

(REIT) Financial Report for Fiscal Period Ended August 31, 2020**October 13, 2020**

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:	Tetsu Kasuga, Director and Chief Financial Officer TEL +81-3-6435-5264		

Scheduled date of commencement of cash distribution payment:	November 13, 2020
Scheduled date of submission of securities report:	November 27, 2020
Preparation of supplementary financial results briefing materials:	Yes
Holding of financial results briefing session:	Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for Fiscal Period Ended August 31, 2020 (from March 1, 2020 to August 31, 2020)**(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, 2020	2,750	△10.6	1,611	△15.8	1,399	△18.0	1,399	△18.0
Ended February 29, 2020	3,076	5.5	1,912	8.7	1,707	5.4	1,706	5.4

Fiscal period	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	yen	%	%	%
Ended August 31, 2020	3,024	3.0	1.5	50.9
Ended February 29, 2020	3,694	4.2	2.0	55.5

(2) Distribution

Fiscal period	Distributions per unit (not including cash distribution in excess of earnings)	Total distributions (not including cash distribution in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions per unit (including distribution in excess of earnings)	Total distributions (including distribution in excess of earnings)	Distribution payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Ended August 31, 2020	3,025	1,399	4	1	3,029	1,400	100.0	3.0
Ended February 29, 2020	3,689	1,706	4	1	3,693	1,708	100.0	3.7

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

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

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

(3) Financial Position

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended August 31, 2020	94,466	46,553	49.3	100,656
Ended February 29, 2020	94,517	46,829	49.5	101,252

(4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Ended August 31, 2020	2,110	△894	△1,873	3,558
Ended February 29, 2020	3,180	△23,025	18,731	4,215

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

(% 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	million yen
Ending February 28, 2021	2,758	0.3	1,611	△0.0	1,388	△0.8	1,387	△0.8	2,996	4	3,000
Ending August 31, 2021	2,672	△3.1	1,521	△5.6	1,296	△6.6	1,295	△6.6	2,796	4	2,800

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

Forecast net income per unit (fiscal period ending August 31, 2021) 2,800 yen

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

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

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

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

(3) Rounding processing

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

*Presentation of Status of Implementation of Audit Procedures

At the time of disclosure of 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

(Note to forward-looking statements)

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

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

Item	Assumptions																														
Calculation period	<ul style="list-style-type: none"> • The sixth fiscal period: September 1, 2020 to February 28, 2021 (181 days) • The seventh fiscal period: March 1, 2021 to August 31, 2021 (184 days) 																														
Property portfolio	<ul style="list-style-type: none"> • It is assumed that there will be no changes (acquisition of new asset, disposal of property portfolio, etc.) in beneficiary right in trust assets mainly of real estate and real estate held by the Investment Corporation (36 properties) as of the date of this document (referred to as the “Existing Properties” hereinafter in these assumptions) • The actual property portfolio may vary due to the acquisition of new properties or the disposal of Existing Properties, etc. 																														
Operating revenues	<ul style="list-style-type: none"> • Operating revenues from the Existing Properties are based on the expected occupancy rate and the expected rent fluctuations, in turn based on the assumptions of tenant fluctuation and rent level, the contents of lease agreement that are effective as of the date of this document. • Considering influence of the new Corona Virus Infectious Disease (COVID-19), the Investment Corporation calculated the operating revenues. • Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant. 																														
Operating expenses	<ul style="list-style-type: none"> • The main operating expenses are as follows: <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">(millions of yen unless otherwise noted) Fiscal period ending February 28, 2021 (the sixth fiscal period)</th> <th style="text-align: center;">Fiscal period ending August 31, 2021 (the seventh fiscal period)</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Property-related expenses total</td> <td style="text-align: right;">926 million yen</td> <td style="text-align: right;">928 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Subcontract expenses</td> <td style="text-align: right;">196 million yen</td> <td style="text-align: right;">184 million yen</td> </tr> <tr> <td style="padding-left: 40px;">(Maintenance expenses)</td> <td style="text-align: right;">150 million yen</td> <td style="text-align: right;">139 million yen</td> </tr> <tr> <td style="padding-left: 40px;">(Property management fee)</td> <td style="text-align: right;">45 million yen</td> <td style="text-align: right;">45 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Repair expenses</td> <td style="text-align: right;">20 million yen</td> <td style="text-align: right;">21 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Tax and dues</td> <td style="text-align: right;">202 million yen</td> <td style="text-align: right;">203 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Depreciation</td> <td style="text-align: right;">341 million yen</td> <td style="text-align: right;">351 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Non-property-related expenses total</td> <td style="text-align: right;">221 million yen</td> <td style="text-align: right;">222 million yen</td> </tr> <tr> <td style="padding-left: 40px;">Asset management fees</td> <td style="text-align: right;">142 million yen</td> <td style="text-align: right;">139 million yen</td> </tr> </tbody> </table> • Property-related expenses of the Existing Properties and 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. • With respect to property tax, city planning tax, etc. on real estate held by the Investment Corporation, of the tax amount assessed and determined, the amount corresponding to the relevant calculation period, is recognized as rental expenses. However, if real estate or other assets were newly acquired and an adjusted amount of property tax, etc., for the year to which the calculation period belongs (the “amount equivalent to property tax, etc.”) arises between the Investment Corporation and the seller, the relevant adjusted amount is capitalized as part of the acquisition cost of the real estate, etc. in question. Regarding the acquired property in the fifth period, no amount will be recognized as a tax expense for the sixth fiscal period. • 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 due to certain unexpected factors. 		(millions of yen unless otherwise noted) Fiscal period ending February 28, 2021 (the sixth fiscal period)	Fiscal period ending August 31, 2021 (the seventh fiscal period)	Property-related expenses total	926 million yen	928 million yen	Subcontract expenses	196 million yen	184 million yen	(Maintenance expenses)	150 million yen	139 million yen	(Property management fee)	45 million yen	45 million yen	Repair expenses	20 million yen	21 million yen	Tax and dues	202 million yen	203 million yen	Depreciation	341 million yen	351 million yen	Non-property-related expenses total	221 million yen	222 million yen	Asset management fees	142 million yen	139 million yen
	(millions of yen unless otherwise noted) Fiscal period ending February 28, 2021 (the sixth fiscal period)	Fiscal period ending August 31, 2021 (the seventh fiscal period)																													
Property-related expenses total	926 million yen	928 million yen																													
Subcontract expenses	196 million yen	184 million yen																													
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Depreciation	341 million yen	351 million yen																													
Non-property-related expenses total	221 million yen	222 million yen																													
Asset management fees	142 million yen	139 million yen																													

Non-operating expenses	<ul style="list-style-type: none"> • The costs to issue and list the new investment units will be amortized on a monthly basis over three years from the time they are incurred, 19 million yen, and 15 million yen are expected for the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the fifth fiscal period), respectively. • For interest expenses and other borrowing-related costs, 202 million yen, and 209 million yen are expected for the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the seventh fiscal period), respectively.
Interest-bearing debt	<ul style="list-style-type: none"> • It is assumed that the total amount of interest-bearing debt will be 43,400 million yen, and 43,400 million yen as of the end of the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the seventh fiscal period), respectively. • The LTV ratio is expected to be around 45.9%, and 45.9% as of the end of the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the seventh fiscal period), respectively. • The LTV ratio is calculated using the following formula: $\text{LTV ratio} = \frac{\text{Total amount of interest-bearing debt as of the end of the fiscal period}}{\text{Total assets as of the end of the fiscal period}} \times 100$
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 released (462,500) due to no issuance of new investment units by the end of the fiscal period ending August 31, 2021 (the seventh fiscal period).
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the Investment Corporation's Articles of Incorporation. • Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in rental revenues, changes in investment assets and tenants, and unexpected repairs and other factors.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> • Allowance for temporary difference adjustment of 1 million yen is expected to book concerning the difference between net income and taxable income associated with recording of asset retirement obligation as of the end of the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the seventh fiscal period), respectively. It is assumed that the distributions in excess of earnings per unit will be 4 yen as of the end of the fiscal periods ending February 28, 2021 (the sixth fiscal period), and August 31, 2021 (the seventh fiscal period), respectively. • It is assumed that 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.

3. Financial Statements

(1) Balance Sheets

(Unit: thousand yen)

	4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
Assets		
Current assets		
Cash and deposits	5,120,519	4,397,467
Cash and deposits in trust	1,752,399	1,820,275
Operating accounts receivable	84,699	81,477
Prepaid expenses	127,352	161,627
Consumption tax receivable	110,757	-
Other current assets	20,388	3,968
Total current assets	7,216,117	6,464,817
Fixed assets		
Tangible fixed assets		
Buildings	2,311,670	2,558,539
Accumulated depreciation	△43,805	△75,890
Buildings, net	2,267,864	2,482,648
Structures	9,641	9,641
Accumulated depreciation	△148	△237
Structures, net	9,493	9,404
Machinery and equipment	47,540	47,540
Accumulated depreciation	△1,188	△2,377
Machinery and equipment, net	46,352	45,163
Tools, furniture and fixtures	-	1,474
Accumulated depreciation	-	△52
Tools, furniture and fixtures, net	-	1,422
Land	1,463,924	1,941,786
Buildings in trust	21,080,088	21,350,792
Accumulated depreciation	△841,477	△1,136,053
Buildings in trust, net	20,238,610	20,214,739
Structures in trust	70,614	70,976
Accumulated depreciation	△1,438	△2,322
Structures in trust, net	69,175	68,654
Tools, furniture and fixtures in trust	17,872	22,041
Accumulated depreciation	△2,253	△3,958
Tools, furniture and fixtures in trust, net	15,618	18,083
Land in trust	62,107,922	62,084,806
Total tangible assets	86,218,961	86,866,710
Intangible assets		
Leasehold in trust	757,993	757,993
Software	4,125	3,575
Total intangible assets	762,118	761,568
Investments and other assets		
Long-term prepaid expenses	241,641	314,579
Deferred tax assets	20	15
Security deposits	11,000	11,000
Other assets	10	10
Total investments and other assets	252,671	325,605
Total fixed assets	87,233,750	87,953,883
Deferred assets		
Investment unit issuance costs	67,348	47,897
Total deferred assets	67,348	47,897
Total assets	94,517,217	94,466,599

(Unit: thousand yen)

	4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	133,518	263,922
Current portion of long-term loans payable	15,000,000	10,000,000
Current portion of tenant leasehold and security deposits in trust	50,973	50,973
Accounts payable	176,974	179,395
Accrued expenses	12,522	16,172
Income tax payable	218	930
Accrued consumption tax, etc.	—	117,180
Advances received	8,179	14,901
Derivative liabilities	—	10,301
Other current liabilities	10,130	4,421
Total current liabilities	15,392,518	10,658,200
Non-current liabilities		
Long-term loans payable	28,400,000	33,400,000
Tenant leasehold and security deposits	111,864	112,236
Tenant leasehold and security deposits in trust	3,633,966	3,636,234
Asset retirement obligations	87,632	87,966
Derivative liabilities	61,936	18,404
Total non-current liabilities	32,295,398	37,254,841
Total liabilities	47,687,917	47,913,041
Net assets		
Unitholders' equity		
Unitholders' capital	45,189,272	45,189,272
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	※ 1 △87,066	※ 1 △68,263
Total deduction from unitholders' capital	△87,066	△68,263
Unitholders' capital, net	45,102,206	45,121,008
Surplus		
Retained earnings	1,789,030	1,461,254
Total surplus	1,789,030	1,461,254
Total unitholders' equity	46,891,236	46,582,262
Valuation and translation adjustments		
Deferred gains or losses on hedges	△61,936	△28,705
Total valuation and translation adjustments	△61,936	△28,705
Total net assets	※ 2 46,829,299	※ 2 46,553,557
Total liabilities and net assets	94,517,217	94,466,599

(2) Statements of Income

(Unit: thousand yen)

	4th fiscal period From: September 1, 2019 To: February 29, 2020	5th fiscal period From: March 1, 2020 To: August 31, 2020
Operating revenues		
Rental revenue	※ 1 2,579,221	※ 1 2,571,893
Other rental revenue	※ 1 179,276	※ 1 155,903
Dividend income from investments in securities	866	-
Gain on sales of real estate properties	※ 2 316,856	※ 2 23,114
Total operating revenue	3,076,219	2,750,910
Operating expenses		
Expenses related to property rental business	※ 1 937,885	※ 1 917,393
Asset management fee	144,262	144,736
Asset custody and administrative service fees	18,543	17,952
Directors' compensations	2,400	2,400
Taxes and dues	18,809	15,931
Other operating expenses	41,794	41,208
Total operating expenses	1,163,695	1,139,622
Operating income	1,912,523	1,611,288
Non-operating income		
Interest income	38	30
Refund of property taxes	5,670	-
Other	500	92
Total non-operating income	6,208	122
Non-operating expenses		
Interest expenses	122,526	125,873
Borrowing related expenses	69,429	66,108
Amortization of investment unit issuance costs	19,450	19,450
Total non-operating expenses	211,406	211,432
Ordinary income	1,707,326	1,399,979
Income before income taxes	1,707,326	1,399,979
Income taxes - current	1,023	935
Income taxes - deferred	0	4
Total income taxes	1,023	939
Net income	1,706,302	1,399,039
Retained earnings brought forward	82,727	62,215
Unappropriated retained earnings	1,789,030	1,461,254

(3) Statements of Unitholders' Equity

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

(Unit: thousand yen)

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

(Unit: thousand yen)

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

5th fiscal period (from March 1, 2020 to August 31, 2020)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at the beginning of the period	45,189,272	△87,066	△87,066	45,102,206	1,789,030	1,789,030	
Changes during the period							
Dividends of surplus					△1,706,162	△1,706,162	△1,706,162
Reversal of allowance for temporary difference adjustments		20,652	20,652	20,652	△20,652	△20,652	-
Excess profit distribution by provision for temporary difference adjustment		△1,850	△1,850	△1,850			△1,850
Net income					1,399,039	1,399,039	1,399,039
Net changes of items other than unitholders' equity							
Total changes during the period	-	18,802	18,802	18,802	△327,775	△327,775	△308,973
Balance at the end of the period	※ 1 45,189,272	△68,263	△68,263	45,121,008	1,461,254	1,461,254	46,582,262

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	△61,936	△61,936	46,829,299
Changes during the period			
Dividends of surplus			△1,706,162
Reversal of allowance for temporary difference adjustments			-
Excess profit distribution by provision for temporary difference adjustment			△1,850
Net income			1,399,039
Net changes of items other than unitholders' equity	33,230	33,230	33,230
Total changes during the period	33,230	33,230	△275,742
Balance at the end of the period	△28,705	△28,705	46,553,557

(4) Statements of Cash Distribution

(Unit: yen)

Category	4th fiscal period From: September 1,2019 To: February 29, 2020	5th fiscal period From: March 1,2020 To: August 31, 2020
I Unappropriated retained earning	1,789,030,148	1,461,254,294
II Addition of cash distribution in excess of earnings	1,850,000	1,850,000
Of which, allowance for temporary difference adjustment	1,850,000	1,850,000
III Total investment amount	20,652,443	33,230,645
[Of which, Temporary difference adjustment reserve reversal]	20,652,443	33,230,645
IV Cash distribution	1,708,012,500	1,400,912,500
[Cash distribution per unit]	(3,693)	(3,029)
Of which, cash distribution of earnings	1,706,162,500	1,399,062,500
[Of which, cash distribution of earnings per unit]	(3,689)	(3,025)
Of which, allowance for temporary difference adjustment	1,850,000	1,850,000
[Of which, cash distribution in excess of earnings per unit (attributable to allowance for temporary difference adjustment)]	(4)	(4)
V Retained earnings carried forward	62,215,205	28,961,149
Method of calculation of amount of cash distribution	<p>Cash distributions declared for the six months ended February 29, 2020 were 1,708,012,500 yen. In accordance with the distribution policy in Article 36, Paragraph 1, Item 1 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of earnings) declared for the six months ended February 29, 2020 were 1,706,162,500 yen which were all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.</p> <p>In addition, the Investment Corporation makes distributions in excess of earnings considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporation of Japan) in accordance with the policy for the distributions in excess of earnings prescribed in the article of incorporation 36, Paragraph 1, Item 2. Distributions in excess of earnings for the period ended February 29, 2020 were amounting to 1,850,000 yen which were</p>	<p>Cash distributions declared for the six months ended August 31, 2020 were 1,400,912,500 yen. In accordance with the distribution policy in Article 36, Paragraph 1, Item 1 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, profit distributions (do not include distributions in excess of earnings) declared for the six months ended August 31, 2020 were 1,399,062,500 yen which were all of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan), except for fractional distribution per unit less than one yen.</p> <p>In addition, the Investment Corporation makes distributions in excess of earnings considering an effect of differences between net income and taxable income (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) and items deducted from net assets (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporation of Japan) in accordance with the policy for the distributions in excess of earnings prescribed in the article of incorporation 36, Paragraph 1, Item 2. Distributions in excess of earnings for the period ended August 31, 2020 were amounting to 1,850,000 yen which were</p>

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

(Unit: thousand yen)

	4th fiscal period From: September 1, 2019 To: February 29, 2020	5th fiscal period From: March 1, 2020 To: August 31, 2020
Cash flows from operating activities		
Income before income taxes	1,707,326	1,399,979
Depreciation	322,112	331,127
Amortization of investment unit issuance costs	19,450	19,450
Borrowing related expenses	63,463	60,473
Interest income	△38	△30
Interest expenses	122,526	125,873
Decrease (increase) in operating accounts receivable	△9,404	2,374
Decrease (increase) in consumption taxes receivable	34,027	110,757
Increase (decrease) in accrued consumption taxes	—	117,180
Decrease (increase) in prepaid expenses	△13,191	△9,652
Decrease (increase) in long-term prepaid expenses	△63,517	7,552
Increase (decrease) in operating accounts payable	△112,410	24,839
Increase (decrease) in accounts payable	13,010	1,805
Increase (decrease) in advances received	△4,564	6,721
Decrease in disposal of property and equipment in trust	1,240,701	23,115
Other, net	△13,739	11,085
Subtotal	3,305,754	2,232,655
Interest income received	38	30
Interest expenses paid	△123,171	△122,222
Income taxes paid	△1,839	△223
Net cash provided by operating activities	3,180,782	2,110,239
Cash flows from investing activities		
Purchase of property and equipment	△758,660	△731,935
Purchase of property and equipment in trust	△21,992,294	△170,988
Purchase of intangible assets in trust	△757,993	—
Proceeds from tenant leasehold and security deposits	6,326	2,247
Repayments of tenant leasehold and security deposits	—	△790
Proceeds from tenant leasehold and security deposits in trust	397,298	2,636
Repayments of tenant leasehold and security deposits in trust	△23,591	4,715
Proceeds from redemption of investment securities	103,043	—
Net cash used in investing activities	△23,025,871	△894,114
Cash flows from financing activities		
Repayment of short-term loans	△5,980,000	—
Proceeds from long-term loans	13,173,819	14,835,028
Repayment of long-term loans	—	△15,000,000
Proceeds from issuance of investment units	13,157,794	—
Distributions paid	△1,620,179	△1,708,178
Net cash provided by (used in) financing activities	18,731,435	△1,873,149
Net increase in cash and cash equivalents	△1,113,653	△657,024
Cash and cash equivalents at beginning of period	5,328,810	4,215,156
Cash and cash equivalents at end of period	※1 4,215,156	※1 3,558,132

(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 data-bbox="579 412 1002 546"><tr><td>Buildings</td><td>5~66 years</td></tr><tr><td>Structures</td><td>10~65 years</td></tr><tr><td>Machinery and equipment</td><td>20 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2~15 years</td></tr></table> <p>(2) Intangible assets The straight-line method is adopted. The useful life of primary intangible assets is as follows:</p> <table data-bbox="579 667 778 696"><tr><td>Software</td><td>5 years</td></tr></table> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	5~66 years	Structures	10~65 years	Machinery and equipment	20 years	Tools, furniture and fixtures	2~15 years	Software	5 years
Buildings	5~66 years										
Structures	10~65 years										
Machinery and equipment	20 years										
Tools, furniture and fixtures	2~15 years										
Software	5 years										
2. Accounting for deferred assets	<p>Amortization of investment unit issuance costs Investment unit issuance costs are amortized equally over three years.</p>										
3. Standards for revenue and expense recognition	<p>Accounting for property tax, etc. Accounting for property tax, city planning tax, depreciable asset tax, etc. (“property tax, etc.”) on real estate or beneficiary interest in trust for real estate held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to rent business. The amount equivalent to property tax, etc. in the initial fiscal year upon acquisition of real estate or beneficiary interest in trust for real estate is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period ended August 31, 2020, the amount equivalent to property tax included in the cost of acquisition of real estate, etc. was 1,646 thousand yen.</p>										
4. Method of hedge accounting	<p>(1) Hedge accounting approach Deferral hedge accounting is adopted.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap 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	<p>Cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.</p>										

<p>6. Other significant matters serving as the basis for preparation of financial statements</p>	<p>(1) Accounting for beneficiary interest in trust for real estate, etc. Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ul style="list-style-type: none"> ① Cash and deposits in trust ② Buildings, Structures, Tools, furniture and fixtures, Land and Construction in progress in trust ③ Current portion of tenant leasehold and security deposits in trust, 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 over 5 years.</p>
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(Additional Information)

[Allowance for temporary difference adjustment]

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

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

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

2. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Amount for allowance (or reversal)
Buildings in trust	Sale of property with asset retirement obligation	— ※
Deferred gains or losses on hedges	Fluctuations in the market value of derivative transactions	△20,652
Total		△20,652

※ The portion reversed during the period (△68 thousand yen) is deducted in "1. Excess of depreciation due to the asset retirement obligation" above.

3. Concrete method of reversal

(1) Buildings in trust

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

(2) Deferred gains or losses on hedges

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

5th fiscal period (From March 1, 2020 to August 31, 2020)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

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

2. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Amount for allowance (or reversal)
Deferred gains or losses on hedges	Fluctuations in the market value of derivative transactions	△33,230
Total		△33,230

3. Concrete method of reversal

(1) Buildings in trust

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

(2) Deferred gains or losses on hedges

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

(8) Notes to the Financial Statements

[Notes to the Balance Sheet]

*1 Allowance for temporary difference adjustment

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

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

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

2. Concrete method of reversing

(1) Buildings in trust

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

(2) Deferred gains or losses on hedges

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

5th fiscal period (From March 1, 2020 to August 31, 2020)

1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Initial accrual	Beginning balance	Current period provision amount	Net amount of the reversal	Period-end balance	Concrete method of reversing
Buildings in trust	Excess depreciation from the asset retirement obligations	108,832	4,837	1,850	-	6,687	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820	82,229	-	△20,652	61,576	Fluctuations in the market value of derivative transactions
Total		122,652	87,066	1,850	△20,652	68,263	-

2. Concrete method of reversal

(1) Buildings in trust

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

(2) Deferred gains or losses on hedges

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

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

(Unit: thousand yen)

4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
50,000	50,000

[Notes to the Statement of Income]

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

(Unit: thousand yen)

	4th fiscal period From: September 1, 2019 To: February 29, 2020		5th fiscal period From: March 1, 2020 To: August 31, 2020	
A. Operating revenues from real estate leasing				
Lease business revenue				
Rental revenue	2,257,592		2,245,967	
Common area charges	221,939		220,343	
Parking revenue	84,223		83,848	
Other rental revenue	15,465	2,579,221	21,732	2,571,893
Other lease business revenue				
Utilities reimbursement	157,175		133,670	
Other revenue	22,100	179,276	22,233	155,903
Total operating revenue from real estate leasing		2,758,497		2,727,796
B. Operating expenses from real estate leasing				
Expenses related to property rental business				
Management fee	193,646		198,737	
Utilities expenses	141,418		123,980	
Taxes and dues	157,071		203,128	
Insurance premium	4,515		4,626	
Repair expenses	103,391		38,282	
Trust fee	10,949		10,975	
Depreciation	321,562		330,577	
Other expenses	5,330		7,084	
Total operating expenses from real estate leasing		937,885		917,393
C. Operating income from real estate leasing (A – B)		1,820,612		1,810,403

*2 Breakdown of gain on sales of real estate properties

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

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

5th fiscal period (From: March 1, 2020 To: August 31, 2020)

Kaden Sumairu Kan YAMADA Kobe Tarumi (Land) (Part of Land)		(Unit: thousand yen)
Revenue on sales of real estate properties		48,201
Expenses on sales of real estate properties	23,115	
Other expenses	1,971	
Gain on sales of real estate properties		23,114

[Notes to the Statement of Unitholders' Equity]

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

	4th fiscal period From: September 1, 2019 To: February 29, 2020	5th fiscal period From: March 1, 2020 To: August 31, 2020
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

	4th fiscal period From: September 1, 2019 To: February 29, 2020	5th fiscal period From: March 1, 2020 To: August 31, 2020
Cash and deposits	5,120,519 thousand yen	4,397,467 thousand yen
Cash and deposits in trust	1,752,399 thousand yen	1,820,275 thousand yen
Payment for restricted bank deposit (Note)	△2,657,762 thousand yen	△2,659,610 thousand yen
Cash and cash equivalents	4,215,156 thousand yen	3,558,132 thousand yen

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

[Notes on Lease Transactions]

Disclosure is omitted due to immateriality.

[Notes on Financial Instruments]

1 . Our policy on financial instruments

(1) Policy for financial instrument transactions

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

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

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

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

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

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

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

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

2. Fair value, etc. of financial instruments

The carrying amount, the fair value and the difference between them as of February 29, 2020 are as follows.

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

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

The carrying amount, the fair value and the difference between them as of August 31, 2020 are as follows.

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	4,397,467	4,397,467	-
(2) Cash and deposits in trust	1,820,275	1,820,275	-
Assets total	6,217,743	6,217,743	-
(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	33,555,942	155,942
(6) Tenant leasehold and security deposits in trust	416,298	416,298	-
Liabilities total	43,867,272	44,023,214	155,942
Derivative transactions (*)	(28,705)	(28,705)	-

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

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

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

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

(3) Current portion of long-term loans payable

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

(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

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 of (3,192,180 thousand yen as of Ended February 29,2020 and 3,219,935 thousand yen as of Ended August 31,2020) is not included in the above because it is considered difficult to estimate the scheduled return date. Since for items whose estimated repayment timing, etc. can be estimated, the fair value calculated based on the present value obtained by discounting the future cash flow by the period up to the repayment date and the interest rate including credit risk is close to the book value , the book value is used.

Derivative transactions

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

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

(Unit: thousand yen)

Category	4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
Tenant leasehold and security deposits (*)	111,864	112,236
Tenant leasehold and security deposits in trust (*)	3,192,180	3,219,935

(*) 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 29, 2020)

(Unit: thousand yen)

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

Amount of redemption of monetary claims scheduled to be due after the date of the fiscal period end (August 31, 2020)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	4,397,467
Cash and deposits in trust	1,820,275
Total	6,217,743

(Note 4) Amount of repayment of loans scheduled to be due after the date of the fiscal period end (February 29, 2020)

(Unit: thousand yen)

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

Amount of repayment of loans scheduled to be due after the date of the fiscal period end (August 31, 2020)

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	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	-

[Notes on Securities]

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

Not applicable.

5th fiscal period (As of August 31, 2020)

Not applicable.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

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

Not applicable.

5th fiscal period (As of August 31, 2020)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

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

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

(Unit: thousand yen)

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

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

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

5th fiscal period (As of August 31, 2020)

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

(Unit: thousand yen)

Hedge accounting method	Derivative instruments	Hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	15,000,000	5,000,000	△28,705

(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]

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

Not applicable.

5th fiscal period (As of August 31, 2020)

Not applicable.

[Notes on Income Taxes]

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

(Unit: thousand yen)

	4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
Deferred tax assets		
Non-deductible accrued enterprise tax	20	15
Asset retirement obligations	27,569	27,674
Deferred consumption taxes	82	72
Deferred gains or losses on hedges	19,485	9,030
Total Deferred tax assets	47,157	36,793
Valuation allowance	△21,671	△11,846
Total Deferred tax assets	25,485	24,947
Deferred tax liabilities		
Building and equipment corresponding to the asset retirement obligations	25,465	24,931
Total Deferred tax liabilities	25,465	24,931
Deferred tax assets, net	20	15

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

(Unit:%)

	4th fiscal period (As of February 29, 2020)	5th fiscal period (As of August 31, 2020)
Statutory tax rate	31.51	31.46
(Adjustments)		
Deductible distributions	△31.52	△31.48
Other	0.07	0.09
Effective income tax rate	0.06	0.07

[Notes on Related-Party Transactions]

1. Parent company, etc.

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

Not applicable.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

2. Affiliated company, etc.

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

Not applicable.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

3. Fellow subsidiary, etc.

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

Not applicable.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

4. Director, major individual unitholder, etc.

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

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

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

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

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

5th fiscal period (from March 1, 2020 to August 31, 2020)

Type	Name of company, etc. or person	Address	Capital stock or investments in capital (million yen)	Description of business or occupation	Percentage of voting rights, etc. held by (in) TLR(%)	Relationship		Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
						Concurrent holding of position as officer, etc.	Business relations				
Director	Masayuki Ishihara	—	—	Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited	—		Executive director Takara Leben Real Estate Investment Corporation and Executive Chairman and CEO Takara PAG Real Estate Advisory Limited	Payment of asset management fee to the Asset Management Company	148,261	Accounts payable - other	159,210

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

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

(Note3) Asset management fee includes the property acquisition fee included in the book value of individual real estate in the amount of 3,525 thousand yen .

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

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

Not applicable.

5th fiscal period (from March 1, 2020 to August 31, 2020)

Not applicable.

[Notes on Asset Retirement Obligations]

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

1. Asset retirement obligation booked in the balance sheet

(1) Overview

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

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

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

5th fiscal period (from March 1, 2020 to August 31, 2020)

1. Asset retirement obligation booked in the balance sheet

(1) Overview

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

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

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

(3) Movement of asset retirement obligation

	(Unit: thousand yen)	
	4th fiscal period From: September 1, 2019 To: February 29, 2020	5th fiscal period From: March 1, 2020 To: August 31, 2020
Balance at the beginning of the period	88,015	87,632
Increase due to acquisition of tangible fixed assets	-	-
Decrease due to disposition of tangible fixed assets	713	-
Adjustment for passage of time	329	334
Balance at the end of the period	87,632	87,966

[Notes on Segment Information]

(Segment information)

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

[Notes on Investment and Rental Properties]

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

(Unit: thousand yen)

	4th fiscal period From: September 1,2019 To: February 29, 2020	5th fiscal period From: March 1,2020 To: August 31, 2020
Carrying amount		
Balance at beginning of period	65,118,526	86,976,954
Amount of increase (decrease) during period	21,858,427	647,748
Balance at end of period	86,976,954	87,624,703
Fair value at end of period	93,793,000	93,857,000

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

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of real estate in trust of 6 properties (22,565,263 thousand yen), acquisition of real estate of a property (709,843 thousand yen) and capital expenditure (150,299 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate of 1 property (1,244,139 thousand yen) and accumulated depreciation (321,562 thousand yen) in 4th fiscal period. Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of real estate of 1 property (722,402 thousand yen) and capital expenditure (276,711 thousand yen), while the amount of decrease is mainly attributable to disposition of real estate of 1 property (a part of Land) (23,115 thousand yen) and accumulated depreciation (330,577 thousand yen) in 4th fiscal period.

The income (loss) concerning investment and rental properties for the fiscal period ended February 29, 2020 (4th fiscal period) and the fiscal period ended August 31, 2020 (5th fiscal period) is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Per Unit Information]

	4th fiscal period From: September 1,2019 To: February 29, 2020	5th fiscal period From: March 1,2020 To: August 31, 2020
Net assets per unit	101,252 yen	100,656 yen
Net income per unit	3,694 yen	3,024 yen

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

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

	4th fiscal period From: September 1,2019 To: February 29, 2020	5th fiscal period From: March 1,2020 To: August 31, 2020
Net income (thousand yen)	1,706,302	1,399,039
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,706,302	1,399,039
Average number of investment units during the period (units)	461,857	462,500

[Notes on Significant Subsequent Events]

Not applicable.

(9) Changes in Investment Units Issued and Outstanding

The total amount of investment and the total number of outstanding investment units until the end of August 31, 2020 are as follows.

Date	Event	Unitholders' capital (thousand yen)		Total number of investment units issued and outstanding (units)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 11,2017 (Note1)	Establishment through private placement	150,000	150,000	150	150	(Note2)
April 21,2018	Investment Unit Split	—	150,000	1,350	1,500	(Note3)
July 26,2018	Capital increase through public offering	31,841,672	31,991,672	344,000	345,500	(Note4)
September 2,2019	Capital increase through public offering	13,197,600	45,189,272	117,000	462,500	(Note5)

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

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

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

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

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

3. Appendix

(1) Prices of assets

① Investment Status

Type of asset	Primary use	Geographic area (Note 1)	4th fiscal period (As of February 29, 2020)		5th fiscal period (As of August 31, 2020)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate	Office	Four major metropolitan areas	710	0.8	710	0.8
		Major regional cities	-	-	-	-
	Residence	Four major metropolitan areas	-	-	719	0.8
		Major regional cities	-	-	-	-
	Hotel	Four major metropolitan areas	-	-	-	-
		Major regional cities	2,520	2.7	2,496	2.6
	Retail and Other	Four major metropolitan areas	510	0.5	508	0.5
		Major regional cities	-	-	-	-
	Subtotal		3,741	4.0	4,435	4.7
	Real estate in trust	Office	Four major metropolitan areas	40,021	42.3	40,055
Major regional cities			8,142	8.6	8,094	8.6
Residence		Four major metropolitan areas	9,934	10.5	9,896	10.5
		Major regional cities	1,204	1.3	1,202	1.3
Hotel		Four major metropolitan areas	2,510	2.7	2,501	2.6
		Major regional cities	4,410	4.7	4,478	4.7
Retail and Other		Four major metropolitan areas	11,897	12.6	11,870	12.6
		Major regional cities	5,114	5.4	5,090	5.4
Subtotal		83,235	88.1	83,189	88.1	
Deposits and other assets			7,540	8.0	6,841	7.2
Total amount of assets			94,517	100.0	94,466	100.0

	4th fiscal period (As of February 29, 2020)		5th fiscal period (As of August 31, 2020)	
	Amount (million yen)	As a percentage of total assets (%) (Note 3)	Amount (million yen)	As a percentage of total assets (%) (Note 3)
Total amount of liabilities (Note2)	47,687	50.5	47,913	50.7
Total amount of net assets (Note2)	46,829	49.5	46,553	49.3

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

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

(Note2) "Total amount held", "Total amount of liabilities" and "Total amount of net assets" are based on the balance sheet as of February 29, 2020 (real estate in trust, the book value after depreciation), and as of August 31, 2020, respectively, rounded down to the nearest million yen is stated.

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

② Invested Assets

a Major investment security

Not applicable.

b Investment property

As of August 31, 2020, the Investment Corporation holds real estate and trust beneficiary interests in real estate.

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

c Other major investment assets

(a) Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of August 31, 2020 (Trust beneficiary right in real estate or real estate as a trust property, hereinafter collectively referred to as "investment assets"),

Category	Property Number (Note1)	Property	Location (city or ward, prefecture)	Acquisition price (million yen) (Note2)	Percentage of total acquisition price (%) (Note3)	Book value (million yen)	Appraisal value (million yen) (Note4)	Acquisition date
Office	O-01	NT Building	Shinagawa-ku, Tokyo	12,350	14.2	12,409	13,400	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	11.2	9,895	10,600	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	5.6	5,036	4,900	July 30, 2018
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	4.0	3,522	3,950	July 30, 2018
	O-06	SAMTY Shin-Osaka Center Building	Osaka, Osaka	3,450	4.0	3,428	3,610	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka, Fukuoka	2,500	2.9	2,492	2,780	July 30, 2018
	O-08	Chuo Bakuromachi Building	Osaka, Osaka	1,485	1.7	1,487	1,940	July 30, 2018
	O-09	L.Biz Jimbocho Building	Chiyoda-ku, Tokyo	1,006	1.2	1,017	1,140	July 30, 2018
	O-10	Shinsaibashi Building	Osaka, Osaka	772	0.9	765	777	July 30, 2018
	O-11	L.Biz Sendai	Sendai, Miyagi	1,680	1.9	1,663	1,840	July 30, 2018
	O-12	Sendai Nikko Building	Sendai, Miyagi	1,740	2.0	1,760	1,800	July 30, 2018
	O-13	Morioka Ekimae-dori Building	Morioka, Iwate	1,480	1.7	1,465	1,710	July 30, 2018
	O-14	Nagano Central Building	Nagano, Nagano	898	1.0	926	993	July 30, 2018
	O-15	EME Koriyama Building	Koriyama, Fukushima	900	1.0	900	1,030	July 30, 2018
	O-16	Utsunomiya Central Building	Utsunomiya, Tochigi	771	0.9	778	993	July 30, 2018
	O-17	Yamagata Ekimae-dori Building	Yamagata, Yamagata	600	0.7	599	683	July 30, 2018
	O-18	Akasaka Kawase Building	Minato-ku, Tokyo	690	0.8	710	730	October 31, 2019
			Subtotal	—	48,466	55.7	48,860	52,876
Residence	R-01	Amare Tokaidori	Nagoya, Aichi	1,100	1.3	1,082	1,240	July 30, 2018
	R-02	Dormy Ukimafunado	Itabashi-ku, Tokyo	1,080	1.2	1,087	1,140	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	1.2	1,021	1,110	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	1.2	1,075	1,080	July 30, 2018
	R-05	Alpha Space Toritsudai	Meguro-ku, Tokyo	589	0.7	595	621	July 30, 2018
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	1.4	1,202	1,290	July 30, 2018
	R-07	LUXENA HEIWADAI	Nerima-ku, Tokyo	3,910	4.5	3,913	4,350	September 3, 2019
	R-08	LUXENA KACHIDOKI	Chuo-ku, Tokyo	1,120	1.3	1,121	1,250	September 3, 2019
	R-09	LUXENA HONATSUGI	Atsugi-shi, Kanagawa	705	0.8	719	740	March 17, 2020
		Subtotal	—	11,796	13.6	11,818	12,821	—
Hotel	H-01	Dormy Inn Matsuyama	Matsuyama, Ehime	2,427	2.8	2,367	2,550	July 30, 2018
	H-02	Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	2,000	2.3	2,110	2,080	July 30, 2018
	H-03	Dormy Inn Morioka	Morioka, Iwate	2,520	2.9	2,496	2,530	June 28, 2019
	H-04	Arietta Hotel Nagoya	Nagoya, Aichi	2,500	2.9	2,501	2,170	September 3, 2019
		Subtotal	—	9,447	10.9	9,475	9,330	—

Category	Property Number (Note1)	Property	Location (city or ward, prefecture)	Acquisition price (million yen) (Note2)	Percentage of total acquisition price (%) (Note3)	Book value (million yen)	Appraisal value (million yen) (Note4)	Acquisition date
Retail and other assets	C-01	Prio Daimyo II	Fukuoka, Fukuoka	980	1.1	992	1,120	July 30, 2018
	C-02	Co-op Sapporo Syunko	Asahikawa, Hokkaido	1,036	1.2	1,040	1,100	July 30, 2018
	C-03	TA Shonan Kugenumakaigan	Fujisawa, Kanagawa	500	0.6	508	570	March 28, 2019
	C-04	Almost Blue	Minato-ku, Tokyo	6,520	7.5	6,599	7,210	September 3, 2019
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Matsuyama, Ehime	4,030	4.6	4,050	4,410	September 3, 2019
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Kobe, Hyogo	4,227 (Note5)	4.9	4,277	4,420	September 3, 2019
	Subtotal		—	—	17,293	19.9	17,469	18,830
Total			—	87,002	100.0	87,624	93,857	—

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

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

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

(Note4) "Appraisal value" indicates the appraisal value stated in the real estate appraisal report as of August 31, 2020. In addition, it is a generic name of each real estate appraisal report created by entrusting the appraisal evaluation of each invested asset to a real estate appraiser or an appraisal evaluation institution based on the evaluation standards.

(Note5) Since "Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)" transferred a part of the land on June 24, 2020, the "acquisition price" is the amount obtained by subtracting the price related to 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, 2020 are as follows:

Category	Property Number	Property	Date of Construction (Note1)	Number of tenants (Note2)	Annual contracted rent (in million) (Note3)	Leasehold and security deposits (in million) (Note4)	Total leased area (㎡) (Note5)	Total leasable area (㎡) (Note6)	Occupancy rate (%) (Note7)
Office	O-01	NT Building	March 1996	14	621	523	10,104.12 (Note8)	10,104.12 (Note8)	100.0
	O-02	Higashi-Ikebukuro Central Place	November 1984	8	476	405	7,793.60	7,793.60	100.0
	O-03	Nagoya Center Plaza Building	November 1978	34	321	277	9,560.86	9,560.86	100.0
	O-05	Omiya NSD Building	March 1993	11	220	156	4,006.68	4,006.68	100.0
	O-06	SAMTY Shin-Osaka Center Building	April 1991	8	192	95	5,022.79	5,022.79	100.0
	O-07	Hakata Gion Building	November 2007	15	156	73	3,653.70	3,653.70	100.0
	O-08	Chuo Bakuromachi Building	April 1993	18	104	44	3,673.68	3,739.57	98.2
	O-09	L.Biz Jimbocho Building	June 2009	1	53	35	859.82	859.82	100.0
	O-10	Shinsaibashi Building	December 1990	6	36	12	1,173.11	1,408.52	83.3
	O-11	L.Biz Sendai	March 1993	28	112	76	3,301.22	3,368.96	98.0
	O-12	Sendai Nikko Building	March 1989	6	115	84	2,540.11	2,540.11	100.0
	O-13	Morioka Ekimae-dori Building	April 1987	22	141	100	4,372.30	4,480.31	97.6
	O-14	Nagano Central Building	November 1994	20	74	51	2,282.38 (Note8)	2,619.93 (Note8)	87.1
	O-15	EME Koriyama Building	March 1988	20	96	86	2,837.80	2,931.65	96.8
	O-16	Utsunomiya Central Building	September 1995	21	84	55	2,659.53	2,768.91	96.0
	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	6	26	18	442.28	511.61	86.4
	Subtotal/Average				245	2,887	2,125	66,086.15	67,877.06
Residence	R-01	Amare Tokaidori	July 2007	84	69	8	2,721.70	2,935.38	92.7
	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	67	1	2,748.76	2,782.51	98.8
	R-04	LUXENA HIGASHI-KOENJI	July 2008	34	59	9	1,368.64	1,405.29	97.4
	R-05	Alpha Space Toritsudai	April 1990	12	32	3	817.56	907.13	90.1
	R-06	J City Hatchobori	November 2005	60	78	13	2,458.99	2,623.39	93.7
	R-07	LUXENA HEIWADAI	March 2019	99	206	52	5,205.97	5,354.76	97.2
	R-08	LUXENA KACHIDOKI	May 2019	25	57	7	1,077.35	1,121.26	96.1
	R-09	LUXENA HONATSUGI	November 1999	56	41	3	1,171.40	1,403.94	83.4
Subtotal/Average				431	676	148	20,032.97	20,996.26	95.4
Hotel	H-01	Dormy Inn Matsuyama	October 2017	1	153	51	5,119.15	5,119.15	100.0
	H-02	Hotel Sunshine Utsunomiya	February 1991	1	128	31	5,267.16	5,267.16	100.0
	H-03	Dormy Inn Morioka	March 2019	1	149	74	5,046.83	5,046.83	100.0
	H-04	Arietta Hotel Nagoya (Note 9)	February 2019	1	125	20	2,531.93	2,531.93	100.0
	Subtotal/Average				4	556	178	17,965.07	17,965.07

Category	Property Number	Property	Date of Construction (Note1)	Number of tenants (Note2)	Annual contracted rent (in million) (Note3)	Leasehold and security deposits (in million) (Note4)	Total leased area (㎡) (Note5)	Total leasable area (㎡) (Note6)	Occupancy rate (%) (Note7)
Retail and other assets	C-01	Prio Daimyo II	April 2002	6	49	39	761.01	761.01	100.0
	C-02	Co-op Sapporo Syunko	August 1994	1	83	83	7,214.92	7,214.92	100.0
	C-03	TA Shonan Kugenumakaigan	February 2017	3	31	15	626.92	626.92	100.0
	C-04	Almost Blue	December 2001/ February 2002/ October 2014	5	238	238	1,931.54	1,931.54	100.0
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	October 2019	1	(Note 10)	(Note 10)	9,052.32	9,052.32	100.0
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	—	1	(Note 10)	(Note 10)	17,780.00	17,780.00	100.0
	Subtotal/Average				17	930	1,295	37,366.71	37,366.71
Total/Average				697	5,051	3,748	141,450.90	144,205.10	98.1

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

(Note2) The number of tenants is equal to the aggregate number of end tenants with which lease agreements have been entered into as of August 31, 2020.

(Note3) The annual contracted rent for each property is yearly rent described in the lease agreements or calculated by multiplying the aggregate anticipated monthly rent (limited to rent for space occupied by tenants as of August 31, 2020), including common service fee (if any) and excluding usage fees for warehouses, parking lots and sales-linked rents, regardless of whether the rent was free or discounted as of August 31, 2020, as indicated in the lease agreements as of August 31, 2020, by 12 (if there are multiple lease agreements, the aggregate anticipated monthly rent for all lease agreements), excluding consumption tax.

(Note4) Indicates the total leasehold and security deposits from the relevant tenants set forth in lease agreements effective as of August 31, 2020.

(Note5) The total leased area is equal to total leased area to tenant in each property based on the lease agreements for building or floor plans as of August 31, 2020. For properties with a pass-through type master lease agreements, the leased area is quoted from the lease agreement.

(Note6) The total leasable area is equal to gross floor area of leasable space in each property, based on the lease agreements for building or floor plans as of August 31, 2020.

(Note7) The occupancy rate is calculated by dividing total leased area (as of August 31, 2020) for each property by the total leasable area. The subtotal and total are calculated by dividing aggregate leased area for each property type by aggregate leasable area.

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

(Note9) As of the date of this document, the number of tenants of the property is 0 and the occupancy rate is 0% due to the termination of the lease agreement with Renaissance Co., Ltd., the only tenant of the property on October 13, 2020.

(Note10) Since the tenant has not agreed to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

(c) Individual property profit

The income and expenditure of individual property in the current term 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 Lease business revenue	342,192	268,781	197,265	114,653	111,840
Lease business revenue	320,411	244,633	171,246	108,853	102,714
Other lease business revenue	21,780	24,147	26,019	5,799	9,125
② Operating expenses from real estate leasing	72,826	42,419	64,889	34,267	26,365
Management fee	19,792	10,104	23,401	17,632	8,895
Utilities expenses	21,802	14,706	20,330	5,482	7,139
Taxes and dues	27,797	14,542	15,655	7,862	9,385
Insurance premium	521	307	472	163	189
Repair expenses	2,470	2,349	4,382	1,979	321
Trust fee	400	375	300	300	400
Other expenses	41	34	346	847	34
③ NOI(①-②)	269,366	226,362	132,376	80,386	85,474
④ Depreciation	36,045	26,189	21,074	6,780	10,957
⑤ Operating income (loss) from real estate leasing (③-④)	233,320	200,172	111,302	73,605	74,517

(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 Lease business revenue	91,580	63,227	26,951	29,811	70,253
Lease business revenue	83,718	55,235	26,527	25,603	62,198
Other lease business revenue	7,862	7,992	423	4,207	8,054
② Operating expenses from real estate leasing	21,862	21,477	4,820	11,719	18,570
Management fee	7,398	6,382	1,830	3,727	7,832
Utilities expenses	5,629	5,740	-	3,000	4,668
Taxes and dues	7,420	7,915	1,742	4,426	5,054
Insurance premium	140	148	26	72	151
Repair expenses	836	852	887	55	529
Trust fee	400	400	300	400	300
Other expenses	35	38	33	35	34
③ NOI(①-②)	69,718	41,750	22,130	18,092	51,683
④ Depreciation	11,397	3,781	2,692	2,929	8,771
⑤ Operating income (loss) from real estate leasing (③-④)	58,321	37,968	19,438	15,163	42,911

(Unit: thousand yen)

Property Number	O-12	O-13	O-14	O-15	O-16
Property	Sendai Nikko Building	Morioka Ekimae-dori Building	Nagano Central Building	EME Koriyama Building	Utsunomiya Central Building
① Lease business revenue	64,460	78,163	43,110	53,967	49,462
Lease business revenue	59,510	75,093	40,735	51,750	47,066
Other lease business revenue	4,950	3,069	2,375	2,217	2,395
② Operating expenses from real estate leasing	18,596	23,266	14,705	15,218	15,995
Management fee	5,762	11,361	6,690	6,999	7,591
Utilities expenses	4,094	5,011	2,857	4,586	3,070
Taxes and dues	7,393	4,980	4,551	2,898	4,751
Insurance premium	116	206	146	125	127
Repair expenses	695	1,286	123	248	118
Trust fee	450	375	300	300	300
Other expenses	84	45	35	59	36
③ NOI(①-②)	45,863	54,896	28,405	38,748	33,466
④ Depreciation	5,585	15,112	9,298	9,293	6,660
⑤ Operating income (loss) from real estate leasing (③-④)	40,277	39,784	19,106	29,454	26,806

(Unit: thousand yen)

Property Number	O-17	O-18	R-01	R-02	R-03
Property	Yamagata Ekimae-dori Building	Akasaka Kawase Building	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet
① Lease business revenue	26,368	17,153	39,576	31,862	36,406
Lease business revenue	23,981	16,217	37,983	31,836	34,452
Other lease business revenue	2,387	935	1,592	26	1,953
② Operating expenses from real estate leasing	15,102	4,246	9,613	2,601	9,895
Management fee	7,290	1,501	3,273	318	4,803
Utilities expenses	3,545	769	276	6	253
Taxes and dues	3,458	1,408	2,147	1,661	2,597
Insurance premium	118	19	78	59	74
Repair expenses	356	539	3,352	221	1,536
Trust fee	300	-	300	300	300
Other expenses	34	8	184	33	329
③ NOI(①-②)	11,266	12,906	29,963	29,261	26,510
④ Depreciation	6,278	725	8,716	2,729	6,692
⑤ Operating income (loss) from real estate leasing (③-④)	4,987	12,181	21,246	26,532	19,818

(Unit: thousand yen)

Property Number	R-04	R-05	R-06	R-07	R-08
Property	LUXENA HIGASHI-KOENJI	Alpha Space Toritsudai	J City Hatchobori	LUXENA HEIWADAI	LUXENA KACHIDOKI
① Lease business revenue	30,010	17,615	42,415	108,329	30,477
Lease business revenue	28,700	15,868	41,095	106,086	28,927
Other lease business revenue	1,310	1,746	1,319	2,243	1,550
② Operating expenses from real estate leasing	8,241	5,892	10,445	16,034	5,552
Management fee	3,362	2,823	4,036	7,431	3,249
Utilities expenses	167	304	434	1,850	273
Taxes and dues	1,529	989	2,873	5,164	1,096
Insurance premium	38	28	75	168	39
Repair expenses	2,808	1,337	2,684	853	483
Trust fee	300	375	300	375	375
Other expenses	34	34	42	191	35
③ NOI(①-②)	21,769	11,722	31,969	92,294	24,924
④ Depreciation	3,662	1,195	4,889	11,776	4,766
⑤ Operating income (loss) from real estate leasing (③-④)	18,106	10,526	27,080	80,518	20,158

(Unit: thousand yen)

Property Number	R-09	H-01	H-02	H-03	H-04
Property	LUXENA HONATSUGI	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	Arietta Hotel Nagoya
① Lease business revenue	22,334	76,500	63,305	74,958	10,416
Lease business revenue	20,567	76,500	62,647	74,958	10,416
Other lease business revenue	1,766	-	657	-	-
② Operating expenses from real estate leasing	5,484	8,863	11,010	8,236	6,214
Management fee	3,194	765	1,290	749	-
Utilities expenses	520	750	-	-	-
Taxes and dues	8	6,866	5,213	7,296	5,727
Insurance premium	48	144	162	171	79
Repair expenses	1,657	-	3,905	-	-
Trust fee	-	300	400	-	375
Other expenses	55	38	37	18	32
③ NOI(①-②)	16,849	67,636	52,295	66,721	4,202
④ Depreciation	2,925	19,220	14,639	27,209	8,790
⑤ Operating income (loss) from real estate leasing (③-④)	13,924	48,415	37,655	39,511	△4,588

(Unit: thousand yen)

Property Number	C-01	C-02	C-03	C-04	C-05
Property	Prio Daimyo II	Co-op Sapporo Shunko	TA Shonan Kugenumakaigan	Almost Blue	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho
⑥ Lease business revenue	27,902	41,760	16,997	132,352	(Note)
Lease business revenue	24,809	41,760	15,816	128,635	(Note)
Other lease business revenue	3,093	-	1,180	3,716	(Note)
⑦ Operating expenses from real estate leasing	5,704	5,320	3,042	21,086	(Note)
Management fee	1,233	417	1,058	5,208	(Note)
Utilities expenses	2,169	-	1,026	3,482	(Note)
Taxes and dues	1,776	3,940	924	8,476	(Note)
Insurance premium	18	96	15	63	(Note)
Repair expenses	73	530	-	478	(Note)
Trust fee	400	300	-	375	(Note)
Other expenses	34	35	19	3,002	(Note)
⑧ NOI(①-②)	22,197	36,439	13,954	111,266	153,992
⑨ Depreciation	1,118	7,760	1,365	3,944	15,599
⑩ Operating income (loss) from real estate leasing (③-④)	21,079	28,679	12,588	107,321	138,392

(Unit: thousand yen)

Property Number	C-06
Property	Kaden Sumairu Kan YAMADA Kobe Trumi (Land)
⑥ Lease business revenue	(Note)
Lease business revenue	(Note)
Other lease business revenue	(Note)
⑦ Operating expenses from real estate leasing	(Note)
Management fee	(Note)
Utilities expenses	(Note)
Taxes and dues	(Note)
Insurance premium	(Note)
Repair expenses	(Note)
Trust fee	(Note)
Other expenses	(Note)
⑧ NOI(①-②)	104,112
⑨ Depreciation	-
⑩ Operating income (loss) from real estate leasing (③-④)	104,112

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

(d) Summary of Appraisal value

Category	Property Number	Property	Appraisals	Appraisal value (in million)	Direct Capitalization Method		Discounted Cash Flow Method			Appraisal NOI (in million)	Appraisal NOI Yield (%)
					Price based on direct capitalization method (in million)	Capitalization rate (%)	Price based on DCF method (in million)	Discount rate (%)	Terminal Cap rate (%)		
Office	O-01	NT Building	Japan Real Estate Institute	13,400	13,700	3.9	13,100	3.6	4.1	556	4.5
	O-02	Higashi-Ikebukuro Central Place	Japan Real Estate Institute	10,600	10,800	3.9	10,400	3.7	4.1	426	4.4
	O-03	Nagoya Center Plaza Building	Japan Real Estate Institute	4,900	4,960	4.9	4,840	4.7	5.1	264	5.4
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	3,950	4,000	4.6	3,930	4.4	4.8	191	5.5
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	3,610	3,720	4.4	3,560	4.2	4.6	177	5.1
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	2,780	2,810	4.3	2,770	4.1	4.5	123	4.9
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	1,940	1,950	4.2	1,940	4.0	4.4	90	6.1
	O-09	L.Biz Jimbocho Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,140	1,170	3.8	1,120	3.9	4.0	45	4.5
	O-10	Shinsaibashi Building	Daiwa Real Estate Appraisal Co., Ltd.	777	800	4.3	767	4.1	4.5	39	5.1
	O-11	L.Biz Sendai	JLL Morii Valuation & Advisory K.K.	1,840	1,870	4.7	1,810	4.5	4.9	94	5.6
	O-12	Sendai Nikko Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,800	1,890	4.3	1,760	4.4	4.5	88	5.1
	O-13	Morioka Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	1,710	1,710	5.8	1,710	5.6	6.0	105	7.1
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	993	999	5.7	991	5.5	5.9	64	7.2
	O-15	EME Koriyama Building	Daiwa Real Estate Appraisal Co., Ltd.	1,030	1,020	5.7	1,040	5.5	5.9	65	7.3
	O-16	Utsunomiya Central Building	Daiwa Real Estate Appraisal Co., Ltd.	993	1,010	5.5	985	5.3	5.7	67	8.7
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	683	696	5.7	678	5.5	5.9	45	7.6
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	730	753	3.6	720	3.4	3.8	28	4.2
	Subtotal/Average				52,876	53,858	-	52,121	-	-	2,477

Category	Property Number	Property	Appraisals	Appraisal value (in million)	Direct Capitalization Method		Discounted Cash Flow Method			Appraisal NOI (in million) (注1)	Appraisal NOI Yield (%) (注2)
					Price based on direct capitalization method (in million)	Capitalization rate (%)	Price based on DCF method (in million)	Discount rate (%)	Terminal Cap rate (%)		
Residence	R-01	Amare Tokaidori	Tanizawa Sōgō Appraisal Co., Ltd.	1,240	1,260	4.6	1,230	4.7	4.8	60	5.5
	R-02	Dormy Ukimafunado	JLL Morii Valuation & Advisory K.K.	1,140	1,160	4.5	1,120	4.3	4.7	57	5.3
	R-03	Benefis Hakata-Minami Grand Sweet	Tanizawa Sōgō Appraisal Co., Ltd.	1,110	1,120	4.7	1,100	4.8	4.9	55	5.3
	R-04	LUXENA HIGASHI-KOENJI	Tanizawa Sōgō Appraisal Co., Ltd.	1,080	1,100	4.0	1,070	4.1	4.2	45	4.3
	R-05	Alpha Space Toritsudai	Daiwa Real Estate Appraisal Co., Ltd.	621	632	3.9	616	3.7	4.1	27	4.7
	R-06	J City Hatchobori	Tanizawa Sōgō Appraisal Co., Ltd.	1,290	1,300	4.8	1,280	4.9	5.0	64	5.4
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	4,350	4,440	4.0	4,310	3.8	4.2	181	4.6
	R-08	LUXENA KACHIDOKI	Chuo Real Estate Appraisal Co., Ltd.	1,250	1,260	3.8	1,240	3.6	4.0	48	4.3
	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	740	750	4.8	735	4.6	5.0	38	5.5
	Subtotal/Average				12,821	13,022	-	12,701	-	-	579
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	2,060	5.1	2,090	4.9	5.3	116	5.8
	H-03	Dormy Inn Morioka	Chuo Real Estate Appraisal Co., Ltd.	2,530	2,560	4.9	2,510	4.7	5.1	128	5.1
	H-04	Arietta Hotel Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,170	2,340	4.2	2,100	4.0	4.4	108	4.3
	Subtotal/Average				9,330	9,470	-	9,260	-	-	485
Retail and other assets	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	1,120	1,140	4.0	1,110	3.8	4.2	46	4.7
	C-02	Co-op Sapporo Syunko	Chuo Real Estate Appraisal Co., Ltd.	1,100	1,100	6.2	1,100	6.0	6.4	70	6.8
	C-03	TA Shonan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	570	578	4.7	567	4.5	4.9	27	5.5
	C-04	Almost Blue	Tanizawa Sōgō Appraisal Co., Ltd.	7,210	7,460	3.1	7,100	3.0/3.1/3.2	3.3	231	3.5
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Japan Real Estate Institute	4,410	4,450	6.8	4,370	6.5	7.0	300	7.4
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Japan Real Estate Institute	4,420	4,470	4.7	4,370	4.1	0.0	208	4.9
Subtotal/Average				18,830	19,198	-	18,617	-	-	883	5.1
Total/Average				93,857	95,548	-	92,699	-	-	4,426	5.1

(e) Engineering, Environmental and Seismic Reviews

Category	Property Number	Property	Surveyor	Survey date	Emergency repair expenses (in thousand) (Note1)	Short-term repair expenses (in thousand) (Note1)	Long-term repair expenses (in thousand) (Note2)	Repurchase price (in million) (Note3)	PML (%) (Note4)
Office	O-01	NT Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	37,390	4,752	1.2
	O-02	Higashi-Ikebukuro Central Place	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	14,178	2,796	2.9
	O-03	Nagoya Center Plaza Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	34,889	4,302	2.2
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	14,593	1,485	4.8
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	—	—	19,719	1,722	9.5
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	—	—	8,878	1,282	2.3
	O-08	Chuo Bakuromachi Building	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	—	—	13,470	1,348	5.5
	O-09	L.Biz Jimbocho Building	Tokio Marine & Nichido Risk Consulting 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 & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	11,246	1,376	2.3
	O-12	Sendai Nikko Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	13,645	1,065	2.0
	O-13	Morioka Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	12,052	1,878	7.0
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	11,910	1,330	6.7
	O-15	EME Koriyama Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	11,476	1,142	2.3
	O-16	Utsunomiya Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	15,560	1,163	2.3
	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
	Residence	R-01	Amare Tokaidori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	4,321	714
R-02		Dormy Ukimafunado	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	8,498	545	6.9
R-03		Benefis Hakata-Minami Grand Sweet	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	4,107	681	2.5
R-04		LUXENA HIGASHI-KOENJI	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	2,229	355	4.6
R-05		Alpha Space Toritsudai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	3,246	263	4.5
R-06		J City Hatchobori	Tokio Marine & Nichido Risk Consulting 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 & Nichido Risk Consulting Co., Ltd.	June 2019	—	—	719	346	4.2
R-09		LUXENA KACHIDOKI	Daiwa Real Estate Appraisal Co., Ltd.	February 2020	—	—	4,333	448	12.7
Hotel	H-01	Dormy Inn Matsuyama	Tokio Marine & Nichido Risk Consulting 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 & Nichido Risk Consulting Co., Ltd.	May 2019	—	—	665	1,453	5.5
	H-04	Arietta Hotel Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	—	—	142	700	4.2

Category	Property Number	Property	Surveyor	Survey date	Emergency repair expenses (in thousand) (Note1)	Short-term repair expenses (in thousand) (Note1)	Long-term repair expenses (in thousand) (Note2)	Repurchase price (in million) (Note3)	PML (%) (Note4)
Retail and other assets	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	March 2018	—	—	1,458	166	4.4
	C-02	Co-op Sapporo Syunko	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	6,186	882	0.9
	C-03	TA Shinan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	March 2019	—	—	448	123	14.5
	C-04	Almost Blue	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	—	—	3,255	561	9.9
	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)	—	—	—	—	—	—	—

(Note1) "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.

(Note2) "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.

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

(Note4) PML of portfolio is 1.1%.

(3) Capital expenditure of investment assets

① Scheduled capital expenditure

As for the assets held by the Investment Corporation as of August 31, 2020, the major planned amount of capital expenditure accompanying the renovation work etc. for the February 28, 2021 is as follows. In addition, the following planned amount of construction may occasionally be booked as repair expenses.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Planned amount(thousand yen)		
				Total	Current payment amount	Total spending
Nagoya Center Plaza Building	Nagoya, Aichi	Large-scale repair	From June 2020 To December 2020	76,630	-	-
Morioka Ekimae-dori Building	Morioka, Iwate	Mechanical parking lot	From September 2020 To December 2020	20,000	-	-
Nagano Central Building	Nagano, Nagano	Air conditioning renewal	From September 2020 To October 2020	22,516	-	-
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Elevator equipment renewal	From September 2020 To November 2020	33,950	-	-

② Capital expenditure during the period

The major constructions etc. corresponding to the capital expenditure in the fiscal period ended August 31, 2020 are as follows. The construction corresponding to the capital expenditure of the assets held as a whole in the 5th fiscal period is 276,711 thousand yen, and together with the repair expenses of 38,282 thousand yen, a total of 314,994 thousand yen is being implemented.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Amount (thousand yen)
Nagoya Center Plaza Building	Nagoya, Aichi	Large-scale repair	From January 1, 2020 To May 31, 2020	73,109
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Power receiving and transforming equipment construction	From December 1, 2019 To March 17, 2020	20,180
		Air conditioning renewal	From April 1, 2020 To June 24, 2020	25,380
Total				118,669

③ Reserve for long-term repair plan

Not applicable.