Osaka	560	
	R-15	LUXENA MUSASHI-SHINJO	Kawasaki City, Kanagawa	1,900	GK Island Ship No. 3
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Nagareyama City, Chiba	2,840	
	R-17	PRIME SQUARE	Funabashi City, Chiba	620	
	R-18	Winbell Chorus Seiseki Sakuragaoka	Tama City, Tokyo	730	
Retail and other assets	C-11	APiTA Nagoya South Store	Nagoya City, Aichi	7,800	Undisclosed (Note 3)
	C-12	(Tentative name) BIGMOTOR Konosu (Land)	Konosu City, Saitama	2,150	Nippon Commercial Development Co., Ltd.
Total			-	26,310	

(Note 1) The code "O" represents offices, "R" represents residential properties, and "C" represents retail and other properties.

(Note 2) "Acquisition Price" refers to the purchase price (excluding consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement for each acquired asset, rounded down to the nearest million yen.

(Note 3) Sellers for the Kawagoe West Building, Hakata Reisenmachi Building, and APiTA Nagoya South are domestic joint-stock companies whose names are not disclosed as approval for disclosure has not been obtained from each.

Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2022, and August 31, 2022

Item	Assumptions																														
Calculation period	<ul style="list-style-type: none"> Fiscal period ending February 28, 2022 (8th Period: from September 1, 2021 to February 28, 2022) (181 days) Fiscal period ending August 31, 2022 (9th Period: from March 1, 2022 to August 31, 2022) (184 days) 																														
Property portfolio	<ul style="list-style-type: none"> It is assumed that there will be no changes (acquisition of new assets, disposal of property portfolio, etc.) to the total of 49 properties comprised of beneficiary interest in trust assets mainly of real estate (41 properties) and real estate owned by the Investment Corporation (8 properties) as of the date of this document (hereinafter, "Owned Assets") by the end of the fiscal period ending August 31, 2022 (9th period) The actual property portfolio may vary due to the acquisition of new properties or the disposal of Owned Assets, etc. 																														
Operating revenues	<ul style="list-style-type: none"> Operating revenues from Owned Assets 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. Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant. Leasing business revenues have been calculated with consideration of impact from the spread of COVID-19. 																														
Operating expenses	<ul style="list-style-type: none"> The main operating expenses are as follows: <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th></th> <th align="center">Fiscal period ending February 28, 2022 (8th fiscal period)</th> <th align="center">Fiscal period ending August 31, 2022 (9th fiscal period)</th> </tr> </thead> <tbody> <tr> <td>Property-related expenses total</td> <td align="right">1,049 million yen</td> <td align="right">1,163 million yen</td> </tr> <tr> <td> Subcontract expenses</td> <td align="right">204 million yen</td> <td align="right">245 million yen</td> </tr> <tr> <td> (Maintenance expenses)</td> <td align="right">150 million yen</td> <td align="right">192 million yen</td> </tr> <tr> <td> (Property management fees)</td> <td align="right">53 million yen</td> <td align="right">52 million yen</td> </tr> <tr> <td> Repair expenses</td> <td align="right">87 million yen</td> <td align="right">64 million yen</td> </tr> <tr> <td> Taxes and dues</td> <td align="right">177 million yen</td> <td align="right">256 million yen</td> </tr> <tr> <td> Depreciation</td> <td align="right">447 million yen</td> <td align="right">460 million yen</td> </tr> <tr> <td>Non-property-related expenses total</td> <td align="right">327 million yen</td> <td align="right">368 million yen</td> </tr> <tr> <td> Asset management fees</td> <td align="right">160 million yen</td> <td align="right">176 million yen</td> </tr> </tbody> </table> Property-related expenses constituting major operating expenses other than depreciation are calculated based on historical data and these costs reflect expected fluctuations. Depreciation expenses are calculated using the straight-line depreciation method, including certain ancillary expenses. Fixed asset taxes for assets held for the periods ended February 28, 2022 (the 8th fiscal period) and August 31, 2022 (the 9th fiscal period) are estimated based on fixed asset taxes and city planning taxes for the previous fiscal year. Of the assets owned, AEON Style Onomichi (Land) acquired on March 1, 2021, DCM Daiki Onomichi (Land) acquired on April 1, 2021, LUXENA KADOMA acquired on April 13, 2021, Yoyogi 1-chome Building acquired on April 30, 2021, BIGMOTOR Sapporo Kiyota (Land) acquired on May 19, 2021, Cainz Omiya acquired on July 1, 2021, and 12 trust beneficiary interests in real estate acquired on September 2, 2021 (hereinafter collectively the "Newly Acquired Assets") are calculated on a pro rata basis with the previous owners based on the fixed asset tax and city planning tax, etc., and are settled at the time of acquisition, and the portion equivalent to the settlement amount is included in the acquisition cost. Therefore, they are not recorded as expenses in the fiscal period ending February 28, 2022 (the 8th fiscal period). Fixed property tax, city planning tax, etc. for newly acquired assets will be recorded as expenses from the fiscal period ending August 31, 2022 (the 9th fiscal period). The total amount of fixed property tax, city planning tax, etc. for the fiscal period ending August 31, 2022 (the 9th fiscal period) is expected to be approximately 256 million yen including owned assets. Of the total amount of approximately 256 million yen, fixed property tax, city planning tax, etc. for newly acquired assets is expected to be 78 million yen. As for repair expenses, the amount assumed as necessary for each property is based on the repair plan of the Asset Management Company, for each fiscal period. However, the repair expenses may be substantially different from the expected amount during the operating period due to certain unexpected factors, including the fact that amounts generally differ greatly from period to period, and those amounts are not incurred on a regular basis. 		Fiscal period ending February 28, 2022 (8th fiscal period)	Fiscal period ending August 31, 2022 (9th fiscal period)	Property-related expenses total	1,049 million yen	1,163 million yen	Subcontract expenses	204 million yen	245 million yen	(Maintenance expenses)	150 million yen	192 million yen	(Property management fees)	53 million yen	52 million yen	Repair expenses	87 million yen	64 million yen	Taxes and dues	177 million yen	256 million yen	Depreciation	447 million yen	460 million yen	Non-property-related expenses total	327 million yen	368 million yen	Asset management fees	160 million yen	176 million yen
	Fiscal period ending February 28, 2022 (8th fiscal period)	Fiscal period ending August 31, 2022 (9th fiscal period)																													
Property-related expenses total	1,049 million yen	1,163 million yen																													
Subcontract expenses	204 million yen	245 million yen																													
(Maintenance expenses)	150 million yen	192 million yen																													
(Property management fees)	53 million yen	52 million yen																													
Repair expenses	87 million yen	64 million yen																													
Taxes and dues	177 million yen	256 million yen																													
Depreciation	447 million yen	460 million yen																													
Non-property-related expenses total	327 million yen	368 million yen																													
Asset management fees	160 million yen	176 million yen																													

Item	Assumptions
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, and are expected to be 13 million yen for each of the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th fiscal period), respectively. For interest expenses and other borrowing-related costs, 290 million yen, and 296 million yen are expected for the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th 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 57,300 million yen as of the end of each of the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th fiscal period), respectively. The LTV ratio is expected to be around 47.5% as of the end of each of the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th fiscal period). 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 and outstanding as of the date of this document (575,000) due to no issuance of new investment units by the end of the fiscal period ending August 31, 2022 (the 9th 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. For the fiscal periods ending February 28, 2022 (the 8th fiscal period) and August 31, 2022 (the 9th fiscal period), it is assumed that the amount obtained by adding a portion of the reserve carry-forwarded in addition to the net benefit will be distributed as a benefit allotment. 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"> Allowances for temporary difference adjustment of 1 million yen are expected to be recorded concerning the difference recognized for accounting purposes and tax purposes associated with recording of asset retirement obligations as of the end of the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th fiscal period), respectively. It is also assumed that the distributions in excess of earnings per unit will be 3 yen for the fiscal periods ending February 28, 2022 (the 8th fiscal period), and August 31, 2022 (the 9th fiscal period), respectively. It is assumed no deferred losses on hedges will be incurred, which is an item of deduction from net assets. In addition, the 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.

(2) Investment Risk

Disclosure is omitted as there are no significant changes from "Investment Risk" as provided in the Securities Registration Statement (submitted on August 13, 2021).

2. Financial Statements

(1) Balance Sheets

(Unit: thousand yen)

	6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
Assets		
Current assets		
Cash and deposits	9,815,530	4,208,122
Cash and deposits in trust	1,633,984	1,624,896
Operating accounts receivable	68,991	94,259
Prepaid expenses	141,760	204,793
Consumption tax receivable	-	229,172
Other	5,204	6,672
Total current assets	11,665,471	6,367,916
Fixed assets		
Tangible fixed assets		
Buildings	2,561,283	4,034,179
Accumulated depreciation	(108,057)	(153,732)
Buildings, net	2,453,225	3,880,446
Structures	9,641	28,587
Accumulated depreciation	(325)	(540)
Structures, net	9,315	28,046
Machinery and equipment	47,540	47,540
Accumulated depreciation	(3,565)	(4,754)
Machinery and equipment, net	43,975	42,786
Tools, furniture and fixtures	6,256	32,371
Accumulated depreciation	(305)	(2,461)
Tools, furniture and fixtures, net	5,950	29,909
Land	1,941,786	6,280,425
Buildings in trust	19,378,728	20,274,127
Accumulated depreciation	(1,275,705)	(1,541,502)
Buildings in trust, net	18,103,023	18,732,625
Structures in trust	70,135	71,160
Accumulated depreciation	(3,155)	(3,879)
Structures in trust, net	66,980	67,280
Tools, furniture and fixtures in trust	23,385	41,223
Accumulated depreciation	(4,583)	(7,115)
Tools, furniture and fixtures in trust, net	18,801	34,108
Land in trust	59,240,117	58,343,096
Construction in progress in trust	718	718
Total tangible assets	81,883,896	87,439,443
Intangible assets		
Leasehold in trust	530,595	-
Software	3,025	2,475
Total intangible assets	533,620	2,475
Investments and other assets		
Long-term prepaid expenses	255,546	442,788
Deferred tax assets	2,145	4,924
Security deposits	11,000	11,080
Other	10	10
Total investments and other assets	268,701	458,802
Total fixed assets	82,686,217	87,900,721
Deferred assets		
Investment unit issuance costs	28,447	13,268
Total deferred assets	28,447	13,268
Total assets	94,380,136	94,281,906

(Unit: thousand yen)

	6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	226,592	312,492
Current portion of long-term loans payable	10,000,000	9,950,000
Current portion of tenant leasehold and security deposits in trust	50,973	50,973
Accounts payable - other	184,653	193,598
Accrued expenses	15,940	16,922
Income tax payable	26,793	60,189
Accrued consumption tax, etc.	319,699	-
Advances received	11,196	20,491
Derivative liabilities	3,865	2,909
Other	5,970	8,953
Total current liabilities	10,845,683	10,616,530
Non-current liabilities		
Long-term loans payable	33,400,000	33,450,000
Tenant leasehold and security deposits	114,695	205,535
Tenant leasehold and security deposits in trust	3,277,646	3,136,223
Asset retirement obligations	88,298	88,636
Derivative liabilities	9,237	-
Total non-current liabilities	36,889,877	36,880,394
Total liabilities	47,735,560	47,496,925
Net assets		
Unitholders' equity		
Unitholders' capital	45,189,272	45,189,272
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	*1 (36,882)	*1 (21,279)
Total deduction from unitholders' capital	(36,882)	(21,279)
Unitholders' capital, net	45,152,389	45,167,992
Surplus		
Retained earnings	1,505,288	1,619,897
Total surplus	1,505,288	1,619,897
Unitholders' capital, net	46,657,677	46,787,890
Valuation and translation adjustments		
Deferred gains or losses on hedges	(13,102)	(2,909)
Total valuation and translation adjustments	(13,102)	(2,909)
Total net assets	*2 46,644,575	*2 46,784,980
Total liabilities and net assets	94,380,136	94,281,906

(2) Statements of Income

(Unit: thousand yen)

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Operating revenues		
Lease business revenue	*1 2,508,637	*1 2,427,281
Other lease business revenue	*1 179,152	*1 177,464
Gain on sales of real estate properties	*2 186,233	*2 457,223
Total operating revenue	2,874,022	3,061,968
Operating expenses		
Expenses related to property rental business	*1 915,785	*1 943,498
Loss on sales of real estate property	*3 3,029	-
Asset management fees	149,329	157,703
Asset custody and administrative service fees	18,432	19,162
Directors' compensations	2,400	2,400
Taxes and dues	24,621	42,830
Other operating expenses	57,669	52,384
Total operating expenses	1,171,268	1,217,979
Operating income	1,702,753	1,843,988
Non-operating income		
Interest income	37	44
Refund of property taxes	19,922	-
Income from insurance claims	817	1,079
Other	-	0
Total non-operating income	20,778	1,124
Non-operating expenses		
Interest expenses	135,940	138,611
Borrowing related expenses	67,143	69,943
Amortization of investment unit issuance costs	19,450	15,178
Total non-operating expenses	222,535	223,733
Ordinary income	1,500,997	1,621,379
Income before income taxes	1,500,997	1,621,379
Income taxes - current	26,798	60,196
Income taxes - deferred	(2,129)	(2,778)
Total income taxes	24,669	57,417
Net income	1,476,327	1,563,962
Retained earnings brought forward	28,961	55,935
Unappropriated retained earnings	1,505,288	1,619,897

(3) Statements of Unitholders' Equity

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at beginning of period	45,189,272	(68,263)	(68,263)	45,121,008	1,461,254	1,461,254	
Changes during the period							
Dividends of surplus					(1,399,062)	(1,399,062)	(1,399,062)
Reversal of allowance for temporary difference adjustments		33,230	33,230	33,230	(33,230)	(33,230)	-
Dividends in excess of earnings (allowance for temporary difference adjustments)		(1,850)	(1,850)	(1,850)			(1,850)
Net income					1,476,327	1,476,327	1,476,327
Net changes of items other than unitholders' equity							
Total changes during the period	-	31,380	31,380	31,380	44,034	44,034	75,414
Balance at end of period	*1 45,189,272	(36,882)	(36,882)	45,152,389	1,505,288	1,505,288	46,657,677

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(28,705)	(28,705)	46,553,557
Changes during the period			
Dividends of surplus			(1,399,062)
Reversal of allowance for temporary difference adjustments			-
Dividends in excess of earnings (allowance for temporary difference adjustments)			(1,850)
Net income			1,476,327
Net changes of items other than unitholders' equity	15,603	15,603	15,603
Total changes during the period	15,603	15,603	91,018
Balance at end of period	(13,102)	(13,102)	46,644,575

7th Fiscal Period (March 1, 2021 to August 31, 2021)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at beginning of period	45,189,272	(36,882)	(36,882)	45,152,389	1,505,288	1,505,288	
Changes during the period							
Dividends of surplus					(1,433,750)	(1,433,750)	(1,433,750)
Reversal of allowance for temporary difference adjustments		15,603	15,603	15,603	(15,603)	(15,603)	-
Net income					1,563,962	1,563,962	1,563,962
Net changes of items other than unitholders' equity							
Total changes during the period	-	15,603	15,603	15,603	114,609	114,609	130,212
Balance at end of period	*1 45,189,272	(21,279)	(21,279)	45,167,992	1,619,897	1,619,897	46,787,890

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(13,102)	(13,102)	46,644,575
Changes during the period			
Dividends of surplus			(1,433,750)
Reversal of allowance for temporary difference adjustments			-
Net income			1,563,962
Net changes of items other than unitholders' equity	10,192	10,192	10,192
Total changes during the period	10,192	10,192	140,405
Balance at end of period	(2,909)	(2,909)	46,784,980

(4) Statements of Cash Distribution

(Unit: yen)

Category	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
I Unappropriated retained earnings	1,505,288,631	1,619,897,845
II Addition of cash distribution in excess of earnings	-	-
Of which, allowance for temporary difference adjustment	-	-
III Total investment amount	15,603,377	10,192,746
Of which, temporary difference adjustment reserve reversal	15,603,377	10,192,746
IV Cash distribution	1,433,750,000	1,459,650,000
[Cash distribution per unit]	(3,100)	(3,156)
Of which, cash distribution of earnings	1,433,750,000	1,459,650,000
[Of which, cash distribution of earnings per unit]	(3,100)	(3,156)
Of which, allowance for temporary difference adjustment	-	-
[Of which, cash distribution in excess of earnings per unit (attributable to allowance for temporary difference adjustment)]	(-)	(-)
V Retained earnings carried forward	55,935,254	150,055,099
Method of calculation of amount of cash distribution	<p>The amount shall exceed the amount equivalent to 90/100 of the amount of dividends available to the Investment Corporation as stipulated in Article 36, Paragraph 1 (1) of the Articles of Incorporation and Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Company decided to reserve 55,935,254 yen for the profit (excluding distributions in excess of earnings) in order to stabilize future distributions, considering that a 183,203,139 yen gain on sales of real estate, etc. (which is offset by a loss on sales of real estate, etc.) was generated, and to distribute as a profit distribution the entire amount of 1,433,750,000 yen after deducting the reversal of the above retained earnings and the reserve for temporary difference adjustment (which is defined in Article 2, Article 2, Item 30 of the Regulations Concerning the Calculation of Investment Corporations) from unappropriated retained earnings for the period. In addition, in consideration of the impact of the discrepancy in excess of income tax (as defined in Article 2, Paragraph 2, Item 30(a) of the Regulation on Accounting at Investment Corporations of Japan) on dividends, the Investment Corporation will distribute excess income in accordance with Article 36(1)(ii) of the Rules as an amount equivalent to the discrepancy in excess income tax as determined by the Investment Corporation. However, in the current fiscal year, no distribution in excess of profit was made due to internal reserves.</p>	<p>The amount shall exceed the amount equivalent to 90/100 of the amount of dividends available to the Investment Corporation as stipulated in Article 36, Paragraph 1 (1) of the Articles of Incorporation and Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Company decided to reserve 150,055,099 yen for the profit (excluding distributions in excess of earnings) in order to stabilize future distributions, considering that a 457,223,128 yen gain on sales of real estate, etc. was generated, and to distribute as a profit distribution the entire amount of 1,459,650,000 yen after deducting the reversal of the above retained earnings and the reserve for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Regulation on Accounting at Investment Corporations of Japan) from unappropriated retained earnings for the period. In addition, in consideration of the impact of the discrepancy in excess of income tax (as defined in Article 2, Paragraph 2, Item 30(a) of the Regulation on Accounting at Investment Corporations of Japan) on dividends, the Investment Corporation will distribute excess income in accordance with Article 36(1)(ii) of the Rules as an amount equivalent to the discrepancy in excess income tax as determined by the Investment Corporation. However, in the current fiscal year, no distribution in excess of profit was made due to internal reserves.</p>

(5) Statements of Cash Flow

(Unit: thousand yen)

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Cash flows from operating activities		
Income before income taxes	1,500,997	1,621,379
Depreciation	326,007	334,900
Amortization of investment unit issuance costs	19,450	15,178
Borrowing related expenses	61,192	63,803
Interest income	(37)	(44)
Interest expenses	135,940	138,611
Decrease (increase) in operating accounts receivable	10,372	(37,593)
Decrease (increase) in consumption taxes receivable	-	(229,172)
Increase (decrease) in accrued consumption taxes	202,519	(319,699)
Decrease (increase) in prepaid expenses	8,524	(43,433)
Decrease (increase) in long-term prepaid expenses	9,232	(126,188)
Increase (decrease) in operating accounts payable	(32,356)	51,357
Increase (decrease) in accounts payable	5,873	7,665
Increase (decrease) in advances received	(3,705)	9,295
Decrease in disposal of property and equipment in trust	5,116,480	5,211,461
Other	(2,670)	(508)
Subtotal	7,357,820	6,697,012
Interest income received	37	44
Interest expenses paid	(136,173)	(137,630)
Income taxes paid	(936)	(26,799)
Cash flows from operating activities	7,220,748	6,532,626
Cash flows from investing activities		
Purchase of property and equipment	(6,194)	(5,825,212)
Purchase of property and equipment in trust	(322,127)	(4,625,153)
Payment of tenant leasehold and security deposits	-	(80)
Proceeds from tenant leasehold and security deposits	(79)	27,406
Repayments of tenant leasehold and security deposits	(347)	(268)
Proceeds from tenant leasehold and security deposits in trust	2,484	37,725
Repayments of tenant leasehold and security deposits in trust	(12,743)	(151,929)
Cash flows from investing activities	(339,008)	(10,537,511)
Cash flows from financing activities		
Proceeds from long-term loans	-	9,856,825
Repayment of long-term loans	-	(10,000,000)
Payments for loan-related expenses	(665)	-
Distributions paid	(1,400,012)	(1,433,027)
Cash flows from financing activities	(1,400,678)	(1,576,202)
Net increase (decrease) in cash and cash equivalents	5,481,061	(5,581,087)
Cash and cash equivalents at beginning of period	3,558,132	9,039,193
Cash and cash equivalents at end of period	*1 9,039,193	*1 3,458,106

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of Depreciation of Non-Current Assets	<p>(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:</p> <table border="0"><tr><td>Buildings</td><td>5 to 66 years</td></tr><tr><td>Structures</td><td>10 to 65 years</td></tr><tr><td>Machinery and equipment</td><td>20 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets The straight-line method is adopted. The useful life of primary intangible assets is as follows: Software 5 years</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	5 to 66 years	Structures	10 to 65 years	Machinery and equipment	20 years	Tools, furniture and fixtures	2 to 15 years
Buildings	5 to 66 years								
Structures	10 to 65 years								
Machinery and equipment	20 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting for Deferred Assets	Amortization of investment unit issuance costs Investment unit issuance costs are amortized with the straight-line method over three years.								
3. 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 of property tax, etc. paid to the seller as settlement money for the calendar year, including the date of the acquisition of real estate, etc. is not recorded as an expense, but is included in the acquisition cost of real estate, etc. In the fiscal period under review, the amount equivalent to property taxes, etc. included in the acquisition cost of real estate, etc. was 29,316 thousand yen.								
4. Hedge accounting method	<p>(1) Hedge accounting method Deferral hedge accounting is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instrument: Interest rate swaps Hedged items: Interest on loans</p> <p>(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.</p> <p>(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.</p>								
5. 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.								
6. Other Matters Serving as the Basis for Preparation of Financial Statements	<p>(1) Accounting for beneficiary interest in trust for real estate, etc. 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> <ol style="list-style-type: none">1) Cash and deposits in trust2) Buildings, Structures, Tools, furniture and fixtures, Land, Construction in progress in trust, and Leasehold in trust3) Current portion of tenant leasehold and security deposits in trust, Tenant leasehold and security deposits in trust <p>(2) Accounting for consumption tax, etc. 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 equally over 5 years.</p>								

(Additional Information)

[Allowance for temporary difference adjustment]

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

1. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Allowance for temporary difference adjustment
Deferred gains or losses on hedges	Fluctuations in the market value of derivative transactions	(15,603)
Total		(15,603)

2. Concrete Method of Reversal

(1) Deferred gains or losses on hedges

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

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

1. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Allowance for temporary difference adjustment
Deferred gains or losses on hedges	Fluctuations in the market value of derivative transactions	(10,192)
Total		(10,192)

2. Concrete Method of Reversal

(1) 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

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

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 reversal amount	Period-end balance	Concrete method of reversal
Buildings in trust	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	105,723 (Note)	6,687	1,850	-	8,537	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820	61,576	-	(33,230)	28,345	Fluctuations in the market value of derivative transactions
Total		119,543	68,263	1,850	(33,230)	36,882	-

(Note) The initial accrual amount for buildings in trust is the total amount of temporary differences arising from each asset, and reserves and reversals are provided based on this amount.

2. Concrete Method of Reversal

(1) Buildings in trust

The allowance for temporary difference adjustment for expenses related to asset retirement obligation will be reversed in an appropriate amount corresponding to disposal/sale of the buildings at the time loss is recognized.

(2) Deferred gains or losses on hedges

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

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

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 reversal amount	Period-end balance	Concrete method of reversal
Buildings in trust	Occurrence of the issue of inconsistency between accounting purposes and tax purposes regarding recording of expenses related to asset retirement obligations	105,723 (Note)	8,537	-	-	8,537	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	6,625	28,345	-	(15,603)	12,742	Fluctuations in the market value of derivative transactions
Total		112,348	36,882	-	(15,603)	21,279	-

(Note) The initial accrual amount for buildings in trust is the total amount of temporary differences arising from each asset, and reserves and reversals are provided based on this amount.

2. Concrete Method of Reversal

(1) Buildings in trust

The allowance for temporary difference adjustment for expenses related to asset retirement obligation will be reversed in an appropriate amount corresponding to disposal/sale of the buildings at the time loss is recognized.

(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)

6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
50,000	50,000

[Notes to the Statement of Income]

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

(Unit: thousand yen)

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)		7th Fiscal Period (from March 1, 2021 to August 31, 2021)	
A. Operating revenue from real estate leasing				
Lease business revenue				
Rental revenue	2,207,673		2,149,964	
Common area charges	208,057		190,916	
Parking revenue	76,901		67,745	
Other rental revenue	16,003	2,508,637	18,654	2,427,281
Other lease business revenue				
Utilities reimbursement	141,105		124,139	
Other revenue	38,046	179,152	53,325	177,464
Total operating revenue from real estate leasing		2,687,789		2,604,745
B. Operating expenses from real estate leasing				
Expenses related to property rental business				
Management fees	193,609		189,774	
Utilities expenses	115,330		101,030	
Taxes and dues	198,912		179,812	
Insurance premiums	4,372		4,512	
Repair expenses	62,225		85,719	
Trust fees	10,516		9,929	
Depreciation	325,457		334,350	
Other expenses	5,360		38,367	
Total operating expenses from real estate leasing		915,785		943,498
C. Operating income from real estate leasing (A - B)		1,772,003		1,661,247

*2 Breakdown of gain on sales of real estate properties

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Morioka Ekimae-dori Building		(Unit: thousand yen)
Revenue on sales of real estate properties		1,484,432
Cost of sales of real estate properties	1,458,283	
Other expenses	18,864	
Gain on sales of real estate properties		7,284

Utsunomiya Central Building		(Unit: thousand yen)
Revenue on sales of real estate properties		803,404
Cost of sales of real estate properties	778,100	
Other expenses	24,186	
Gain on sales of real estate properties		1,117

Almost Blue (30% quasi-co-ownership interest)		(Unit: thousand yen)
Revenue on sales of real estate properties		2,158,694
Cost of sales of real estate properties	1,979,395	
Other expenses	1,467	
Gain on sales of real estate properties		177,831

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Almost Blue (70% quasi-co-ownership interest)		(Unit: thousand yen)
Revenue on sales of real estate properties		5,037,636
Cost of sales of real estate properties	4,618,120	
Other expenses	3,042	
Gain on sales of real estate properties		416,474

Alpha Space Toritsudai		(Unit: thousand yen)
Revenue on sales of real estate properties		652,000
Cost of sales of real estate properties	593,341	
Other expenses	17,909	
Gain on sales of real estate properties		40,748

*3 Breakdown of loss on sales of real estate properties

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

EME Koriyama Building		(Unit: thousand yen)
Revenue on sales of real estate properties		910,000
Cost of sales of real estate properties	900,701	
Other expenses	12,328	
Loss on sales of real estate property		3,029

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Not applicable.

[Notes to the Statement of Unitholders' Equity]

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

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	462,500 units	462,500 units

[Notes to the Statement of Cash Flows]

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

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Cash and deposits	9,815,530 thousand yen	4,208,122 thousand yen
Cash and deposits in trust	1,633,984 thousand yen	1,624,896 thousand yen
Payment for restricted bank deposit (Note)	(2,410,320 thousand yen)	(2,374,912 thousand yen)
Cash and cash equivalents	9,039,193 thousand yen	3,458,106 thousand yen

(Note) This 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 Investment Corporation's basic policy is to build a stable and sound financial base for the purpose of securing stable earnings over the medium to long term and achieving sustainable growth in the property portfolio. 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 flexibly issue additional investment units for the purpose of property acquisitions, repair of properties, payment of management expenses of the Investment Corporation including repayment of borrowings or other activities, and are mindful of the potential of dilution of our investment units in considering economic conditions and other factors. 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 carries out such 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 reduces the risk via 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 carrying amount, the fair value and the difference between them as of February 28, 2021, are as follows. Note that the following table does not include financial instruments for which estimation of fair value is recognized to be difficult (see (Note 2), below).

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	9,815,530	9,815,530	-
(2) Cash and deposits in trust	1,633,984	1,633,984	-
Assets total	11,449,514	11,449,514	-
(3) Current portion of long-term loans payable	10,000,000	10,000,000	-
(4) Current portion of tenant leasehold and security deposits in trust	50,973	50,973	-
(5) Long-term loans payable	33,400,000	33,508,675	108,675
(6) Tenant leasehold and security deposits in trust	390,812	390,812	-
Liabilities total	43,841,785	43,950,461	108,675
Derivative transactions (*)	(13,102)	(13,102)	-

(*) 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.

The carrying amount, the fair value, and the difference between them as of August 31, 2021 are as follows. Note that the following table does not include financial instruments for which estimation of fair value is recognized to be difficult (see (Note 2), below).

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	4,208,122	4,208,122	-
(2) Cash and deposits in trust	1,624,896	1,624,896	-
Assets total	5,833,018	5,833,018	-
(3) Current portion of long-term loans payable	9,950,000	9,950,000	-
(4) Current portion of tenant leasehold and security deposits in trust	50,973	50,973	-
(5) Long-term loans payable	33,450,000	33,605,112	155,112
(6) Tenant leasehold and security deposits in trust	365,325	365,325	-
Liabilities total	43,816,298	43,971,411	155,112
Derivative transactions (*)	(2,909)	(2,909)	-

(*) 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.

(Note 1) 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) Current portion of long-term loans payable

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

(4) 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.

(5) Long-term loans payable

Of long-term loans payable, those with fixed interest rates are calculated by discounting the total amount of principal and interest by the interest rate assumed to be applied if a new loan is taken out corresponding to the remaining period. 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) Tenant leasehold and security deposits in trust

Of the trust deposits and guarantee deposits, the balance sheet amount (6th fiscal period: 2,886,834 thousand yen; 7th fiscal period: 2,770,897 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.

(Note 2) Financial instruments for which estimation of fair value is recognized to be difficult

(Unit: thousand yen)

Item	6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
Tenant leasehold and security deposits (*)	114,695	205,535
Tenant leasehold and security deposits in trust (*)	2,886,834	2,770,897

(*) 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.

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of the fiscal period end (February 28, 2021)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	9,815,530
Cash and deposits in trust	1,633,984
Total	11,449,514

Amount of redemption of monetary claims scheduled to be due after the date of the fiscal period end (August 31, 2021)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	4,208,122
Cash and deposits in trust	1,624,896
Total	5,833,018

(Note 4) Amount of repayment of loans scheduled to be due after the date of the fiscal period end (February 28, 2021)

(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	10,000,000	9,950,000	6,000,000	7,400,000	10,050,000	-
Total	10,000,000	9,950,000	6,000,000	7,400,000	10,050,000	-

Amount of repayment of loans scheduled to be due after the date of the fiscal period end (August 31, 2021)

(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	9,950,000	6,000,000	9,550,000	10,050,000	7,850,000	-
Total	9,950,000	6,000,000	9,550,000	10,050,000	7,850,000	-

[Notes on Securities]

6th Fiscal Period (As of February 28, 2021)

Not applicable.

7th Fiscal Period (As of August 31, 2021)

Not applicable.

[Notes on Derivative Transactions]

1. Derivative Transactions to Which Hedge Accounting is Not Applied

6th Fiscal Period (As of February 28, 2021)

Not applicable.

7th Fiscal Period (As of August 31, 2021)

Not applicable.

2. Derivative Transactions to Which Hedge Accounting is Applied

6th Fiscal Period (As of February 28, 2021)

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, more than one year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	15,000,000	5,000,000	(13,102)

(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.

7th Fiscal Period (As of August 31, 2021)

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, more than one year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	5,000,000	-	(2,909)

(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]

6th Fiscal Period (As of February 28, 2021)

Not applicable.

7th Fiscal Period (As of August 31, 2021)

Not applicable.

[Notes on Income Taxes]

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

(Unit: thousand yen)

	6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
Deferred tax assets		
Non-deductible accrued enterprise tax	2,145	4,924
Asset retirement obligations	27,778	27,884
Deferred consumption taxes	63	53
Deferred gains or losses on hedges	4,121	915
Subtotal of deferred tax assets	34,108	33,777
Valuation allowance	(7,565)	(4,989)
Total deferred tax assets	26,543	28,788
Deferred tax liabilities		
Building and equipment corresponding to the asset retirement obligations	24,398	23,864
Total deferred tax liabilities	24,398	23,864
Deferred tax assets, net	2,145	4,924

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

(Unit: percent)

	6th Fiscal Period (As of February 28, 2021)	7th Fiscal Period (As of August 31, 2021)
Statutory tax rate	31.46	34.59
(Adjustments)		
Deductible distributions	(30.05)	(31.14)
Other	0.23	0.09
Effective income tax rate	1.64	3.54

[Notes on Related-Party Transactions]

1. Parent Company, Major Corporate Unitholders, Etc.

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Not applicable.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Not applicable.

2. Affiliated Companies, Etc.

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Not applicable.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Not applicable.

3. Fellow Subsidiaries, Etc.

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Not applicable.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Not applicable.

4. Directors, Major Individual Unitholders, Etc.

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Type	Name of company, person, etc.	Location (City)	Capital stock or investments in capital (million yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) 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	149,329	Accounts payable - other	164,262

(Note 1) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 2) The transaction is one that was conducted by Masayuki Ishihara as Executive Chairman and CEO of a third party (the Asset Management Company), 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.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Type	Name of company, person, etc.	Location (City)	Capital stock or investments in capital (million yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) 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	237,853	Accounts payable - other	173,474

(Note 1) Of the amounts above, the transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 2) The transaction is one that was conducted by Masayuki Ishihara as Executive Chairman and CEO of a third party (the Asset Management Company), 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.

(Note 3) Asset management fee includes the property acquisition fee included in the book value of individual real estate in the amount of 80,150 thousand yen.

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

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

Not applicable.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

Not applicable.

[Notes on Asset Retirement Obligations]

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

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, acquired on July 30, 2018, and to eliminate PCB from Nagoya Center Plaza Building.

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

The amount of asset retirement obligations is calculated by estimating the expected period of use based on the useful life of the building in trust and using the following discount rates.

	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%

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

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, acquired on July 30, 2018, and to eliminate PCB from Nagoya Center Plaza Building.

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

The amount of asset retirement obligations is calculated by estimating the expected period of use based on the useful life of the building in trust and using the following discount rates.

	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)

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Balance at beginning of period	87,966	88,298
Increase due to acquisition of tangible fixed assets	-	-
Decrease due to disposition of tangible fixed assets	-	-
Adjustment for passage of time	331	338
Balance at end of period	88,298	88,636

[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.

(Related information)

6th Fiscal Period (from September 1, 2020 to February 28, 2021)

(1) Information by product and service

This information is omitted because operating revenues from external customers in a single product/service category exceeds 90% of operating revenues in the statement of income.

(2) Information by region

1) Operating revenues

This information is omitted because operating revenues from external customers in Japan exceeds 90% of operating revenues in the statement of income.

2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the balance sheet.

(3) Information by major customer

This information is omitted because there are no customers that account for 10% or more of total operating revenues.

7th Fiscal Period (from March 1, 2021 to August 31, 2021)

(1) Information by product and service

This information is omitted because operating revenues from external customers in a single product/service category exceeds 90% of operating revenues in the statement of income.

(2) Information by region

1) Operating revenues

This information is omitted because operating revenues from external customers in Japan exceeds 90% of operating revenues in the statement of income.

2) Tangible fixed assets

This information is omitted because the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the balance sheet.

(3) Information by major customer

This information is omitted because there are no customers that account for 10% or more of total operating revenues.

[Notes on Investment and Rental Properties]

The Investment Corporation mainly owns Office, Residence, Hotel, Retail and Other properties 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)

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Carrying amount		
Balance at beginning of period	87,624,703	82,414,491
Amount of increase (decrease) during period	(5,210,211)	5,024,952
Balance at end of period	82,414,491	87,439,443
Fair value at end of period	87,867,000	92,880,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) Among the increases and decreases, the main increase during the previous period was from capital expenditures (231,725 thousand yen), with the main decreases during the previous period from transfer of four real estate trust beneficiary interests (5,116,480 thousand yen) and depreciation and amortization expenses (325,457 thousand yen). The main increases during the period under review were from acquisition of six real estate properties and real estate trust beneficiary interests (10,317,680 thousand yen), and the main decreases during the period under review were from the transfer of two real estate trust beneficiary interests (5,227,524 thousand yen) and depreciation and amortization expenses (334,350 thousand yen).

(Note 3) The fair value at the end of the period is the appraisal value by an outside real estate appraiser.

The income (loss) concerning investment and rental properties for the fiscal period ended February 29, 2021 (the 6th period) and the fiscal period ended August 31, 2021 (the 7th period) is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Per Unit Information]

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Net assets per unit	100,853 yen	101,156 yen
Net income per unit	3,192 yen	3,381 yen

(Note 1) Net income per unit is calculated by dividing net income by daily weighted average number of investment units during the period. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note 2) The basis for calculation of net income per unit is as follows:

	6th Fiscal Period (from September 1, 2020 to February 28, 2021)	7th Fiscal Period (from March 1, 2021 to August 31, 2021)
Net income (thousand yen)	1,476,327	1,563,962
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,476,327	1,563,962
Average number of investment units during the period (units)	462,500	462,500

[Notes on Significant Subsequent Events]

1. Issuance of New Investment Units

Per resolutions at the Board of Directors' meetings held on August 13, 2021, and August 23, 2021, regarding the issuance of new investment units, the Investment Corporation issued 112,500 new investment units through primary offering, for which payment of 12,192,862,500 yen was completed on September 1, 2021. As a result, unitholders' capital was 57,382,134 thousand yen and the total number of investment units issued and outstanding was 575,000 units as of September 1, 2021.

<Issuance of New Investment Units through Public Offering (Primary Offering)>

- Number of new units issued 112,500 units
- Issue price (offer price) 112,417 yen per unit
- Total issue price (offer price) 12,646,912,500 yen
- Issue amount (paid-in amount) 108,381 yen per unit
- Total issue price (paid-in amount) 12,192,862,500 yen
- Payment date September 1, 2021
- Purpose of funds raised Allocation to acquisition of new domestic real estate trust beneficiary interests per "3. Acquisition of Assets," below, and allocation to a portion of associated costs.

2. Borrowing of Funds

In order to allocate funds to acquisition of new domestic real estate trust beneficiary interests per "c. Acquisition of Assets," below, and to allocate to a portion of associated costs, the Investment Company conducted the following borrowings on September 2, 2021.

Category (Note 1)	Lender	Amount borrowed (millions of yen)	Interest rate (Note 3)	Drawdown date	Repayment date (Note 4)	Repayment method	Notes
Long-term loans payable	A syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	7,350	0.49915%	September 2, 2021	February 28, 2025	Lump-sum repayment on maturity	Unguaranteed/unsecured
		6,550	0.60088%		February 27, 2026		
Total		13,900	-	-	-	-	-

(Note 1) "Long-term loans payable" refers to loans with a maturity of more than one year from the drawdown date to the repayment date.

(Note 2) The "syndicate of lenders" is composed of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Aozora Bank, Ltd., Shinsei Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Daishi Hokuetsu Bank, Ltd., The Minato Bank, Ltd., The Bank of Yokohama, Ltd., Kansai Mirai Bank, Ltd., The 77 Bank, Ltd., The Nishi-Nippon City Bank, Ltd., Aichi Bank, Ltd., The Chiba Bank, Ltd., and Resona Bank, Limited.

(Note 3) The first interest payment date shall be the last day of November 2021, and subsequent interest payment dates shall be the last day of February, May, August and November of every year thereafter and the principal repayment date. However, if the payment date in question is not a bank business day, this shall fall on the next business day, and if the next business day in question falls in the next month, this shall fall on the previous business day.

(Note 4) After the borrowing commences and up to the repayment date, all or part of the borrowings may be repaid in advance upon prior written notice, provided that certain conditions are met. If the repayment date is not a bank business day, the repayment date shall be the business day immediately following the repayment date, and if the next business day in question falls in the next month, this shall fall on the previous business day.

3. Acquisition of Assets

The Investment Corporation acquired the following domestic real estate trust beneficiary interests on September 2, 2021.

Type of asset	Property number (Note 1)	Property	Location (City)	Acquisition price (millions of yen) (Note 2)	Seller
Office	O-20	Kawagoe West Building	Kawagoe City, Saitama	2,600	Undisclosed (Note 3)
	O-21	Hakata Reisenmachi Building	Fukuoka City, Fukuoka	2,700	
Residence	R-11	LUXENA TODAKOEN	Toda City, Saitama	910	Takara Leben Co., Ltd.
	R-12	LUXENA TODAKOEN II	Toda City, Saitama	1,200	
	R-13	LUXENA AKIHABARA	Taito City, Tokyo	2,300	
	R-14	Fiore Residence Dejima Kaigan Dori	Sakai City, Osaka	560	
	R-15	LUXENA MUSASHI-SHINJO	Kawasaki City, Kanagawa	1,900	GK Island Ship No. 3
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Nagareyama City, Chiba	2,840	
	R-17	PRIME SQUARE	Funabashi City, Chiba	620	
	R-18	Winbell Chorus Seiseki Sakuragaoka	Tama City, Tokyo	730	
Retail and other assets	C-11	APiTA Nagoya South Store	Nagoya City, Aichi	7,800	Undisclosed (Note 3)
	C-12	(TBC) BIGMOTOR Konosu (Land)	Konosu City, Saitama	2,150	Nippon Commercial Development Co., Ltd.
Total			-	26,310	

(Note 1) The code "O" represents offices, "R" represents residential properties, and "C" represents retail and other properties.

(Note 2) "Acquisition Price" refers to the purchase price (excluding consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement for each acquired asset, rounded down to the nearest million yen.

(Note 3) Sellers for the Kawagoe West Building, Hakata Reisenmachi Building, and APiTA Nagoya South are domestic joint-stock companies whose names are not disclosed as approval for disclosure has not been obtained from each.

(9) Changes in Total Number of Investment Units Issued and Outstanding

There was no change in the total number of investment units issued and outstanding during the fiscal period under review. The changes in unitholders' capital and the total number of investment units issued and outstanding until August 31, 2021, are as follows.

Date	Notes	Unitholders' capital (Note 2) (thousand yen)		Total number of investment units issued and outstanding (units)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 11, 2017 (Note 1)	Establishment through private placement	150,000	150,000	150	150	(Note 3)
April 21, 2018	Investment unit split	—	150,000	1,350	1,500	(Note 4)
July 26, 2018	Capital increase through public offering	31,841,672	31,991,672	344,000	345,500	(Note 5)
September 2, 2019	Capital increase through public offering	13,197,600	45,189,272	117,000	462,500	(Note 6)

(Note 1) The Investment Corporation was incorporated on September 11, 2017.

(Note 2) Changes in unitholders' capital due to distributing in excess of earnings from allowance for temporary difference adjustment, etc. have not been taken into account.

(Note 3) New investment units were issued at an offer price of 1,000,000 yen per unit upon the establishment of the Investment Corporation.

(Note 4) The Investment Corporation has conducted a 10-for-1 unit split of its investment units held by unitholders listed or recorded in the final register of unitholders, with April 21, 2018, as the record date and effective date.

(Note 5) 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.

(Note 6) 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, repayment of borrowings, etc.

3. Appendix

(1) Prices of Assets

1) Investment Status

Type of asset	Primary use	Geographic area (Note 1)	6th Fiscal Period (As of February 28, 2021)		7th Fiscal Period (As of August 31, 2021)	
			Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (millions of yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office	Four major metropolitan areas	713	0.8	712	0.8
		Major regional cities	-	-	-	-
	Residence	Four major metropolitan areas	720	0.8	2,759	2.9
		Major regional cities	-	-	-	-
	Hotel	Four major metropolitan areas	-	-	-	-
		Major regional cities	2,468	2.6	2,441	2.6
	Retail and Other	Four major metropolitan areas	507	0.5	505	0.5
		Major regional cities	-	-	3,769	4.0
	Subtotal		4,410	4.7	10,189	10.8
	Real estate in trust	Office	Four major metropolitan areas	40,109	42.5	42,044
Major regional cities			4,921	5.2	4,941	5.2
Residence		Four major metropolitan areas	9,869	10.5	9,242	9.8
		Major regional cities	1,198	1.3	1,193	1.3
Hotel		Four major metropolitan areas	2,492	2.6	2,512	2.7
		Major regional cities	4,456	4.7	4,441	4.7
Retail and other assets		Four major metropolitan areas	9,887	10.5	7,827	8.3
		Major regional cities	5,069	5.4	5,046	5.4
Subtotal		78,004	82.6	77,249	81.9	
Deposits and other assets		11,965	12.7	6,842	7.3	
Total amount of assets		94,380	100.0	94,281	100.0	

	6th Fiscal Period (As of February 28, 2021)		7th Fiscal Period (As of August 31, 2021)	
	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)	Amount (millions of yen)	As a percentage of total assets (%) (Note 3)
Total amount of liabilities (Note 2)	47,735	50.6	47,496	50.4
Total amount of net assets (Note 2)	46,644	49.4	46,784	49.6

- (Note 1) Japan's "four major metropolitan areas" refers to the Tokyo, Nagoya, Osaka, and Fukuoka metropolitan areas. "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Chiba, and Saitama prefectures. "Osaka metropolitan area" refers to Osaka, Kyoto, and Hyogo prefectures. "Nagoya metropolitan area" refers to Aichi, Gifu, and Mie prefectures. "Fukuoka metropolitan area" refers to Fukuoka Prefecture.
- Japan's "major regional cities" refers to ordinance-designated cities, core cities, specially designated cities and prefectural capital cities, excluding those included in Japan's four major metropolitan areas. "Ordinance-designated cities" refers to the cities of Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, and Kumamoto as of the date of this document. "Core cities" refers 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. "Specially designated cities" refers to Japanese cities that have a population of at least 200,000 people and are 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.
- (Note 2) "Total amount held," "Total amount of liabilities" and "Total amount of net assets" are based on the balance sheet as of February 28, 2021 (for real estate and real estate in trust, the book value after depreciation), and as of August 31, 2021, respectively, rounded down to the nearest million yen is stated.
- (Note 3) "As a percentage of total assets" is rounded to the first decimal place.

2) Invested Assets

a. Major Investment Securities

Not applicable.

b. Investment Properties

As of August 31, 2021, 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 interests in real estate.

c. Other Major Investment Assets

(a) Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of August 31, 2021 (trust beneficiary interests in real estate and real estate as a trust property, hereinafter collectively referred to as "investment assets"), are as follows.

Type of asset	Property number (Note 1)	Property	Location	Acquisition price (millions of yen) (Note 2)	Percentage of total acquisition price (%) (Note 3)	Book value at period end (millions of yen)	Appraisal value (millions of yen) (Note 4)	Acquisition date
Office	O-01	NT Building	Shinagawa Ward, Tokyo	12,350	14.2	12,427	13,000	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima Ward, Tokyo	9,780	11.3	9,890	10,500	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya Ward, Aichi	4,870	5.6	5,122	5,020	July 30, 2018
	O-05	Omiya NSD Building	Saitama City, Saitama	3,493	4.0	3,522	3,960	July 30, 2018
	O-06	SAMTY Shin-Osaka Center Building	Osaka City, Osaka	3,450	4.0	3,406	3,590	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka City, Fukuoka	2,500	2.9	2,478	2,850	July 30, 2018
	O-08	Chuo Bakuromachi Building	Osaka City, Osaka	1,485	1.7	1,481	1,950	July 30, 2018
	O-09	L.Biz Jimbocho Building	Chiyoda Ward, Tokyo	1,006	1.2	1,014	1,140	July 30, 2018
	O-10	Shinsaibashi Building	Osaka City, Osaka	772	0.9	767	777	July 30, 2018
	O-11	L.Biz Sendai	Sendai City, Miyagi	1,680	1.9	1,650	1,840	July 30, 2018
	O-12	Sendai Nikko Building	Sendai City, Miyagi	1,740	2.0	1,749	1,800	July 30, 2018
	O-14	Nagano Central Building	Nagano City, Nagano	898	1.0	927	927	July 30, 2018
	O-17	Yamagata Ekimae-dori Building	Yamagata City, Yamagata	600	0.7	613	634	July 30, 2018
	O-18	Akasaka Kawase Building	Minato Ward, Tokyo	690	0.8	712	751	October 31, 2019
	O-19	Yoyogi 1-chome Building	Shibuya Ward, Tokyo	1,850	2.1	1,932	2,040	April 30, 2021
		Subtotal	-	47,165	54.3	47,698	50,779	-
Residence	R-01	Amare Tokaidori	Nagoya City, Aichi	1,100	1.3	1,069	1,220	July 30, 2018
	R-02	Dormy Ukimafunado	Itabashi Ward, Tokyo	1,080	1.2	1,090	1,130	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka City, Fukuoka	1,032	1.2	1,009	1,140	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami Ward, Tokyo	1,060	1.2	1,071	1,120	July 30, 2018
	R-06	J City Hatchobori	Hiroshima City, Hiroshima	1,200	1.4	1,193	1,280	July 30, 2018
	R-07	LUXENA HEIWADAI	Nerima Ward, Tokyo	3,910	4.5	3,889	4,410	September 3, 2019
	R-08	LUXENA KACHIDOKI	Chuo Ward, Tokyo	1,120	1.3	1,111	1,290	September 3, 2019
	R-09	LUXENA HONATSUGI	Atsugi City, Kanagawa	705	0.8	720	761	March 17, 2020
	R-10	LUXENA KADOMA	Kadoma City, Osaka	2,000	2.3	2,039	2,140	April 13, 2021
			Subtotal	-	13,207	15.2	13,195	14,491

Type of asset	Property number (Note 1)	Property	Location	Acquisition price (millions of yen) (Note 2)	Percentage of total acquisition price (%) (Note 3)	Book value at period end (millions of yen)	Appraisal value (millions of yen) (Note 4)	Acquisition date
Hotel	H-01	Dormy Inn Matsuyama	Matsuyama City, Ehime	2,427	2.8	2,329	2,550	July 30, 2018
	H-02	Hotel Sunshine Utsunomiya	Utsunomiya City, Tochigi	2,000	2.3	2,112	2,080	July 30, 2018
	H-03	Dormy Inn Morioka	Morioka City, Iwate	2,520	2.9	2,441	2,570	June 28, 2019
	H-04	ACCESS by LOISIR HOTEL Nagoya	Nagoya City, Aichi	2,500	2.9	2,512	2,190	September 3, 2019
		Subtotal	-	9,447	10.9	9,395	9,390	-
Retail and other assets	C-01	Prio Daimyo II	Fukuoka City, Fukuoka	980	1.1	993	1,120	July 30, 2018
	C-02	Co-op Sapporo Syunko	Asahikawa City, Hokkaido	1,036	1.2	1,024	1,110	July 30, 2018
	C-03	TA Shonan Kugenumakaigan	Fujisawa City, Kanagawa	500	0.6	505	570	March 28, 2019
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Matsuyama City, Ehime	4,030	4.6	4,021	4,410	September 3, 2019
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Kobe City, Hyogo	4,227 (Note 5)	4.9	4,277	4,360	September 3, 2019
	C-07	AEON Style Onomichi (Land)	Onomichi City, Hiroshima	900	1.0	929	1,040	March 1, 2021
	C-08	BIGMOTOR Sapporo Kiyota (Land)	Sapporo, Hokkaido	1,610	1.9	1,648	1,790	May 19, 2021
	C-09	DCM Daiki Onomichi (Land)	Onomichi, Hiroshima	1,170	1.3	1,192	1,240	April 1, 2021
	C-10	Cainz Omiya	Saitama City, Saitama	2,520	2.9	2,556	2,580	July 1, 2021
		Subtotal	-	16,973	19.6	17,149	18,220	-
	Total	-	86,792	100.0	87,439	92,880	-	

(Note 1) The code "O" represents office properties, "R" represents residential properties, "H" represents hotel properties and "C" represents retail and other properties. The same applies hereafter.

(Note 2) "Acquisition price" refers to the purchase price (excluding consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement or real estate purchase agreement for each investment asset, rounded down to the nearest million yen. Therefore, the total acquisition price of each investment asset may not match the amount shown in the "Total" and "Subtotal" columns.

(Note 3) "Percentage of total acquisition price" is the ratio of the acquisition price of each investment asset to the total acquisition price, rounded off to the first decimal place. Accordingly, the sum of the percentages of total acquisition price for each investment asset may not match the percentages shown in the "Total" and "Subtotal" columns.

(Note 4) "Appraisal value" indicates the appraisal value stated in the real estate appraisal report as of August 31, 2021. In addition, the term "real estate appraisal report" generically refers to real estate appraisal reports prepared by the Investment Corporation in accordance with notes on real estate appraisal evaluation based on the Investment Trusts Act, the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended), and the Japanese Real Estate Appraisal Standards by entrusting the appraisal evaluation of each invested asset to a real estate appraiser or an appraisal evaluation institution based on the evaluation standards.

(Note 5) Since a portion of the "Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)" land was transferred on June 24, 2020, the "acquisition price" is the amount obtained by subtracting the price commensurate with the share of the transfer area from the purchase price stated in the contract (excluding consumption tax, local consumption tax and various costs required for acquisition) is stated.

(b) Summary of Buildings

The buildings held by the Investment Corporation as of August 31, 2021, are as follows:

Type of asset	Property number	Property	Date of construction (Note 1)	Number of tenants (Note 2)	Annual contracted rent (millions of yen) (Note 3)	Leasehold and security deposits (millions of yen) (Note 4)	Total leased area (m ²) (Note 5)	Total leasable area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Office	O-01	NT Building	March 1996	15	553	440	9,195.78 (Note 8)	9,976.36 (Note 8)	92.2
	O-02	Higashi-Ikebukuro Central Place	November 1984	7	469	390	7,657.69	7,793.60	98.3
	O-03	Nagoya Center Plaza Building	November 1978	32	326	262	9,275.87	9,639.53	96.2
	O-05	Omiya NSD Building	March 1993	11	225	157	4,006.68	4,006.68	100.0
	O-06	SAMTY Shin-Osaka Center Building	April 1991	7	183	87	4,747.79	5,022.79	94.5
	O-07	Hakata Gion Building	November 2007	15	158	75	3,653.70	3,653.70	100.0
	O-08	Chuo Bakuromachi Building	April 1993	17	106	46	3,739.57	3,739.57	100.0
	O-09	L.Biz Jimbocho Building	June 2009	1	53	35	859.82	859.82	100.0
	O-10	Shinsaibashi Building	December 1990	6	41	15	1,214.43	1,408.52	86.2
	O-11	L.Biz Sendai	March 1993	27	115	83	3,368.98	3,368.98	100.0
	O-12	Sendai Nikko Building	March 1989	6	115	84	2,540.11	2,540.11	100.0
	O-14	Nagano Central Building	November 1994	20	72	55	2,320.49 (Note 8)	2,619.93 (Note 8)	88.6
	O-17	Yamagata Ekimae-dori Building	November 1984	7	50	28	1,802.17	2,505.92	71.9
	O-18	Akasaka Kawase Building	April 1989	8	35	18	511.61	511.61	100.0
	O-19	Yoyogi 1-chome Building	July 2010	1	(Note 9)	(Note 9)	810.45	810.45	100.0
Subtotal/Average				180	(Note 9)	(Note 9)	55,705.14	58,457.57	95.3
Residence	R-01	Amare Tokaidori	July 2007	79	65	7	2,546.82	2,935.38	86.8
	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	59	66	2	2,704.99	2,782.51	97.2
	R-04	LUXENA HIGASHI-KOENJI	July 2008	31	55	8	1,261.27	1,405.29	89.8
	R-06	J City Hatchobori	November 2005	63	82	12	2,572.51	2,623.39	98.1
	R-07	LUXENA HEIWADAI	March 2019	98	208	55	5,185.31	5,354.76	96.8
	R-08	LUXENA KACHIDOKI	May 2019	23	54	6	1,001.26	1,121.26	89.3
	R-09	LUXENA HONATSUGI	November 1999	60	51	6	1,403.94	1,403.94	100.0
	R-10	LUXENA KADOMA	October 2020	126	129	0	4,006.57	4,034.10	99.3
	Subtotal/Average				541	775	149	23,145.27	24,123.23

Type of asset	Property number	Property	Date of construction (Note 1)	Number of tenants (Note 2)	Annual contracted rent (millions of yen) (Note 3)	Leasehold and security deposits (millions of yen) (Note 4)	Total leased area (m ²) (Note 5)	Total leasable area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
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	125	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	ACCESS by LOISIR HOTEL Nagoya	February 2019	1	-	-	2,478.23	2,478.23	100.0
	Subtotal/Average				4	428	157	17,911.37	17,911.37
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-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	October 2009	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)	17,780.00	17,780.00	100.0
	C-07	AEON Style Onomichi (Land)	-	1	(Note 9)	(Note 9)	11,883.74	11,883.74	100.0
	C-08	BIGMOTOR Sapporo Kiyota (Land)	-	1	(Note 9)	(Note 9)	15,026.00	15,026.00	100.0
	C-09	DCM Daiki Onomichi (Land)	-	1	(Note 9)	(Note 9)	7,955.81	7,955.81	100.0
	C-10	Cainz Omiya	December 1998	1	(Note 9)	(Note 9)	11,497.86	11,497.86	100.0
	Subtotal/Average				16	1,050	1,249	81,798.58	81,798.58
Total/Average				741	4,846	3,392	178,560.36	182,290.75	98.0

(Note 1) "Date of Construction" is of the main building, as described in the property registry.

(Note 2) The number of tenants is equal to the aggregate number of end tenants with which valid lease agreements have been entered into as of August 31, 2021.

(Note 3) "Annual Contracted Rent" is the annualized amount calculated by multiplying the annual rent or monthly rent (limited to rent for space occupied by tenants, including common service fees (if any), and excluding usage fees for warehouses, parking lots and sales-linked rents) indicated in each lease agreements for each asset under management that is valid as of August 31, 2021, by 12. In addition, this amount does not take into account free rent or rent holidays (periods of free or reduced rent for a certain period at the start of the contract or during the contract period), but is calculated based on the amount of annual rent or monthly rent stated in lease agreements.

(Note 4) "Leasehold and Security Deposits" indicates the total leasehold and security deposits from the relevant tenants set forth in lease agreements effective as of August 31, 2021.

(Note 5) "Total Leased Area" indicates the total leased area to tenant in each property based on the lease agreements for building or floor plans as of August 31, 2021, rounded down to the second decimal place. For properties with pass-through type master lease agreements, the leased area is quoted from the lease agreement.

(Note 6) "Total Leasable Area" indicates the gross floor area of leasable space in each property, based on the lease agreements for building or floor plans, rounded down to the second decimal place.

(Note 7) "Occupancy Rate" is calculated by dividing total leased area (as of August 31, 2021) for each property by the total leasable area, rounded off to the first decimal place.

(Note 8) For NT Building and Nagano Central Building, the figures provided are in proportion to our compartmentalized ownership.

(Note 9) Since the tenant has not provided consent to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

(c) Individual Property Profit

The income and expenditure for individual properties in the fiscal period under review is as follows.

(Unit: thousand yen)

Property number	O-01	O-02	O-03	O-05	O-06
Property	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	Omiya NSD Building	SAMTY Shin-Osaka Center Building
(1) Operating revenue from real estate leasing	338,922	264,679	187,972	130,949	110,025
Lease business revenue	289,120	240,892	170,526	123,687	100,155
Other lease business revenue	49,802	23,786	17,445	7,262	9,869
(2) Operating expenses from real estate leasing	85,992	46,625	63,181	30,815	28,219
Management fees	30,967	9,816	23,435	12,057	8,148
Utilities expenses	20,325	13,170	15,360	5,932	6,187
Taxes and dues	24,828	14,512	15,989	7,745	9,306
Insurance premiums	551	324	498	172	199
Repair expenses	8,865	8,390	7,246	4,463	3,938
Trust fees	400	375	300	300	400
Other lease business expenses	53	37	350	145	38
(3) NOI((1) -(2))	252,930	218,053	124,791	100,133	81,806
(4) Depreciation	38,556	27,975	26,328	7,257	10,988
(5) Operating income (loss) from real estate leasing ((3)-(4))	214,373	190,077	98,462	92,876	70,817

(Unit: thousand yen)

Property Number	O-07	O-08	O-09	O-10	O-11
Property	Hakata Gion Building	Chuo Bakuromachi Building	L.Biz Jimbocho Building	Shinsaibashi Building	L.Biz Sendai
(1) Operating revenue from real estate leasing	93,076	67,208	26,943	27,504	67,515
Lease business revenue	84,944	59,098	26,527	23,083	60,749
Other lease business revenue	8,131	8,110	416	4,420	6,766
(2) Operating expenses from real estate leasing	23,493	23,449	3,876	13,759	27,023
Management fees	7,078	6,847	1,780	3,630	12,785
Utilities expenses	5,491	5,531	-	2,990	4,582
Taxes and dues	7,393	7,749	1,736	4,466	4,909
Insurance premiums	148	156	27	75	155
Repair expenses	2,591	2,723	-	2,156	4,252
Trust fees	400	400	300	400	300
Other lease business expenses	389	41	33	41	38
(3) NOI((1) -(2))	69,583	43,759	23,066	13,744	40,492
(4) Depreciation	11,726	4,266	2,789	3,542	8,858
(5) Operating income (loss) from real estate leasing ((3)-(4))	57,857	39,493	20,277	10,202	31,634

(Unit: thousand yen)

Property Number	O-12	O-14	O-17	O-18	O-19
Property	Sendai Nikko Building	Nagano Central Building	Yamagata Ekimadori Building	Akasaka Kawase Building	Yoyogi 1-chome Building
(1) Operating revenue from real estate leasing	66,960	45,560	29,133	17,935	28,675
Lease business revenue	61,945	43,084	26,237	17,224	28,675
Other lease business revenue	5,015	2,475	2,895	711	-
(2) Operating expenses from real estate leasing	22,013	14,916	16,409	5,215	1,034
Management fees	5,775	6,752	6,707	2,712	739
Utilities expenses	4,318	2,829	3,332	696	-
Taxes and dues	7,388	4,551	3,453	1,396	4
Insurance premiums	120	150	121	20	29
Repair expenses	3,872	291	2,255	370	-
Trust fees	450	300	300	-	254
Other lease business expenses	87	41	238	19	6
(3) NOI((1)-(2))	44,947	30,643	12,723	12,720	27,641
(4) Depreciation	5,585	10,107	6,758	944	3,126
(5) Operating income (loss) from real estate leasing ((3)-(4))	39,361	20,535	5,964	11,776	24,515

(Unit: thousand yen)

Property Number	R-01	R-02	R-03	R-04	R-05
Property	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet	LUXENA HIGASHI-KOENJI	Alpha Space Toritsudai
(1) Operating revenue from real estate leasing	35,943	31,848	34,970	29,363	13,345
Lease business revenue	34,724	31,836	33,329	28,199	12,523
Other lease business revenue	1,218	11	1,641	1,163	821
(2) Operating expenses from real estate leasing	8,050	4,209	10,776	9,191	7,795
Management fees	2,800	328	4,280	3,480	1,645
Utilities expenses	314	10	246	206	145
Taxes and dues	2,146	1,661	2,597	1,532	1,056
Insurance premiums	80	61	77	40	23
Repair expenses	2,219	1,813	2,941	3,597	4,604
Trust fees	300	300	300	300	279
Other lease business expenses	187	33	332	34	39
(3) NOI((1)-(2))	27,893	27,638	24,194	20,172	5,549
(4) Depreciation	8,900	2,975	6,737	3,803	996
(5) Operating income (loss) from real estate leasing ((3)-(4))	18,993	24,662	17,456	16,368	4,552

(Unit: thousand yen)

Property Number	R-06	R-07	R-08	R-09	R-10
Property	J City Hatchobori	LUXENA HEIWADAI	LUXENA KACHIDOKI	LUXENA HONATSUGI	LUXENA KADOMA
(1) Operating revenue from real estate leasing	41,924	114,448	31,816	26,528	51,712
Lease business revenue	40,925	102,810	27,467	24,197	49,782
Other lease business revenue	999	11,637	4,348	2,331	1,929
(2) Operating expenses from real estate leasing	9,349	23,664	7,241	9,882	5,018
Management fees	3,942	12,596	4,352	4,972	3,436
Utilities expenses	422	1,539	270	901	1,263
Taxes and dues	2,883	5,141	1,089	1,040	4
Insurance premiums	77	174	40	55	125
Repair expenses	1,667	3,646	1,079	2,892	181
Trust fees	300	375	375	-	-
Other lease business expenses	55	191	33	21	6
(3) NOI((1)-(2))	32,575	90,784	24,574	16,645	46,694
(4) Depreciation	4,974	11,776	4,766	3,314	13,412
(5) Operating income (loss) from real estate leasing ((3)-(4))	27,600	79,007	19,808	13,331	33,282

(Unit: thousand yen)

Property Number	H-01	H-02	H-03	H-04	C-01
Property	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya	Prio Daimyo II
(1) Operating revenue from real estate leasing	76,500	62,917	74,958	-	30,433
Lease business revenue	76,500	62,917	74,958	-	27,311
Other lease business revenue	-	-	-	-	3,121
(2) Operating expenses from real estate leasing	9,004	10,307	8,400	45,141	8,003
Management fees	765	367	749	103	2,827
Utilities expenses	900	-	-	78	2,406
Taxes and dues	6,849	4,729	7,271	5,721	1,776
Insurance premiums	148	167	177	82	19
Repair expenses	-	4,601	183	3,982	533
Trust fees	300	400	-	375	400
Other lease business expenses	41	41	18	34,797	40
(3) NOI((1)-(2))	67,495	52,610	66,557	(45,141)	22,429
(4) Depreciation	19,220	17,366	27,227	10,546	1,201
(5) Operating income (loss) from real estate leasing ((3)-(4))	48,274	35,243	39,330	(55,687)	21,228

(Unit: thousand yen)

Property Number	C-02	C-03	C-04	C-05	C-06
Property	Co-op Sapporo Syunko	TA Shonan Kugenumakaigan	Almost Blue	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)
(1) Operating revenue from real estate leasing	41,760	17,170	9,071	(Note)	(Note)
Lease business revenue	41,760	15,816	9,297	(Note)	(Note)
Other lease business revenue	-	1,353	(225)	(Note)	(Note)
(2) Operating expenses from real estate leasing	4,644	3,176	1,759	(Note)	(Note)
Management fees	417	1,058	525	(Note)	(Note)
Utilities expenses	-	1,164	392	(Note)	(Note)
Taxes and dues	3,792	919	585	(Note)	(Note)
Insurance premiums	99	15	8	(Note)	(Note)
Repair expenses	-	-	-	(Note)	(Note)
Trust fees	300	-	43	(Note)	(Note)
Other lease business expenses	33	18	204	(Note)	(Note)
(3) NOI((1)-(2))	37,115	13,994	7,312	153,119	102,721
(4) Depreciation	7,760	1,365	468	15,654	-
(5) Operating income (loss) from real estate leasing ((3)-(4))	29,355	12,628	6,844	137,464	102,721

(Unit: thousand yen)

Property Number	C-07	C-08	C-09	C-10
Property	AEON Style Onomichi (Land)	BIGMOTOR Sapporo Kiyota (Land)	DCM Daiki Onomichi (Land)	Cainz Omiya
(1) Operating revenue from real estate leasing	28,566	(Note)	(Note)	(Note)
Lease business revenue	28,566	(Note)	(Note)	(Note)
Other lease business revenue	-	(Note)	(Note)	(Note)
(2) Operating expenses from real estate leasing	152	(Note)	(Note)	(Note)
Management fees	142	(Note)	(Note)	(Note)
Utilities expenses	-	(Note)	(Note)	(Note)
Taxes and dues	4	(Note)	(Note)	(Note)
Insurance premiums	-	(Note)	(Note)	(Note)
Repair expenses	-	(Note)	(Note)	(Note)
Trust fees	-	(Note)	(Note)	(Note)
Other lease business expenses	5	(Note)	(Note)	(Note)
(3) NOI((1)-(2))	28,414	22,331	(Note)	23,414
(4) Depreciation	-	-	-	3,069
(5) Operating income (loss) from real estate leasing ((3)-(4))	28,414	22,331	(Note)	20,344

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

(d) Summary of Appraisal Values

The Investment Corporation has obtained real estate appraisal reports for each investment asset, priced on August 31, 2021, from Japan Real Estate Institute, Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., and JLL Morii Valuation & Advisory K. The summary is as follows.

Note that the real estate appraisal reports constitute the judgment and opinion of the appraiser as of a certain point in time and do not constitute a guarantee or promise of the validity and accuracy of their contents or the possibility of transactions at the appraisal values. Note that there are no special conflicts of interest between each appraiser, the Investment Corporation, and the Asset Manager.

Type of asset	Property number	Property	Appraising institution	Appraisal value (millions of yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (millions of yen) (Note 1)	Appraisal NOI yield (%) (Note 2)	
					Price based on DCF method (millions of yen)	Capitalization rate (%)	Price based on DCF method (millions of yen)	Discount rate (%)	Terminal cap rate (%)			
Office	O-01	NT Building	Japan Real Estate Institute	13,000	13,300	3.9	12,600	3.6	4.1	547	4.4	
	O-02	Higashi-Ikebukuro Central Place	Japan Real Estate Institute	10,500	10,700	3.9	10,300	3.7	4.1	426	4.4	
	O-03	Nagoya Center Plaza Building	Japan Real Estate Institute	5,020	5,090	4.9	4,950	4.7	5.1	267	5.5	
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	3,960	4,040	4.6	3,920	4.4	4.8	194	5.6	
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	3,590	3,700	4.3	3,540	4.1	4.5	174	5.1	
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	2,850	2,880	4.2	2,830	4.0	4.4	124	5.0	
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	1,950	1,980	4.1	1,930	3.9	4.3	91	6.2	
	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.	777	799	4.2	768	4.0	4.4	38	5.0	
	O-11	L.Biz Sendai	JLL Morii Valuation & Advisory K. K.	1,840	1,870	4.7	1,800	4.5	4.9	94	5.6	
	O-12	Sendai Nikko Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,800	1,910	4.3	1,750	4.4	4.5	89	5.1	
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	927	930	5.7	925	5.5	5.9	60	6.8	
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	634	645	5.7	629	5.5	5.9	42	7.1	
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	751	775	3.5	740	3.3	3.7	28	4.2	
	O-19	Yoyogi 1-chome Building	Tanizawa Sōgō Appraisal Co., Ltd.	2,040	2,120	3.4	2,010	3.3/3.5	3.6	74	4.0	
	Subtotal/Average				50,779	51,909	-	49,812	-	-	2,302	4.9

Category	Property number	Property	Appraising institution	Appraisal Value (millions of yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (millions of yen) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Price based on DCF method (millions of yen)	Capitalization rate (%)	Price based on DCF method (millions of yen)	Discount rate (%)	Terminal cap rate (%)		
Residence	R-01	Amare Tokaidori	Tanizawa Sōgō Appraisal Co., Ltd.	1,220	1,230	4.6	1,210	4.7	4.8	59	5.4
	R-02	Dormy Ukimafunado	JLL Morii Valuation & Advisory K. K.	1,130	1,150	4.5	1,110	4.3	4.7	57	5.3
	R-03	Benefis Hakata-Minami Grand Sweet	Tanizawa Sōgō Appraisal Co., Ltd.	1,140	1,160	4.5	1,130	4.6	4.7	54	5.3
	R-04	LUXENA HIGASHI-KOENJI	Tanizawa Sōgō Appraisal Co., Ltd.	1,120	1,140	3.8	1,110	3.9	4.0	44	4.2
	R-06	J City Hatchobori	Tanizawa Sōgō Appraisal Co., Ltd.	1,280	1,300	4.8	1,270	4.9	5.0	64	5.4
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	4,410	4,510	3.9	4,370	3.7	4.1	179	4.6
	R-08	LUXENA KACHIDOKI	Chuo Real Estate Appraisal Co., Ltd.	1,290	1,310	3.6	1,280	3.4	3.8	47	4.3
	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	761	769	4.7	758	4.5	4.9	38	5.5
	R-10	LUXENA KADOMA	Tanizawa Sōgō Appraisal Co., Ltd.	2,140	2,150	4.4	2,130	4.5	4.6	96	4.8
	Subtotal/Average				14,491	14,719	-	14,368	-	-	643
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.	2,080	2,080	5.1	2,080	4.9	5.3	117	5.9
	H-03	Dormy Inn Morioka	Chuo Real Estate Appraisal Co., Ltd.	2,570	2,590	4.9	2,560	4.7	5.1	130	5.2
	H-04	ACCESS by LOISIR HOTEL Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,190	2,360	4.2	2,110	4.0	4.4	109	4.4
	Subtotal/Average				9,390	9,540	-	9,310	-	-	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.	1,110	1,100	6.2	1,110	6.0	6.4	70	6.8
	C-03	TA Shonan Kugenmakaigan	Daiwa Real Estate Appraisal Co., Ltd.	570	578	4.7	566	4.5	4.9	27	5.5
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Japan Real Estate Institute	4,410	4,450	6.8	4,370	6.5	7.0	300	7.5
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Japan Real Estate Institute	4,360	4,380	4.8	4,340	4.1	-	208	4.9

Type of asset	Property number	Property	Appraising institution	Appraisal value (millions of yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (millions of yen) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Price based on DCF method (millions of yen)	Capitalization rate (%)	Price based on DCF method (millions of yen)	Discount rate (%)	Terminal cap rate (%)		
Retail and other assets	C-07	AEON Style Onomichi (Land)	Japan Real Estate Institute	1,040	1,040	4.7	1,030	4.5	4.8	48	5.4
	C-08	BIGMOTOR Sapporo Kiyota (Land)	JLL Morii Valuation & Advisory K. K.	1,790	(Note 3)	(Note 3)	1,790	4.3	-	73 (Note 4)	4.6
	C-09	DCM Daiki Onomichi (Land)	Japan Real Estate Institute	1,240	1,240	5.3	1,230	4.5	5.8	65	5.6
	C-10	Cainz Omiya	Daiwa Real Estate Appraisal Co., Ltd.	2,580	2,600	4.4	2,570	4.2	4.6	125	5.0
	Subtotal/Average				18,220	(Note 3)	-	18,116	-	-	966
Total/Average				92,880	(Note 3)	-	91,606	-	-	4,401	5.1

(Note 1) "Appraisal NOI" is the net operating income (NOI) based on the direct capitalization method as stated in the real estate appraisal report.

(Note 2) "Appraisal NOI Yield" is the figure obtained by dividing the appraisal NOI by the acquisition price, rounded off to the first decimal place. The appraisal NOI yield is calculated by the Asset Management Company and is not the figure stated in the real estate appraisal report.

(Note 3) This information is not presented as the DCF method is the only method applied to BIGMOTOR Sapporo Kiyota (Land).

(Note 4) For BIGMOTOR Sapporo Kiyota (land), net operating income (NOI) based on the DCF method is presented as it is the only method applied to this property.

(e) Engineering, Environmental and Seismic Reviews

With respect to each property under management, the Investment Corporation has obtained an engineering report from Tokio Marine dR Co., Ltd. or Daiwa Real Estate Appraisal Co. regarding building inspections, compliance with related laws and regulations, repair cost assessments and environmental assessments. Information provided in engineering reports are solely the opinions of the respective reporting entities, and the Investment Corporation does not guarantee the validity and accuracy of their contents. Note that there are no special conflicts of interest between the following surveyors, the Investment Corporation, and the Asset Management Company.

In addition, the expected loss ratios due to earthquakes, or PML values, for the buildings associated with each managed asset is as follows. These PML values are based on seismic reviews prepared by Tokio Marine dR Co., Ltd. As of the date of this document, no earthquake insurance has been provided. The contents of the seismic reviews are solely the opinions of the reporting entity, and the Investment Corporation does not guarantee the validity and accuracy of their contents.

Type of asset	Property number	Property name	Surveyor	Survey date	Emergency repair expenses (thousand yen) (Note 1)	Short-term repair expenses (thousand yen) (Note 1)	Long-term repair expenses (annual average) (thousand yen) (Note 2)	Replacement cost (million yen) (Note 3)	PML (%) (Note 4)
Office	O-01	NT Building	Tokio Marine dR Co., Ltd.	May 2021	-	-	50,655	4,855	1.2
	O-02	Higashi-Ikebukuro Central Place	Tokio Marine dR Co., Ltd.	May 2021	-	-	19,390	2,882	2.9
	O-03	Nagoya Center Plaza Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	29,346	4,376	2.2
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	15,991	1,518	4.8
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	21,635	1,751	9.5
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	9,576	1,309	2.3
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	15,532	1,375	5.5
	O-09	L.Biz Jimbocho Building	Tokio Marine dR Co., Ltd.	February 2018	-	-	1,998	239	7.2
	O-10	Shinsaibashi Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	-	-	6,969	664	9.1
	O-11	L.Biz Sendai	Tokio Marine dR Co., Ltd.	February 2018	-	-	11,246	1,376	2.3
	O-12	Sendai Nikko Building	Tokio Marine dR Co., Ltd.	February 2018	-	-	13,645	1,065	2.0
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	-	-	11,910	1,330	6.7
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	-	-	9,939	1,074	4.8
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	September 2019	-	-	2,821	173	9.8
	O-19	Yoyogi 1-chome Building	Tokio Marine dR Co., Ltd.	December 2020	-	-	4,697	365	3.8
Residence	R-01	Amare Tokaidori	Tokio Marine dR Co., Ltd.	February 2018	-	-	4,321	714	6.7
	R-02	Dormy Ukimafunado	Tokio Marine dR Co., Ltd.	February 2018	-	-	8,498	545	6.9
	R-03	Benefis Hakata-Minami Grand Sweet	Tokio Marine dR Co., Ltd.	February 2018	-	-	4,107	681	2.5
	R-04	LUXENA HIGASHI-KOENJI	Tokio Marine dR Co., Ltd.	February 2018	-	-	2,229	355	4.6
	R-06	J City Hatchobori	Tokio Marine dR Co., Ltd.	February 2018	-	-	3,942	686	3.0
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	-	-	4,398	1,471	3.6
	R-08	LUXENA KACHIDOKI	Tokio Marine dR Co., Ltd.	June 2019	-	-	719	346	4.2
	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	February 2020	-	-	4,333	448	12.7
	R-10	LUXENA KADOMA	Daiwa Real Estate Appraisal Co., Ltd.	March 2021	-	-	3,192	1,212	8.5

Type of asset	Property number	Property name	Surveyor	Survey date	Emergency repair expenses (thousand yen) (Note 1)	Short-term repair expenses (thousand yen) (Note 1)	Long-term repair expenses (annual average) (thousand yen) (Note 2)	Replacement cost (million yen) (Note 3)	PML (%) (Note 4)
Hotel	H-01	Dormy Inn Matsuyama	Tokio Marine dR Co., Ltd.	February 2018	-	-	656	1,314	2.8
	H-02	Hotel Sunshine Utsunomiya	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	-	-	11,637	1,480	1.4
	H-03	Dormy Inn Morioka	Tokio Marine dR Co., Ltd.	May 2019	-	-	665	1,453	5.5
	H-04	ACCESS by LOISIR HOTEL Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	-	-	142	700	4.2
Retail and other assets	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	-	-	1,458	166	4.4
	C-02	Co-op Sapporo Syunko	Tokio Marine dR Co., Ltd.	February 2018	-	-	6,186	882	0.9
	C-03	TA Shonan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	March 2019	-	-	448	123	14.5
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	-	-	6,865	1,649	2.6
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	-	-	-	-	-	-	-
	C-07	AEON Style Onomichi (Land)	-	-	-	-	-	-	-
	C-08	BIGMOTOR Sapporo Kiyota (Land)	-	-	-	-	-	-	-
	C-09	DCM Daiki Onomichi (Land)	-	-	-	-	-	-	-
	C-10	Cainz Omiya	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	17,589	1,472	3.0

(Note 1) "Emergency repair expenses" and "short-term repair expenses" are the total of the expenses required in the engineering report as the urgently required expenses and the repair renewal expenses required within approximately one year.

(Note 2) "Long-term repair costs" is based on the engineering report, and indicates repair costs per year (excluding emergency repair costs and short-term repair costs) projected for the next 12 years.

(Note 3) "Replacement cost" is based on the engineering report, and total cost 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.

(Note 4) The PML of the entire portfolio is 1.1%. This is the PML value for the entire portfolio based on the "33 Property Building Earthquake Risk Survey Portfolio Analysis Report" dated July 2021 by Tokio Marine D.R. Co.

(2) Capital Expenditures for Investment Assets

1) Scheduled Capital Expenditures

As for the assets held by the Investment Corporation as of August 31, 2021, the major planned amount of capital expenditure accompanying renovation work, etc. for the period ending February 28, 2022, is as follows. In addition, the following planned amount of construction may be partially booked as repair expenses.

Property name	Location	Purpose	Schedule	Planned Construction Amount (thousand yen)		
				Total	Amount paid during period	Total Spending
Chuo Bakuromachi Building	Osaka City, Osaka	Water receiving tank renewal	From: November 2021 To: December 2021	15,000	-	-
L.Biz Sendai	Sendai City, Miyagi	Repair of exterior wall of tower parking system and painting of all pallets	From: December 2021 To: February 2022	24,000	-	-
Yamagata Ekimae-dori Building	Yamagata City, Yamagata	Air conditioning humidifier renewal work	From: October 2021 To: November 2021	40,000	-	-
		Corrective work on exterior wall	From: December 2021 To: February 2022	59,000	-	-
Hotel Sunshine Utsunomiya	Utsunomiya City, Tochigi	Air conditioning EHP construction on each floor	From: December 2021 To: February 2022	20,000	-	-
		Firefighting equipment renewal work SP repair work	From: November 2021 To: December 2021	30,000	-	-

2) Capital Expenditures During the Period

The major construction work, etc. corresponding to capital expenditure in the fiscal period ended August 31, 2021, are as follows. The construction corresponding to the capital expenditure of the assets managed as a whole in the period under review was 253,084 thousand yen, with a combined total of 338,803 thousand yen of work when adding 85,719 thousand yen of repair expenses charged to expenses in the fiscal period under review.

Property Name	Location	Purpose	Scheduled period	Amount (thousand yen)
Higashi-Ikebukuro Central Place	Toshima Ward, Tokyo	Renewal of A and B system air conditioners on the 4th floor	From: April 1, 2021 To: May 31, 2021	25,876
Nagoya Center Plaza Building	Nagoya City, Aichi	Rooftop steel frame trestle repair and expansion	From: June 28, 2021 To: August 27, 2021	19,700
		Renewal of halogen fire extinguishing system	From: July 16, 2021 To: August 10, 2021	14,835
Nagano Central Building	Nagano City, Nagano	Renewal of carbon dioxide fire extinguishing system	From: June 26, 2021 To: June 27, 2021	16,685
Yamagata Ekimae-dori Building	Yamagata City, Yamagata	Air conditioning and heating equipment renewal (9th floor)	From: April 1, 2021 To: May 25, 2021	16,243
Hotel Sunshine Utsunomiya	Utsunomiya City, Tochigi	Refrigerant main advance piping, 7th floor guest room air-conditioning and air-cooling work	From: July 1, 2021 To: August 31, 2021	20,980
Total				114,319

3) Reserves for Long-term Repair Plans

Not applicable.