

**(REIT) Financial Report for Fiscal Period Ended February 28, 2021****April 13, 2021**

REIT Securities Issuer: Takara Leben Real Estate Investment Corporation  
 Securities Code: 3492  
 Representative: Masayuki Ishihara, Executive Director  
 Asset Management Company: Takara PAG Real Estate Advisory Ltd.  
 Representative: Tetsuo Saida, President  
 Contact: Tetsu Kasuga, Director and Chief Financial Officer  
 TEL: +81-3-6435-5264

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

Scheduled date of commencement of cash distribution payment: May 14, 2021  
 Scheduled date of submission of securities report: May 28, 2021  
 Preparation of supplementary financial results briefing materials: Yes  
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

**1. Financial Results for Fiscal Period Ended February 28, 2021 (from September 1, 2020 to February 28, 2021)****(1) Operating Results**

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

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended February 28, 2021	2,874	4.5	1,702	5.7	1,500	7.2	1,476	5.5
Ended August 31, 2020	2,750	△10.6	1,611	△15.8	1,399	△18.0	1,399	△18.0

Fiscal period	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	yen	%	%	%
Ended February 28, 2021	3,192	3.2	1.6	52.2
Ended August 31, 2020	3,024	3.0	1.5	50.9

**(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 February 28, 2021	3,100	1,433	—	—	3,100	1,433	97.1	3.1
Ended August 31, 2020	3,025	1,399	4	1	3,029	1,400	100.0	3.0

(Note1) In the period ending August 2020, the distribution in excess of gain per unit is reserved for adjustment of temporary differences due to non-agreement of the Tax Entity over Income related to asset retirement liability, etc. and there is no reduction in the allocation of shares, etc. under the Tax Act.

(Note2) The difference between the total amount of dividends (excluding excess profit distributions) and net income for the year ended February 28, 2021 was attributable to the fact that a portion of net income was retained in order to stabilize dividends per unit in the future.

**(3) Financial Position**

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended February 28, 2021	94,380	46,644	49.4	100,853
Ended August 31, 2020	94,466	46,553	49.3	100,656

**(4) Cash Flows**

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Ended February 28, 2021	7,220	△339	△1,400	9,039
Ended August 31, 2020	2,110	△894	△1,873	3,558

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

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

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	million yen
Ending August 31, 2021	2,979	3.7	1,787	5.0	1,562	4.1	1,517	2.8	3,100	-	3,100
Ending February 28, 2022	2,570	△13.7	1,440	△19.4	1,216	△22.2	1,215	△19.9	2,896	4	2,900

(Reference) Forecast net income per unit (fiscal period ending August 31, 2021) 3,280 yen

Forecast net income per unit (fiscal period ending February 28, 2022) 2,627 yen

(Note1) For the fiscal period ending August 31, 2021, a portion of the gain from the sale of real estate is planned to be reserved and the amount obtained by deducting the retained earnings from the net income is distributed as a profit distribution. For the fiscal period ending February 28, 2022, the amount obtained by adding a portion of the retained earnings carried forward from the previous fiscal period to the net income is distributed as a profit distribution. Therefore, the projected amount of net income per unit for each fiscal period (excluding excess profit distribution) differs from the projected amount of net income per unit.

(Note2) 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 February 28, 2021 : 462,500 units

Fiscal Period Ended August 31, 2020 : 462,500 units

- ② Number of treasury units at the end of the period

Fiscal Period Ended February 28, 2021 : 0 units

Fiscal Period Ended August 31, 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 27.

(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 earnings. For notes regarding assumptions underlying these forecasts, please refer to “Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2021 and February 28, 2022.” on page 3.

Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending  
August 31, 2021 and February 28, 2022

Item	Assumptions																																							
Calculation period	<ul style="list-style-type: none"><li>• The 7th fiscal period: March 1, 2021 to August 31, 2021 (184 days)</li><li>• The 8th fiscal period: September 1, 2021 to February 28, 2022 (181 days)</li></ul>																																							
Property portfolio	<ul style="list-style-type: none"><li>• The trust beneficiary interest (28 properties) and real estate (7 properties) related to real estate owned as of the date of this document, plus the Yoyogi 1-chome Building scheduled to be acquired on April 30, 2021 and the Big Motor Sapporo Kiyota Store (Land) scheduled to be acquired by May 10, 2021, for a total of 37 properties (the "Owned Assets"), are assumed to have no change in assets under management (acquisition of new properties, disposal of owned properties, etc.) by the end of the February 28,2022 (8th fiscal period).</li><li>• The actual property portfolio may vary due to the acquisition of new properties or the disposal of Existing Properties, etc.</li></ul>																																							
Operating revenues	<ul style="list-style-type: none"><li>• Operating revenues from the Existing Properties(except for Yoyogi 1-chome Building and Big Motor Sapporo Kiyota Store (Land))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.</li><li>• Gain on transfer of Almost Blue is expected to be 416 million yen in the fiscal period ending August 31, 2021 (7th fiscal period).</li><li>• Considering influence of the new Corona Virus Infectious Disease (COVID-19), the Investment Corporation calculated the operating revenues.</li><li>• Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant.</li></ul>																																							
Operating expenses	<ul style="list-style-type: none"><li>• The main operating expenses are as follows:<table><tr><td></td><td>(millions of yen unless otherwise noted)</td><td></td></tr><tr><td></td><td>Fiscal period ending</td><td>Fiscal period ending</td></tr><tr><td></td><td>August 31, 2021</td><td>February 28, 2022</td></tr><tr><td></td><td>(the 7th fiscal period)</td><td>(the 8th fiscal period)</td></tr><tr><td>Property-related expenses total</td><td>914 million yen</td><td>874 million yen</td></tr><tr><td>Subcontract expenses</td><td>169 million yen</td><td>174 million yen</td></tr><tr><td>(Maintenance expenses)</td><td>127 million yen</td><td>133 million yen</td></tr><tr><td>(Property management fee)</td><td>41 million yen</td><td>40 million yen</td></tr><tr><td>Repair expenses</td><td>105 million yen</td><td>39 million yen</td></tr><tr><td>Tax and dues</td><td>181 million yen</td><td>180 million yen</td></tr><tr><td>Depreciation</td><td>330 million yen</td><td>341 million yen</td></tr><tr><td>Non-property-related expenses total</td><td>276 million yen</td><td>255 million yen</td></tr><tr><td>Asset management fees</td><td>154 million yen</td><td>134 million yen</td></tr></table></li><li>• 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.</li><li>• Depreciation expenses are calculated using the straight-line depreciation method, including certain ancillary expenses.</li><li>• Fixed asset taxes for assets held for the years ended August 31, 2021 (the 7th fiscal year) and February 28, 2022 (the 8th fiscal year) are estimated based on fixed asset taxes and city planning taxes for the previous fiscal year. Of the assets held, Aeon Style Onomichi (Land), Big Motor Sapporo Kiyoda Store (Land), DCM Daiki Onomichi Store (Land), Luxena Kadoma and Yoyogi 1-chome Building are calculated on a pro rata basis with the previous owners for the purchase and sale of real estate, etc., and are settled at the time of acquisition, and the portion equivalent to the settlement amount is included in the acquisition cost. Therefore, they are not recorded as expenses in the fiscal years ended August 31, 2021 (7th fiscal period) and February 28, 2022 (8th fiscal period). Property taxes and city planning taxes of the relevant assets will be charged to income from the 9th fiscal period ended August 31, 2022.</li><li>• 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</li></ul>		(millions of yen unless otherwise noted)			Fiscal period ending	Fiscal period ending		August 31, 2021	February 28, 2022		(the 7th fiscal period)	(the 8th fiscal period)	Property-related expenses total	914 million yen	874 million yen	Subcontract expenses	169 million yen	174 million yen	(Maintenance expenses)	127 million yen	133 million yen	(Property management fee)	41 million yen	40 million yen	Repair expenses	105 million yen	39 million yen	Tax and dues	181 million yen	180 million yen	Depreciation	330 million yen	341 million yen	Non-property-related expenses total	276 million yen	255 million yen	Asset management fees	154 million yen	134 million yen
	(millions of yen unless otherwise noted)																																							
	Fiscal period ending	Fiscal period ending																																						
	August 31, 2021	February 28, 2022																																						
	(the 7th fiscal period)	(the 8th fiscal period)																																						
Property-related expenses total	914 million yen	874 million yen																																						
Subcontract expenses	169 million yen	174 million yen																																						
(Maintenance expenses)	127 million yen	133 million yen																																						
(Property management fee)	41 million yen	40 million yen																																						
Repair expenses	105 million yen	39 million yen																																						
Tax and dues	181 million yen	180 million yen																																						
Depreciation	330 million yen	341 million yen																																						
Non-property-related expenses total	276 million yen	255 million yen																																						
Asset management fees	154 million yen	134 million yen																																						

	substantially different from the expected amount due to certain unexpected factors.
--	---

Non-operating expenses	<ul style="list-style-type: none"> <li>• 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, 15 million yen, and 6 million yen are expected for the fiscal periods ending August 28, 2021 (the 7th fiscal period), and February 28, 2022 (the 8th fiscal period), respectively.</li> <li>• For interest expenses and other borrowing-related costs, 209 million yen, and 217 million yen are expected for the fiscal periods ending August 31, 2021 (the 7th fiscal period), and February 28, 2022 (the 8th fiscal period), respectively.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• It is assumed that the total amount of interest-bearing debt will be 43,400 million yen, and 43,400 million yen as of the end of the fiscal periods ending August 31, 2021 (the 7th fiscal period), and February 28, 2022 (the 8th fiscal period), respectively.</li> <li>• The LTV ratio is expected to be around 45.9%, and 46.0% as of the end of the fiscal periods ending August 31, 2021 (the 7th fiscal period), and February 28, 2022 (the 8th fiscal period), respectively.</li> <li>• The LTV ratio is calculated using the following formula:  <math display="block">\text{LTV ratio} = \text{Total amount of interest-bearing debt as of the end of the fiscal period} / \text{Total assets as of the end of the fiscal period} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• 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 February 28, 2022 (the 8th fiscal period).</li> </ul>
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> <li>• 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.</li> <li>• For the fiscal period ending August 31, 2021 (7th fiscal period), it is assumed that a portion of the gain on sale of real estate will be reserved and that the amount of net income less the amount of such retained earnings will be distributed as a distribution of profit.</li> <li>• For the fiscal period ended February 28, 2022 (8th fiscal year), it is assumed that the amount obtained by adding a portion of the reserve carry-forwarded in addition to the net benefit will be distributed as a benefit allotment.</li> <li>• 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.</li> </ul>
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>• The Company expects to record a provision for temporary difference adjustment of 1 million yen in the fiscal period ending February 28, 2022 (8th fiscal period) for discrepancies in tax associations associated with the recording of asset retirement obligation-related expenses, etc. In addition, it is assumed that the distribution in excess of earnings per unit (allowance for temporary difference adjustment) will be made in the February 28, 2022 (8th fiscal period) at 4 yen per unit.</li> <li>• It is assumed that no deferred losses on hedges will be incurred, which is an item of deduction from net assets.</li> <li>• 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.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 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.</li> <li>• It is assumed that there will be no unexpected significant change in general economic trends, real estate market conditions, etc.</li> </ul>

### 3. Financial Statements

#### (1) Balance Sheets

(Unit: thousand yen)

	5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	4,397,467	9,815,530
Cash and deposits in trust	1,820,275	1,633,984
Operating accounts receivable	81,477	68,991
Prepaid expenses	161,627	141,760
Other current assets	3,968	5,204
Total current assets	6,464,817	11,665,471
Fixed assets		
Tangible fixed assets		
Buildings	2,558,539	2,561,283
Accumulated depreciation	△75,890	△108,057
Buildings, net	2,482,648	2,453,225
Structures	9,641	9,641
Accumulated depreciation	△237	△325
Structures, net	9,404	9,315
Machinery and equipment	47,540	47,540
Accumulated depreciation	△2,377	3,565
Machinery and equipment, net	45,163	43,975
Tools, furniture and fixtures	1,474	6,256
Accumulated depreciation	△52	△305
Tools, furniture and fixtures, net	1,422	5,950
Land	1,941,786	1,941,786
Buildings in trust	21,350,792	19,378,728
Accumulated depreciation	△1,136,053	△1,275,705
Buildings in trust, net	20,214,739	18,103,023
Structures in trust	70,976	70,135
Accumulated depreciation	△2,322	△3,155
Structures in trust, net	68,654	66,980
Tools, furniture and fixtures in trust	22,041	23,385
Accumulated depreciation	△3,958	△4,583
Tools, furniture and fixtures in trust, net	18,083	18,801
Land in trust	62,084,806	59,240,117
Construction in progress in trust	—	718
Total tangible assets	86,866,710	81,883,896
Intangible assets		
Leasehold in trust	757,993	530,595
Software	3,575	3,025
Total intangible assets	761,568	533,620
Investments and other assets		
Long-term prepaid expenses	314,579	255,546
Deferred tax assets	15	2,145
Security deposits	11,000	11,000
Other assets	10	10
Total investments and other assets	325,605	268,701
Total fixed assets	87,953,883	82,686,217
Deferred assets		
Investment unit issuance costs	47,897	28,447
Total deferred assets	47,897	28,447
Total assets	94,466,599	94,380,136

(Unit: thousand yen)

	5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	263,922	226,592
Current portion of long-term loans payable	10,000,000	10,000,000
Current portion of tenant leasehold and security deposits in trust	50,973	50,973
Accounts payable	179,395	184,653
Accrued expenses	16,172	15,940
Income tax payable	930	26,793
Accrued consumption tax, etc.	117,180	319,699
Advances received	14,901	11,196
Derivative liabilities	10,301	3,865
Other current liabilities	4,421	5,970
Total current liabilities	10,658,200	10,845,683
Non-current liabilities		
Long-term loans payable	33,400,000	33,400,000
Tenant leasehold and security deposits	112,236	114,695
Tenant leasehold and security deposits in trust	3,636,234	3,277,646
Asset retirement obligations	87,966	88,298
Derivative liabilities	18,404	9,237
Total non-current liabilities	37,254,841	36,889,877
Total liabilities	47,913,041	47,735,560
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	45,189,272	45,189,272
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	※ 1 △68,263	※ 1 △36,882
Total deduction from unitholders' capital	△68,263	△36,882
Unitholders' capital, net	45,121,008	45,152,389
Surplus		
Retained earnings	1,461,254	1,505,288
Total surplus	1,461,254	1,505,288
Total unitholders' equity	46,582,262	46,657,677
Valuation and translation adjustments		
Deferred gains or losses on hedges	△28,705	△13,102
Total valuation and translation adjustments	△28,705	△13,102
Total net assets	※ 2 46,553,557	※ 2 46,644,575
Total liabilities and net assets	94,466,599	94,380,136

## ( 2 ) Statements of Income

(Unit: thousand yen)

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Operating revenues		
Rental revenue	※ 1 2,571,893	※ 1 2,508,637
Other rental revenue	※ 1 155,903	※ 1 179,152
Gain on sales of real estate properties	※ 2 23,114	※ 2 186,233
Total operating revenue	2,750,910	2,874,022
Operating expenses		
Expenses related to property rental business	※ 1 917,393	※ 1 915,785
Loss on sales of real estate property		※ 3 3,029
Asset management fee	144,736	149,329
Asset custody and administrative service fees	17,952	18,432
Directors' compensations	2,400	2,400
Taxes and dues	15,931	24,621
Other operating expenses	41,208	57,669
Total operating expenses	1,139,622	1,171,268
Operating income	1,611,288	1,702,753
Non-operating income		
Interest income	30	37
Refund of property taxes	-	19,922
Income from insurance claim	-	817
Other	92	-
Total non-operating income	122	20,778
Non-operating expenses		
Interest expenses	125,873	135,940
Borrowing related expenses	66,108	67,143
Amortization of investment unit issuance costs	19,450	19,450
Total non-operating expenses	211,432	222,535
Ordinary income	1,399,979	1,500,997
Income before income taxes	1,399,979	1,500,997
Income taxes - current	935	26,798
Income taxes - deferred	4	△2,129
Total income taxes	939	24,669
Net income	1,399,039	1,476,327
Retained earnings brought forward	62,215	28,961
Unappropriated retained earnings	1,461,254	1,505,288

## ( 3 ) Statements of Unitholders' Equity

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	46,891,236
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



6th fiscal period (from September 1, 2020 to February 28, 2021)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Unitholders' capital, net
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Retained earnings	Total surplus	
		Allowance for temporary difference adjustment	Total capital deduction				
Balance at the beginning of the period	45,189,272	△68,263	△68,263	45,121,008	1,461,254	1,461,254	46,582,262
Changes during the period							
Dividends of surplus					△1,399,062	△1,399,062	△1,399,062
Reversal of allowance for temporary difference adjustments		33,230	33,230	33,230	△33,230	△33,230	-
Excess profit distribution by provision for temporary difference adjustment		△1,850	△1,850	△1,850			△1,850
Net income					1,476,327	1,476,327	1,476,327
Net changes of items other than unitholders' equity							
Total changes during the period	-	31,380	31,380	31,380	44,034	44,034	75,414
Balance at the end of the period	※ 1 45,189,272	△36,882	△36,882	45,152,389	1,505,288	1,505,288	46,657,677

(Unit: thousand yen)

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

## (4) Statements of Cash Distribution

(Unit: yen)

Category	5th fiscal period From: March 1,2020 To: August 31, 2020	6th fiscal period From: September 1,2020 To: February 28, 2021
I Unappropriated retained earning	1,461,254,294	1,505,288,631
II Addition of cash distribution in excess of earnings	1,850,000	—
Of which, allowance for temporary difference adjustment	1,850,000	—
III Total investment amount	33,230,645	15,603,377
[Of which, Temporary difference adjustment reserve reversal]	33,230,645	15,603,377
IV Cash distribution	1,400,912,500	1,433,750,000
[Cash distribution per unit]	(3,029)	(3,100)
Of which, cash distribution of earnings	1,399,062,500	1,433,750,000
[Of which, cash distribution of earnings per unit]	(3,025)	(3,100)
Of which, allowance for temporary difference adjustment	1,850,000	—
[Of which, cash distribution in excess of earnings per unit (attributable to allowance for temporary difference adjustment)]	(4)	(—)
V Retained earnings carried forward	28,961,149	55,935,254
Method of calculation of amount of cash distribution	<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, Item30 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>The amount shall exceed the amount equivalent to 90/100 of the amount of dividends available to the Investment Corporation as stipulated in Article 36, Paragraph 1 (1) of the Articles of Incorporation and Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Company decided to reserve 55,935,254 yen for the profit (excluding distributions in excess of earnings) in order to stabilize future distributions, considering that a 183,203,139 yen gain on sales of real estate, etc. (which is offset by a loss on sales of real estate, etc.) was generated, and to distribute as a profit distribution the entire amount of 1,433,750,000 yen after deducting the reversal of the above retained earnings and the reserve for temporary difference adjustment (which is defined in Article 2, Article 2, Item 30 of the Regulations Concerning the Calculation of Investment Corporations) from unappropriated retained earnings for the period. In addition, in consideration of the impact of the discrepancy in excess of income tax (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations of Japan) on dividends, the Investment Corporation will distribute excess income in accordance with Article 36(1)(ii) of the Rules as an amount equivalent to the discrepancy in excess income tax as determined by the Investment Corporation. However, in the current fiscal year, no distribution in excess of profit was made due to internal reserves.</p>

	<p>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>	
--	--	--

## ( 5 ) Statements of Cash Flow

(Unit: thousand yen)

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Cash flows from operating activities		
Income before income taxes	1,399,979	1,500,997
Depreciation	331,127	326,007
Amortization of investment unit issuance costs	19,450	19,450
Borrowing related expenses	60,473	61,192
Interest income	△30	△37
Interest expenses	125,873	135,940
Decrease (increase) in operating accounts receivable	2,374	10,372
Decrease (increase) in consumption taxes receivable	110,757	—
Increase (decrease) in accrued consumption taxes	117,180	202,519
Decrease (increase) in prepaid expenses	△9,652	8,524
Decrease (increase) in long-term prepaid expenses	7,552	9,232
Increase (decrease) in operating accounts payable	24,839	△32,356
Increase (decrease) in accounts payable	1,805	5,873
Increase (decrease) in advances received	6,721	△3,705
Decrease in disposal of property and equipment in trust	23,115	5,116,480
Other, net	11,085	△2,670
Subtotal	2,232,655	7,357,820
Interest income received	30	37
Interest expenses paid	△122,222	△136,173
Income taxes paid	△223	△936
Net cash provided by operating activities	2,110,239	7,220,748
Cash flows from investing activities		
Purchase of property and equipment	△731,935	△6,194
Purchase of property and equipment in trust	△170,988	△322,127
Proceeds from tenant leasehold and security deposits	2,247	△79
Repayments of tenant leasehold and security deposits	△790	△347
Proceeds from tenant leasehold and security deposits in trust	2,636	2,484
Repayments of tenant leasehold and security deposits in trust	4,715	△12,743
Net cash used in investing activities	△894,114	△339,008
Cash flows from financing activities		
Proceeds from long-term loans	14,835,028	—
Repayment of long-term loans	△15,000,000	—
Payments for loan-related expenses	—	△665
Distributions paid	△1,708,178	△1,400,012
Net cash provided by (used in) financing activities	△1,873,149	△1,400,678
Net increase in cash and cash equivalents	△657,024	5,481,061
Cash and cash equivalents at beginning of period	4,215,156	3,558,132
Cash and cash equivalents at end of period	※1 3,558,132	※1 9,039,193

( 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)</p> <p>The straight-line method is adopted. The useful life of primary property and equipment is as follows:</p> <table><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</p> <p>The straight-line method is adopted. The useful life of primary intangible assets is as follows:</p> <table><tr><td>Software</td><td>5 years</td></tr></table> <p>(3) Long-term prepaid expenses</p> <p>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</p> <p>Investment unit issuance costs are amortized equally over three years.</p>										
3. Standards for revenue and expense recognition	<p>Accounting for property tax, etc.</p> <p>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.</p> <p>In conjunction with real estate and other acquisitions, settlements of property taxes and other taxes for the year that includes the acquisition date paid to the assignee are not recorded as real estate rental expenses but are included in the acquisition cost of the real estate and other. There is no amount equivalent to fixed asset tax, etc. included in the acquisition cost of real estate, etc. in the current fiscal year.</p>										
4. Method of hedge accounting	<p>(1) Hedge accounting approach</p> <p>Deferral hedge accounting is adopted.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: Interest rate swap</p> <p>Hedged items: Interest on loans</p> <p>(3) Hedging policy</p> <p>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</p> <p>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.</p> <p>Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ul style="list-style-type: none"> <li>① Cash and deposits in trust</li> <li>② Buildings, Structures, Tools, furniture and fixtures, Land and Construction in progress in trust</li> <li>③ Current portion of tenant leasehold and security deposits in trust, Security deposits in trust</li> </ul> <p>(2) Accounting for consumption tax, etc.</p> <p>Consumption tax and local consumption tax are accounted for by the tax-excluded method, and non-deductible consumption taxes are treated as expenses incurred. However, non-deductible consumption taxes related to fixed assets are recorded as long-term prepaid expenses and amortized over 5 years.</p>
--	---

(Additional Information)

[Allowance for temporary difference adjustment]

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.

6th fiscal period (From September 1, 2020 to February 28, 2021)

1. Reasons for Reversal, Assets Accrued and Reversal Amount

(Unit: thousand yen)

Item	Reasons for Reversal	Amount for allowance (or reversal)
Deferred gains or losses on hedges	Fluctuations in the market value of derivative transactions	△15,603
Total		△15,603

2. Concrete method of reversal

(1) Deferred gains or losses on hedges

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

## ( 8 ) Notes to the Financial Statements

## [Notes to the Balance Sheet]

## \*1 Allowance for temporary difference adjustment

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.

6th fiscal period (From September 1, 2020 to February 28, 2021)

## 1. Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Initial accrual	Beginning balance	Current period provision amount	Net amount of the reversal	Period-end balance	Concrete method of reversing
Buildings in trust	Excess depreciation from the asset retirement obligations	105,723	6,687	1,850	-	8,537	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820	61,576	-	△33,230	28,345	Fluctuations in the market value of derivative transactions
Total		119,543	68,263	1,850	△33,230	36,882	-

## 2. Concrete method of reversing

## (1) Buildings in trust

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

## (2) Deferred gains or losses on hedges

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

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

(Unit: thousand yen)

5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
50,000	50,000



[Notes to the Statement of Income]

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

	(Unit: thousand yen)			
	5th fiscal period From: March 1, 2020 To: August 31, 2020		6th fiscal period From: September 1, 2020 To: February 28, 2021	
A. Operating revenues from real estate leasing				
Lease business revenue				
Rental revenue	2,245,967		2,207,673	
Common area charges	220,343		208,057	
Parking revenue	83,848		76,901	
Other rental revenue	21,732	2,571,893	16,003	2,508,637
Other lease business revenue				
Utilities reimbursement	133,670		141,105	
Other revenue	22,233	155,903	38,046	179,152
Total operating revenue from real estate leasing		2,727,796		2,687,789
B. Operating expenses from real estate leasing				
Expenses related to property rental business				
Management fee	198,737		193,609	
Utilities expenses	123,980		115,330	
Taxes and dues	203,128		198,912	
Insurance premium	4,626		4,372	
Repair expenses	38,282		62,225	
Trust fee	10,975		10,516	
Depreciation	330,577		325,457	
Other expenses	7,084		5,360	
Total operating expenses from real estate leasing		917,393		915,785
C. Operating income from real estate leasing (A－B)		1,810,403		1,772,003

\*2 Breakdown of gain on sales of real estate properties

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

6th fiscal period (From September 1, 2020 to February 28, 2021)

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

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

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

\*3 Breakdown of loss on sales of real estate properties

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

Not applicable.

6th fiscal period (From September 1, 2020 to February 28, 2021)

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

[Notes to the Statement of Unitholders' Equity]

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

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	462,500 units	462,500 units

[Notes to the Statement of Cash Flows]

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

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Cash and deposits	4,397,467 thousand yen	9,815,530 thousand yen
Cash and deposits in trust	1,820,275 thousand yen	1,633,984 thousand yen
Payment for restricted bank deposit (Note)	△2,659,610 thousand yen	△2,410,320 thousand yen
Cash and cash equivalents	3,558,132 thousand yen	9,039,193 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 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.

The carrying amount, the fair value and the difference between them as of February 28, 2021 are as follows.

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

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

(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 (3,219,935 thousand yen as of Ended August 31,2020 and 2,886,834 thousand yen as of Ended February 28,2021) 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	5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
Tenant leasehold and security deposits (*)	112,236	114,695
Tenant leasehold and security deposits in trust (*)	3,219,935	2,886,834

(\*) 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 (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

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

(Unit: thousand yen)

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

(Note 4) 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	-

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

(Unit: thousand yen)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 3 years	Later than 3 years and not later than 4 years	Later than 4 years and not later than 5 years	Later than 5 years
Short-term loans payable	-	-	-	-	-	-
Long-term loans payable	10,000,000	9,950,000	6,000,000	7,400,000	10,050,000	-
Total	10,000,000	9,950,000	6,000,000	7,400,000	10,050,000	-

[Notes on Securities]

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

Not applicable.

6th fiscal period (As of February 28, 2021)

Not applicable.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

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

Not applicable.

6th fiscal period (As of February 28, 2021)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

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.

6th fiscal period (As of February 28, 2021)

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

(Unit: thousand yen)

Hedge accounting method	Derivative instruments	Hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	15,000,000	5,000,000	△13,102

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

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

[Notes on Retirement Benefits]

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

Not applicable.

6th fiscal period (As of February 28, 2021)

Not applicable.

[Notes on Income Taxes]

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

(Unit: thousand yen)

	5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
Deferred tax assets		
Non-deductible accrued enterprise tax	15	2,145
Asset retirement obligations	27,674	27,778
Deferred consumption taxes	72	63
Deferred gains or losses on hedges	9,030	4,121
Total Deferred tax assets	36,793	34,108
Valuation allowance	△11,846	△7,565
Total Deferred tax assets	24,947	26,543
Deferred tax liabilities		
Building and equipment corresponding to the asset retirement obligations	24,931	24,398
Total Deferred tax liabilities	24,931	24,398
Deferred tax assets, net	15	2,145

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

(Unit:%)

	5th fiscal period (As of August 31, 2020)	6th fiscal period (As of February 28, 2021)
Statutory tax rate	31.46	31.46
(Adjustments)		
Deductible distributions	△31.48	△30.05
Other	0.09	0.23
Effective income tax rate	0.07	1.64

[Notes on Related-Party Transactions]

1. Parent company, etc.

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

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.



2. Affiliated company, etc.

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

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

3. Fellow subsidiary, etc.

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

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

4. Director, major individual unitholder, etc.

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 .

6th fiscal period (from September 1, 2020 to February 28, 2021)

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	149,329	Accounts payable - other	164,262

(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.

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

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

Not applicable.

6th fiscal period (from September 1, 2020 to February 28, 2021)

Not applicable.

[Notes on Asset Retirement Obligations]

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%

6th fiscal period (from September 1, 2020 to February 28, 2021)

1. Asset retirement obligation booked in the balance sheet

(1) Overview

The Investment Corporation has booked the asset retirement obligations required by regulations to remove asbestos from "Nagoya Center Plaza Building" and "Sendai Nikko Building" 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)		
	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Balance at the beginning of the period	87,632	87,966
Increase due to acquisition of tangible fixed assets	-	-
Decrease due to disposition of tangible fixed assets	-	-
Adjustment for passage of time	334	331
Balance at the end of the period	87,966	88,298

[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)

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Carrying amount		
Balance at beginning of period	86,976,954	87,624,703
Amount of increase (decrease) during period	647,748	△5,210,211
Balance at end of period	87,624,703	82,414,491
Fair value at end of period	93,857,000	87,867,000

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

(Note2) Among the increases and decreases during the year under review, the main increases were the acquisition of one real estate (722,402 thousand yen) and capital expenditures (276,711 thousand yen), the main decreases were the transfer of one beneficial interest in the real estate trust (bottom land) (23,115 thousand yen) and depreciation and amortization expenses (330,577 thousand yen), the main increases were capital expenditures (231,725 thousand yen), the main decreases were the transfer of four beneficial interests in the real estate trust (5,116,480 thousand yen) and depreciation and amortization expenses (325,457 thousand yen).

(Note3) The fair value at the end of the period is the appraisal value by an outside real estate appraiser. Of the market value as of February 28, 2021, Almost Blue (70% co-ownership interest) is based on the transfer price (5,047,000 thousand yen) in the contract for purchase and sale of trust beneficiary rights dated February 26, 2021.

The income (loss) concerning investment and rental properties for the fiscal period ended August 31, 2020 (5th fiscal period) and the fiscal period ended February 28, 2021 (6th fiscal period) is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Per Unit Information]

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Net assets per unit	100,656 yen	100,853 yen
Net income per unit	3,024 yen	3,192 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:

	5th fiscal period From: March 1, 2020 To: August 31, 2020	6th fiscal period From: September 1, 2020 To: February 28, 2021
Net income (thousand yen)	1,399,039	1,476,327
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,399,039	1,476,327
Average number of investment units during the period (units)	462,500	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 February 28, 2021 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)	5th fiscal period (As of August 31, 2020)		6th fiscal period (As of February 28, 2021)	
			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	713	0.8
		Major regional cities	-	-	-	-
	Residence	Four major metropolitan areas	719	0.8	720	0.8
		Major regional cities	-	-	-	-
	Hotel	Four major metropolitan areas	-	-	-	-
		Major regional cities	2,496	2.6	2,468	2.6
	Retail and Other	Four major metropolitan areas	508	0.5	507	0.5
		Major regional cities	-	-	-	-
	Subtotal		4,435	4.7	4,410	4.7
Real estate in trust	Office	Four major metropolitan areas	40,055	42.4	40,109	42.5
		Major regional cities	8,094	8.6	4,921	5.2
	Residence	Four major metropolitan areas	9,896	10.5	9,869	10.5
		Major regional cities	1,202	1.3	1,198	1.3
	Hotel	Four major metropolitan areas	2,501	2.6	2,492	2.6
		Major regional cities	4,478	4.7	4,456	4.7
	Retail and Other	Four major metropolitan areas	11,870	12.6	9,887	10.5
		Major regional cities	5,090	5.4	5,069	5.4
	Subtotal		83,189	88.1	78,004	82.6
Deposits and other assets			6,841	7.2	11,965	12.7
Total amount of assets			94,466	100.0	94,380	100.0

	5th fiscal period (As of August 31, 2020)		6th fiscal period (As of February 28, 2021)	
	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)	47,913	50.7	47,735	50.6
Total amount of net assets (Note2)	46,553	49.3	46,644	49.4

(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 August 31, 2020 (real estate in trust, the book value after depreciation), and as of February 28, 2021, respectively, rounded down to the nearest million yen is stated.

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

②Invested Assets

a Major investment security

Not applicable.

b Investment property

As of February 28, 2021, the Investment Corporation holds real estate and trust beneficiary interests in real estate.

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

c Other major investment assets

(a) Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of February 28, 2021 (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	15.1	12,430	13,400	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	11.9	9,888	10,600	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	5.9	5,106	4,880	July 30, 2018
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	4.3	3,516	3,960	July 30, 2018
	O-06	SAMTY Shin-Osaka Center Building	Osaka, Osaka	3,450	4.2	3,417	3,600	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka, Fukuoka	2,500	3.1	2,482	2,780	July 30, 2018
	O-08	Chuo Bakuromachi Building	Osaka, Osaka	1,485	1.8	1,484	1,920	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	764	777	July 30, 2018
	O-11	L.Biz Sendai	Sendai, Miyagi	1,680	2.1	1,654	1,830	July 30, 2018
	O-12	Sendai Nikko Building	Sendai, Miyagi	1,740	2.1	1,754	1,800	July 30, 2018
	O-14	Nagano Central Building	Nagano, Nagano	898	1.1	917	952	July 30, 2018
	O-17	Yamagata Ekimae-dori Building	Yamagata, Yamagata	600	0.7	593	651	July 30, 2018
	O-18	Akasaka Kawase Building	Minato-ku, Tokyo	690	0.8	713	734	October 31, 2019
	Subtotal		—	45,315	55.3	45,744	49,024	—
Residence	R-01	Amare Tokaidori	Nagoya, Aichi	1,100	1.3	1,074	1,230	July 30, 2018
	R-02	Dormy UkimaFunado	Itabashi-ku, Tokyo	1,080	1.3	1,093	1,140	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	1.3	1,015	1,120	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	1.3	1,072	1,090	July 30, 2018
	R-05	Alpha Space Toritsudai	Meguro-ku, Tokyo	589	0.7	594	622	July 30, 2018
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	1.5	1,198	1,280	July 30, 2018
	R-07	LUXENA HEIWADAI	Nerima-ku, Tokyo	3,910	4.8	3,901	4,350	September 3, 2019
	R-08	LUXENA KACHIDOKI	Chuo-ku, Tokyo	1,120	1.4	1,116	1,280	September 3, 2019
	R-09	LUXENA HONATSUGI	Atsugi-shi, Kanagawa	705	0.9	720	744	March 17, 2020
	Subtotal		—	11,796	14.4	11,787	12,856	—
Hotel	H-01	Dormy Inn Matsuyama	Matsuyama, Ehime	2,427	3.0	2,348	2,550	July 30, 2018
	H-02	Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	2,000	2.4	2,108	2,070	July 30, 2018
	H-03	Dormy Inn Morioka	Morioka, Iwate	2,520	3.1	2,468	2,570	June 28, 2019
	H-04	ACCESS by LOISIR HOTEL Nagoya(Note7)	Nagoya, Aichi	2,500	3.1	2,492	2,180	September 3, 2019
	Subtotal		—	9,447	11.5	9,417	9,370	—

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	1.2	991	1,120	July 30, 2018
	C-02	Co-op Sapporo Syunko	Asahikawa, Hokkaido	1,036	1.3	1,032	1,100	July 30, 2018
	C-03	TA Shonan Kugenumakaigan	Fujisawa, Kanagawa	500	0.6	507	570	March 28, 2019
	C-04	Almost Blue(Note5)	Minato-ku, Tokyo	4,564 (Note5)	5.6	4,618	4,890	September 3,2019
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Matsuyama, Ehime	4,030	4.9	4,036	4,410	September 3,2019
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Kobe, Hyogo	4,227 (Note6)	5.2	4,277	4,370	September 3,2019
	Subtotal		—	15,337	18.7	15,464	16,460	—
Total			—	81,895	100.0	82,414	87,710	—

(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 February 28, 2021. 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) As Almost Blue transferred its 30% co-ownership interest on February 26, 2021, the amounts or percentages relating to the 70% co-ownership interest held as of February 28, 2021 are shown for the “Acquisition Price,” “Investment Ratio,” “Book Value at Fiscal Year-End” and “Appraisal Value” related to the property. On March 19, 2021, the transfer of the remaining 70% co-ownership interest was completed. The same applies hereafter.

(Note6) 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.

(Note7) The name has been changed from “Arieta Hotel Nagoya” to “ACCESS by LOISIR HOTEL Nagoya” as of March 15, 2021. The same applies hereafter.



## (b) Summary of Buildings

The Buildings held by the Investment Corporation as of February 28, 2021 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	612	523	10,104.12 (Note8)	10,104.12 (Note8)	100.0
	O-02	Higashi-Ikebukuro Central Place	November 1984	7	469	390	7,657.69	7,793.60	98.3
	O-03	Nagoya Center Plaza Building	November 1978	34	334	274	9,560.86	9,560.86	100.0
	O-05	Omiya NSD Building	March 1993	11	222	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	158	75	3,653.70	3,653.70	100.0
	O-08	Chuo Bakuromachi Building	April 1993	17	106	46	3,739.57	3,739.57	100.0
	O-09	L.Biz Jimbocho Building	June 2009	1	53	35	859.82	859.82	100.0
	O-10	Shinsaibashi Building	December 1990	6	41	15	1,214.43	1,408.52	86.2
	O-11	L.Biz Sendai	March 1993	28	113	75	3,301.22	3,368.98	98.0
	O-12	Sendai Nikko Building	March 1989	6	115	84	2,540.11	2,540.11	100.0
	O-14	Nagano Central Building	November 1994	21	85	60	2,546.88 (Note8)	2,619.93 (Note8)	97.2
	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	7	32	18	466.61	511.61	91.2
	Subtotal / Average			182	2,588	1,882	56,476.65	57,696.21	97.9
Residence	R-01	Amare Tokaidori	July 2007	85	71	8	2,785.75	2,935.38	94.9
	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	2,712.31	2,782.51	97.5
	R-04	LUXENA HIGASHI-KOENJI	July 2008	31	55	9	1,282.96	1,405.29	91.3
	R-05	Alpha Space Toritsudai	April 1990	12	32	3	817.56	907.13	90.1
	R-06	J City Hatchobori	November 2005	60	79	13	2,470.75	2,623.39	94.2
	R-07	LUXENA HEIWADAI	March 2019	100	211	54	5,212.01	5,354.76	97.3
	R-08	LUXENA KACHIDOKI	May 2019	26	59	7	1,121.26	1,121.26	100.0
	R-09	LUXENA HONATSUGI	November 1999	57	46	5	1,307.06	1,403.94	93.1
	Subtotal / Average			432	685	153	20,172.26	20,996.26	96.1
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	ACCESS by LOISIR HOTEL Nagoya (Note 9)	February 2019	0	—	—	0.00	2,478.23	—
	Subtotal / Average			3	431	157	15,433.14	17,911.37	86.2

Category	Property Number	Property	Date of Construction (Note1)	Number of tenants (Note2)	Annual contracted rent (in million) (Note3)	Leasehold and security deposits (in million) (Note4)	Total leased area (㎡) (Note5)	Total leasable area (㎡) (Note6)	Occupancy rate (%) (Note7)
Retail and other assets	C-01	Prio Daimyo II	April 2002	6	55	39	761.01	761.01	100.0
	C-02	Co-op Sapporo Syunko	August 1994	1	83	83	7,214.92	7,214.92	100.0
	C-03	TA Shonan Kugenumakaigan	February 2017	3	31	15	626.92	626.92	100.0
	C-04	Almost Blue	December 2001/ February 2002/ October 2014	5	145 (Note10)	167 (Note10)	1,352.08 (Note10)	1,352.08 (Note10)	100.0
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	October 2019	1	(Note11)	(Note11)	9,052.32	9,052.32	100.0
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	—	1	(Note11)	(Note11)	17,780.00	17,780.00	100.0
	Subtotal／Average			17	846	1,249	36,787.25	36,787.25	100.0
	Total／Average			634	4,551	3,443	128,869.30	133,391.09	96.6

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

(Note2) The number of tenants is equal to the aggregate number of end tenants with which lease agreements have been entered into as of February 28, 2021.

(Note3) The annual contracted rent for each property is yearly rent described in the lease agreements or calculated by multiplying the aggregate anticipated monthly rent (limited to rent for space occupied by tenants as of February 28, 2021), including common service fee (if any) and excluding usage fees for warehouses, parking lots and sales-linked rents, regardless of whether the rent was free or discounted as of February 28, 2021, as indicated in the lease agreements as of February 28, 2021, by 12 (if there are multiple lease agreements, the aggregate anticipated monthly rent for all lease agreements), excluding consumption tax.

(Note4) Indicates the total leasehold and security deposits from the relevant tenants set forth in lease agreements effective as of February 28, 2021.

(Note5) The total leased area is equal to total leased area to tenant in each property based on the lease agreements for building or floor plans as of February 28, 2021. 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 February 28, 2021.

(Note7) The occupancy rate is calculated by dividing total leased area (as of February 28, 2021) 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) On March 15, 2021, the lease commenced with Solare Hotels and Resorts, Inc., a new operator of the property, and as of the date hereof, the number of tenants in this property is 1 and the occupancy rate is 100%.

(Note10) Since Almost Blue transferred its 30% quasi-co-ownership interest on February 26, 2021, the figures for "annual rent," "security deposits," "leased space" and "leasable area" related to the property are those related to the 70% quasi-co-ownership interest held as of February 28, 2021.

(Note11) 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	341,086	275,400	200,510	131,461	112,644
Lease business revenue	317,854	244,850	174,581	123,462	103,221
Other lease business revenue	23,232	30,550	25,929	7,998	9,422
② Operating expenses from real estate leasing	66,950	40,959	67,575	28,682	25,993
Management fee	20,266	12,515	23,272	11,786	8,336
Utilities expenses	20,501	12,733	18,890	5,718	6,613
Taxes and dues	22,603	14,521	15,584	7,854	9,380
Insurance premium	513	302	464	160	186
Repair expenses	2,619	474	8,723	2,798	1,038
Trust fee	400	375	300	300	400
Other expenses	47	37	340	64	38
③ NOI(①-②)	274,136	234,441	132,934	102,779	86,651
④ Depreciation	37,323	26,895	23,680	6,944	10,959
⑤ Operating income (loss) from real estate leasing (③-④)	236,813	207,545	109,253	95,834	75,691

(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	92,330	67,468	26,944	30,911	67,633
Lease business revenue	83,563	57,810	26,527	20,275	60,129
Other lease business revenue	8,766	9,657	416	10,635	7,503
② Operating expenses from real estate leasing	24,065	26,841	3,975	20,296	20,647
Management fee	7,416	7,314	1,866	9,092	8,194
Utilities expenses	5,765	5,522	-	2,450	5,009
Taxes and dues	7,417	7,913	1,737	4,426	5,029
Insurance premium	138	145	25	71	148
Repair expenses	2,888	5,501	14	3,431	1,928
Trust fee	400	400	300	400	300
Other expenses	40	44	32	423	37
③ NOI(①-②)	68,265	40,627	22,968	10,614	46,986
④ Depreciation	11,448	4,185	2,780	3,336	8,771
⑤ Operating income (loss) from real estate leasing (③-④)	56,816	36,441	20,187	7,277	38,214

(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	67,856	40,470	51,028	26,322	32,590
Lease business revenue	61,915	38,286	47,518	25,301	29,218
Other lease business revenue	5,941	2,184	3,510	1,020	3,372
② Operating expenses from real estate leasing	19,435	13,362	18,093	9,209	12,591
Management fee	5,788	5,351	8,392	3,876	5,083
Utilities expenses	5,091	2,616	3,391	1,914	1,878
Taxes and dues	7,392	4,109	4,545	2,399	4,517
Insurance premium	115	114	143	69	84
Repair expenses	513	950	1,278	778	806
Trust fee	450	187	300	150	187
Other expenses	84	33	41	21	32
③ NOI(①-②)	48,421	27,107	32,935	17,113	19,998
④ Depreciation	5,585	7,608	9,467	4,737	4,502
⑤ Operating income (loss) from real estate leasing (③-④)	42,835	19,499	23,467	12,376	15,496

(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	30,193	17,363	37,552	31,846	35,735
Lease business revenue	26,237	16,214	36,038	31,836	35,058
Other lease business revenue	3,955	1,149	1,513	10	677
② Operating expenses from real estate leasing	15,232	5,578	9,306	3,808	7,343
Management fee	6,735	1,994	3,363	313	2,923
Utilities expenses	3,552	688	268	14	259
Taxes and dues	3,445	1,397	2,146	1,661	2,601
Insurance premium	116	19	77	58	73
Repair expenses	1,049	1,458	2,961	1,428	1,146
Trust fee	300	-	300	300	300
Other expenses	34	20	188	30	38
③ NOI(①-②)	14,960	11,784	28,245	28,038	28,392
④ Depreciation	6,333	830	8,752	2,910	6,716
⑤ Operating income (loss) from real estate leasing (③-④)	8,627	10,954	19,493	25,128	21,675

(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	29,960	17,215	40,230	109,576	30,100
Lease business revenue	28,822	16,386	39,737	105,682	29,639
Other lease business revenue	1,138	828	493	3,894	461
② Operating expenses from real estate leasing	8,932	4,894	7,101	17,911	5,075
Management fee	4,192	1,915	2,764	7,869	2,868
Utilities expenses	210	219	414	1,471	191
Taxes and dues	1,528	993	2,877	5,163	1,096
Insurance premium	38	28	74	165	38
Repair expenses	2,629	1,327	634	2,833	472
Trust fee	300	375	300	375	375
Other expenses	32	35	36	33	32
③ NOI(①-②)	21,028	12,321	33,129	91,664	25,025
④ Depreciation	3,717	1,195	4,925	11,776	4,766
⑤ Operating income (loss) from real estate leasing (③-④)	17,310	11,125	28,203	79,888	20,258

(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	ACCESS by LOISIR HOTEL Nagoya
① Lease business revenue	23,364	76,500	62,917	74,958	19,334
Lease business revenue	21,664	76,500	62,917	74,958	14,784
Other lease business revenue	1,700	-	-	-	4,549
② Operating expenses from real estate leasing	9,318	9,127	8,319	8,228	14,188
Management fee	5,293	765	362	749	3,739
Utilities expenses	937	900	-	-	585
Taxes and dues	16	6,865	5,177	7,294	5,731
Insurance premium	52	142	159	169	78
Repair expenses	2,999	120	2,179	-	3,649
Trust fee	-	300	400	-	375
Other expenses	19	35	39	15	29
③ NOI(①-②)	14,045	67,372	54,597	66,729	5,146
④ Depreciation	3,059	19,220	17,085	27,227	8,790
⑤ Operating income (loss) from real estate leasing (③-④)	10,986	48,151	37,512	39,502	△3,644

(Unit: thousand yen)

Property Number	C-01	C-02	C-03	C-04	C-05
Property	Prio Daimyo II	Co-op Sapporo Shunko	TA Shonan Kugenumakaigan	Almost Blue	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho
⑥ Lease business revenue	31,343	41,760	16,965	125,389	(Note)
Lease business revenue	27,720	41,760	15,816	121,527	(Note)
Other lease business revenue	3,622	-	1,149	3,862	(Note)
⑦ Operating expenses from real estate leasing	7,180	5,370	3,189	24,085	(Note)
Management fee	1,311	417	1,058	5,092	(Note)
Utilities expenses	2,445	-	1,181	3,874	(Note)
Taxes and dues	1,779	3,940	920	11,174	(Note)
Insurance premium	18	95	14	62	(Note)
Repair expenses	1,189	585	-	665	(Note)
Trust fee	400	300	-	366	(Note)
Other expenses	37	32	15	2,849	(Note)
⑧ NOI(①-②)	24,162	36,389	13,775	101,304	149,677
⑨ Depreciation	1,159	7,760	1,365	3,995	15,638
⑩ Operating income (loss) from real estate leasing (③-④)	23,003	28,629	12,410	97,308	134,038

(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)	103,688
⑨ Depreciation	-
⑩ Operating income (loss) from real estate leasing (③-④)	103,688

(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	13,000	3.6	4.1	555	4.5
	O-02	Higashi-Ikebukuro Central Place	Japan Real Estate Institute	10,600	10,800	3.9	10,400	3.7	4.1	427	4.4
	O-03	Nagoya Center Plaza Building	Japan Real Estate Institute	4,880	4,940	4.9	4,810	4.7	5.1	263	5.4
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	3,960	4,020	4.6	3,940	4.4	4.8	192	5.5
	O-06	SAMTY Shin-Osaka Center Building	Daiwa Real Estate Appraisal Co., Ltd.	3,600	3,720	4.4	3,550	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.	1,920	1,950	4.2	1,910	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.	1,830	1,870	4.7	1,790	4.5	4.9	95	5.7
	O-12	Sendai Nikko Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,800	1,900	4.3	1,750	4.4	4.5	88	5.1
	O-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	952	958	5.7	950	5.5	5.9	62	7.0
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	651	661	5.7	647	5.5	5.9	43	7.3
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	734	756	3.6	724	3.4	3.8	29	4.2
	Subtotal/Average			49,024	50,055	-	48,128	-	-	2,235	4.9

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.	1,230	1,250	4.6	1,220	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.	1,120	1,140	4.6	1,110	4.7	4.8	55	5.3
	R-04	LUXENA HIGASHI-KOENJI	Tanizawa Sōgō Appraisal Co., Ltd.	1,090	1,110	3.9	1,080	4.0	4.1	44	4.2
	R-05	Alpha Space Toritsudai	Daiwa Real Estate Appraisal Co., Ltd.	622	633	3.9	617	3.7	4.1	27	4.7
	R-06	J City Hatchobori	Tanizawa Sōgō Appraisal Co., Ltd.	1,280	1,300	4.8	1,270	4.9	5.0	64	5.4
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	4,350	4,440	4.0	4,310	3.8	4.2	181	4.6
	R-08	LUXENA KACHIDOKI	Chuo Real Estate Appraisal Co., Ltd.	1,280	1,290	3.7	1,270	3.5	3.9	48	4.3
	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	744	753	4.8	740	4.6	5.0	38	5.5
	Subtotal／Average				12,856	13,076	-	12,737	-	-	578
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.	2,070	2,060	5.1	2,070	4.9	5.3	116	5.8
	H-03	Dormy Inn Morioka	Chuo Real Estate Appraisal Co., Ltd.	2,570	2,590	4.9	2,560	4.7	5.1	130	5.2
	H-04	ACCESS by LOISIR HOTEL Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,180	2,350	4.2	2,100	4.0	4.4	108	4.4
	Subtotal／Average				9,370	9,510	-	9,290	-	-	487
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	566	4.5	4.9	27	5.5
	C-04	Almost Blue(Note3)	Tanizawa Sōgō Appraisal Co., Ltd.	4,890	5,060	3.2	4,820	3.1 /3.2 /3.3	3.4	231	5.1
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Japan Real Estate Institute	4,410	4,450	6.8	4,370	6.5	7.0	300	7.5
	C-06	Kaden Sumairu Kan YAMADA Kobe Tarumi (Land)	Japan Real Estate Institute	4,370	4,380	4.8	4,360	4.1	-	208	4.9
	Subtotal／Average				16,460	16,708	-	16,326	-	-	884
Total／Average				87,710	89,349	-	86,481	-	-	4,185	5.1

(Note1) "Appraisal NOI" represents net operating income (NOI) based on the direct capitalization method described in the real estate appraisal report.

(Note2) "Appraisal NOI yield" is the value obtained by dividing appraisal NOI by the acquisition price, rounded to the nearest second decimal place. The appraisal NOI yield is a figure calculated by the Asset Manager and is not a figure stated in the real estate appraisal report.

(Note3) "Almost Blue" was transferred on March 19, 2021.



## (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-14	Nagano Central Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	11,910	1,330	6.7
	O-17	Yamagata Ekimae-dori Building	Daiwa Real Estate Appraisal Co., Ltd.	February 2018	—	—	9,939	1,074	4.8
	O-18	Akasaka Kawase Building	Daiwa Real Estate Appraisal Co., Ltd.	September 2019	—	—	2,821	173	9.8
Residence	R-01	Amare Tokaidori	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2018	—	—	4,321	714	6.7
	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	ACCESS by LOISIR 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 Kugenmakaigan	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 1.2%.

(3) Capital expenditure of investment assets

① Scheduled capital expenditure

As for the assets held by the Investment Corporation as of February 28, 2021, the major planned amount of capital expenditure accompanying the renovation work etc. for the August 31, 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
Nagano Central Building	Nagano, Nagano	Stationary CO2 cylinder update	From July 2021 To July 2021	19,000		
Yamagata Ekimae-dori Building	Yamagata, Yamagata	Air conditioning humidifier renewal work	From March 2021 To May 2021	14,800		
		Air conditioning plumbing work	From May 2021 To July 2021	10,250		
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Air conditioning EHP construction on each floor	From June 2021 To August 2021	25,000		
		Firefighting equipment renewal work SP repair work	From August 2021 To August 2021	30,000		

② Capital expenditure during the period

The major constructions etc. corresponding to the capital expenditure in the fiscal period ended February 28, 2021 are as follows. The construction corresponding to the capital expenditure of the assets held as a whole in the 5th fiscal period is 231,725 thousand yen, and together with the repair expenses of 62,225 thousand yen, a total of 293,351 thousand yen is being implemented.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Amount (thousand yen)
NT Building	Shinagawa-ku, Tokyo	2 / 5F air handling unit renewal work	From May 11, 2020 To November 5, 2020	41,335
Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	2nd order south series (A series) air conditioning renewal construction	From December 21, 2020 To January 31, 2021	15,370
Nagoya Center Plaza Building	Nagoya, Aichi	Large-scale renovation work	From June 1, 2020 To December 16, 2020	85,557
Total				142,262

③ Reserve for long-term repair plan

Not applicable.