

Replacement of Assets in 8th Fiscal Period and Revision of Financial Forecasts for 8th and 9th Fiscal Periods

- Comprehensively taking into account the future cash flows and the standpoint of securement of stable profits, we disposed two office properties and acquired one residential property

Properties disposed/to be disposed

Disposed on October 20, 2021

Office



Nagano Central Building

Disposition price 778 million JPY

Entered into sales agreement on October 20,
To be disposed on November 19, 2021

Office



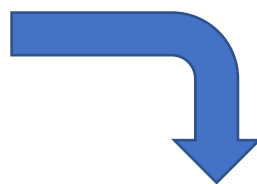
SAMTY Shin-Osaka Center Building

Planned disposition price

4,000 million JPY

Total disposition price 4,778 million JPY

Acquisition of a new property



Distributions of gains on disposal properties to unitholders

Retained part of gains on disposal properties to be utilized for stable distributions thereafter

Property acquired

Residence
R-19

MARE Isogo Building
(Entered into an agreement on October 20, 2021)



Item	Overview
Planned acquisition price	1,900 million JPY
Appraisal value	2,100 million JPY
Total floor area	3,100.08㎡
Appraisal NOI yield	5.6%
Appraisal NOI yield after depreciation	4.6%
Address	1-7-6 Mori, Isogo-ku, Yokohama-shi, Kanagawa
Access	A 1-minute walk from Isogo Station on the JR Negishi Line
Usage	Residence
Completed	June 1997
Seller	Undisclosed
Planned acquisition date	November 25, 2021
Occupancy rate (as of September 30, 2021)	100%



Total acquisition price

1,900 million JPY

Revision of Financial Forecasts for 8th and 9th Fiscal Periods

(Unit: million JPY)

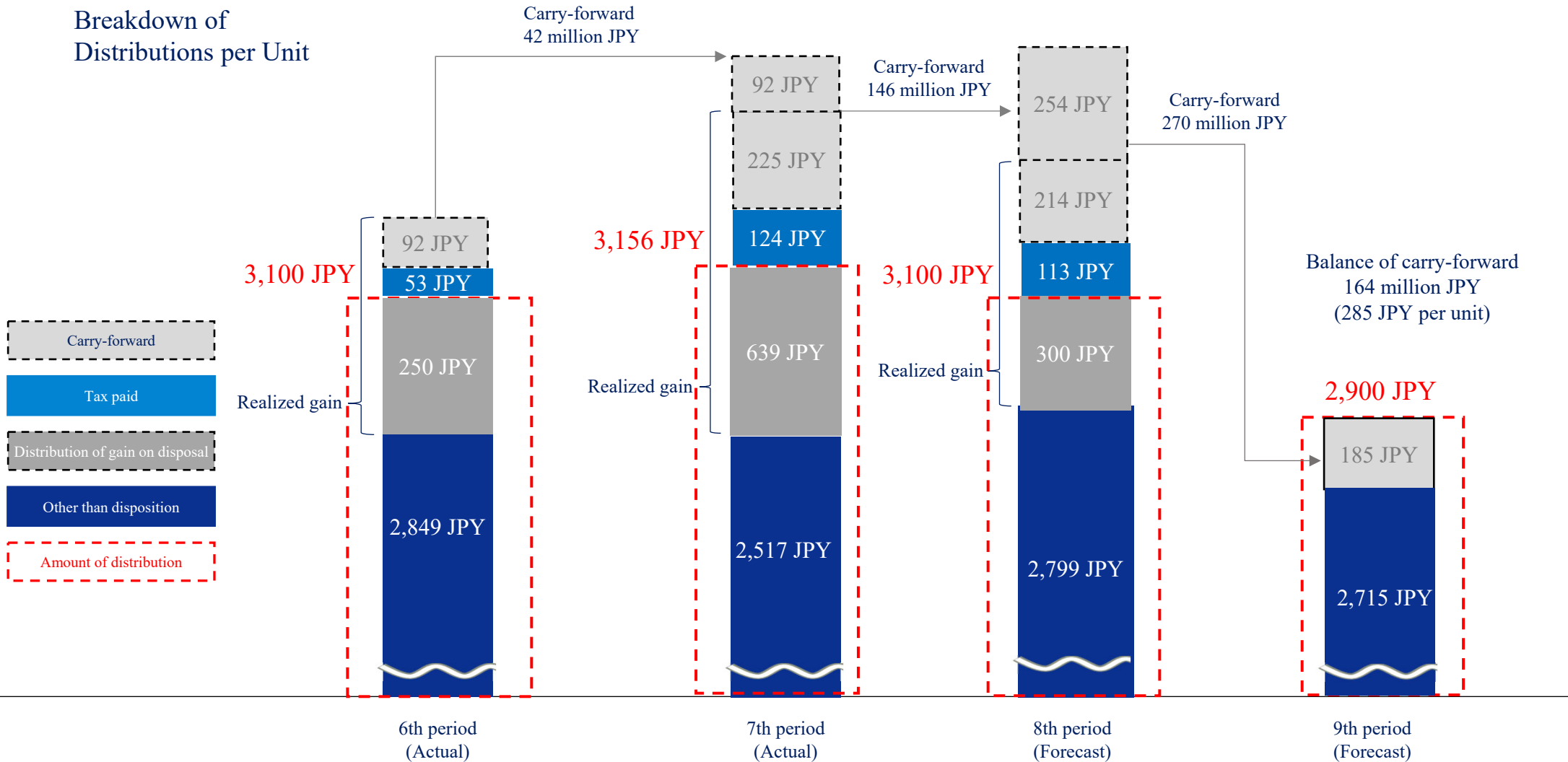
	8th period Initial forecast	8th period Revised forecast	Difference	Major Factors
Number of Days in Operation	181 days	181 days	—	—
Operating Revenue (million JPY)	3,353	3,803	+449	+518 Recording of gain on disposal property (SAMTY Shin-Osaka) -68 Decrease in revenue during the period due to asset replacement
Operating Income (million JPY)	1,977	2,262	+285	+449 Increase in operating revenue -156 Recording of loss on sales of real estate property (Nagano Central) +24 Decrease in rental expenses due to asset replacement -32 Increase in SGA expenses (management fees, taxes and dues)
Ordinary Income (million JPY)	1,687	1,972	+285	+285 Increase in operating income
Net Income (million JPY)	1,685	1,905	+220	+285 Increase in ordinary income +65 Increase in income taxes
Total Amount of Distributions (million JPY)	1,725	1,782	+57	+220 Increase in net income -163 Initial allocation of retained earnings +40, retained earnings after revision -123
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,000	3,100	+100	Total number of investment units issued and outstanding at the end of the period: 575,000 units

	9th period Initial forecast	9th period Revised forecast	Difference	Major Factors
Number of Days in Operation	184 days	184 days	—	—
Operating Revenue (million JPY)	3,398	3,320	-77	-77 Decrease in revenue during the period due to asset replacement
Operating Income (million JPY)	1,865	1,858	-7	-77 Decrease in operating revenue +75 Decrease in rental expenses due to asset replacement -5 Increase in SGA expenses
Ordinary Income (million JPY)	1,569	1,562	-7	-7 Decrease in operating income
Net Income (million JPY)	1,568	1,561	-7	-7 Decrease in ordinary income
Total Amount of Distributions (million JPY)	1,610	1,667	+57	-7 Decrease in declared profit +64 Increase in allocation to retained earnings
Distributions per Unit (including distributions in excess of earnings) (JPY)	2,800	2,900	+100	Total number of investment units issued and outstanding at the end of the period: 575,000 units

Retained Earnings from Gains on Disposal Properties

- In order to make stable distributions, part of the gain on disposal properties generated in the 6th, 7th and 8th periods are retained and carried forward to the 9th period

Breakdown of Distributions per Unit



Note 1: The amounts calculated by dividing the amount of each item by the total number of investment units issued and outstanding have been rounded down to the nearest JPY, so some portions do not equal the total amount.
 Note 2: Deferred hedge losses, a deduction of net assets, are assumed not to occur.
 Note 3: The number of investment units issued and outstanding for the 6th and 7th periods is 462,500 units and that for the 8th and 9th periods is 575,000 units.

