(REIT) Financial Report for Fiscal Period Ended August 31, 2018

October 22, 2018

REIT Securities Issuer:	Takara Leben Real Estate Investment Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	3492	URL:	https://takara-reit.co.jp/
Representative:	Masayuki Ishihara, Executive Director		

Asset Management Company Takara PAG Real Estate Advisory Ltd.
Representative: Tetsuo Funamoto, President
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Scheduled date of commencement of cash distribution payment: November 16, 2018
Scheduled date of submission of securities report: November 27, 2018
Preparation of supplementary financial results briefing materials: Yes
Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

１． Financial Results for Fiscal Period Ended August 31,2018 (from September 11, 2017 to August 31, 2018)

(1) Operating Results

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Ended August 31, 2018	377	-	200	-	35	-	33	-

Fiscal period	Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets
	yen	%	%	%
Ended August 31, 2018	903	0.1	0.1	9.4

(Note1) The number of days for the Fiscal Period ended August 31, 2018 is 355 days from September 11, 2017 but the actual asset management period is 33 days from July 30, 2018 to August 31, 2018.

(Note2) We conducted a 10-for-1 unit split on April 21, 2018.

(Note3) Net income per unit is calculated by dividing net income by daily weighted average number of investment units (37,353 units). Also, assuming that the beginning of the period is July 30, 2018 which is the commencement of actual asset management, net income per unit for this period is 97 yen using 345,500 units as the weighted average number of units.

(Note4) Regarding the Ratio of net income to equity and Ratio of ordinary income to total assets the balance of unitholders' equity and total assets are used with the average balance of July 30, 2018, actual commencement date of asset management and August 31, 2018, end of the period.

(Note5) Percentage figures for Operating Revenue, Operating Income, Ordinary Income and Net Income indicate period-on-period changes. However, no percentage figure is shown since the fiscal period ended August 31, 2018 is the first fiscal period.

(2) Distribution

Fiscal period	Distribution per unit (not including cash distribution in excess of earnings)	Total distribution (not including cash distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distribution in excess of earnings	Distribution per unit (including distribution in excess of earnings)	Total distribution (including distribution in excess of earnings)	Distribution payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Ended August 31, 2018	57	19	41	14	98	33	58.3	0.1

(Note 1) For the fiscal period ended August 31, 2018 of distribution in excess of earnings per unit of 41yen, consist only of allowance for temporary difference adjustment. There is no distribution under tax law resulting in a decrease of investment capital.

(Note 2) Distribution payout ratio is calculated by the following formula due to changes in the number of investment units during the period following issuance of new investment units during the period:

Distribution payout ratio = Total distribution (not including distribution in excess of earnings) ÷ Net income × 100

Distribution payout ratio is 100.3% using the Total distribution (including distributions in excess earnings).

(Note 3) Ratio of distribution to net assets is calculated based on the weighted average net assets per unit with the actual asset management period commencement date July 30, 2018 deemed as the beginning of the period.

(3) Financial Position

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Ended August 31,2018	69,578	32,011	46.0	92,652

(4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Ended August31 ,2018	△1,022	△64,287	66,202	892

２. Forecasts of Financial Results for Fiscal Periods Ending February 28, 2019 (from September 1, 2018 to February 28, 2019) and August 31, 2019 (from March 1, 2019 to August 31, 2019)

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Distribution per unit (not including distribution in excess of earnings)	Distribution in excess of earnings per unit	Distribution per unit (including distribution in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	million yen
Ending February 28, 2019	2,119	461.5	1,279	538.0	1,140	-	1,140	-	3,295	5	3,300
Ending August 31, 2019	2,098	△1.0	1,175	△8.2	1,037	△9.1	1,036	△9.1	2,995	5	3,000

(Reference) Forecast net income per unit (fiscal period ending February 28, 2019) 3,300 yen
Forecast net income per unit (fiscal period ending August 31, 2019) 3,000 yen

*Distributions in excess of earnings per unit consists 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 end of period
Fiscal Period Ending August 31, 2018 : 345,500 units
② Number of treasury units at end of period
Fiscal Period Ending August 31, 2018 : 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 21.

(3) Rounding processing

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

*Presentation of Status of Implementation of Audit Procedures

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

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

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by Takara Leben Real Estate Investment Corporation (hereafter referred to as “Investment Corporation”), and the actual operating results and so on may differ significantly from that anticipated by Investment Corporation due to various factors. Moreover, the forecasts are not intended to guarantee any amount of distribution and distribution in excess of earning. For notes regarding assumptions underlying these forecasts, please refer to “Assumptions for the Forecasts of Financial Results for the Fiscal Periods February 28, 2019 and August 31, 2019.” on page 3.

Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2019 and August 31, 2019

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Calculation period</td><td>・The second fiscal period: September 1, 2018 to February 28, 2019 (181 days)
・The third fiscal period: March 1, 2019 to August 31, 2019 (184 days)</td></tr>
<tr><td>Property portfolio</td><td>・It is assumed that there will be no changes (acquisition of new asset, disposal of property portfolio, etc.) in beneficiary right in trust assets mainly of real estate held by the Investment Corporation (27 properties) as of the date of this document (referred to as the “Existing Properties” hereinafter in these assumptions)
・In practice, however, changes may arise with acquisitions or disposal of assets other than Existing Properties.</td></tr>
<tr><td>Operating revenues</td><td>・Operating revenues from the Existing Properties are based on the expected occupancy rate and the expected rent fluctuations, in turn based on the assumptions of tenant fluctuation and rent level, the contents of lease agreement that are effective as of the date of this document.
・Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant.</td></tr>
<tr><td>Operating expenses</td><td>・The main operating expenses are as follows:
(millions of yen unless otherwise noted)
<table>
<tr><th></th><th>Fiscal period ending February 28, 2019 (the second fiscal period)</th><th>Fiscal period ending August 31, 2019 (the third fiscal period)</th></tr>
<tr><td>Property-related expenses total</td><td>638</td><td>762</td></tr>
<tr><td>Subcontract expenses</td><td>156</td><td>155</td></tr>
<tr><td>(Maintenance expenses)</td><td>119</td><td>119</td></tr>
<tr><td>(Property management fee)</td><td>36</td><td>36</td></tr>
<tr><td>Repair expenses</td><td>54</td><td>28</td></tr>
<tr><td>Tax and dues</td><td>-</td><td>164</td></tr>
<tr><td>Depreciation</td><td>236</td><td>239</td></tr>
<tr><td>Non-property-related expenses total</td><td>200</td><td>160</td></tr>
<tr><td>Asset management fees</td><td>106</td><td>102</td></tr>
</table>
・Property-related expenses of the Existing Properties and constituting major operating expenses, other than depreciation are calculated based on historical data and these costs reflect expected fluctuations.
・Depreciation expenses are calculated using the straight-line depreciation method, including certain ancillary expenses.
・With respect to property tax, planning tax, etc. on real estate held by the Investment Corporation of the tax amount assessed and determined, the amount corresponding to the relevant calculation period is recognized as rental expenses. However, if real estate or other assets were newly acquired and an adjusted amount of property tax, etc., for the year to which the calculation period belongs (the “amount equivalent to property tax, etc.”) arises between the Investment Corporation and the seller, the relevant adjusted amount is included in the cost of acquisition of the real estate, etc. in question. According for the Existing Properties, no amount will be recognized as a tax expense for the second fiscal period. Property tax, etc. of third fiscal period is estimated on the amount paid in previous fiscal period.
・As for repair expenses, the amount assumed as necessary for each property is based on the repair plan of the Asset Management Company, for each fiscal period. However, the repair expenses may be substantially different from the expected amount due to certain unexpected factors.</td></tr>
<tr><td>Non-operating expenses</td><td>・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, 12 million yen, and 12 million yen are expected for the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively.
・For interest expenses and other borrowing-related costs, 126 million yen, and 125 million yen are expected for the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively.</td></tr>
</table>

Interest-bearing debt	・It is assumed that the total amount of interest-bearing debt will be 33,260 million yen, and 33,260 million yen as of the end of the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively. ・A refund of consumption tax paid in the fiscal period ending August 31, 2018 (the first fiscal period) is scheduled to take place during the fiscal period ending February 28, 2019 (the second fiscal period). Therefore, it is assumed that a part of such borrowings will be repaid using such refund during the fiscal period ending February 28, 2019 (the third fiscal period). ・The LTV ratio is expected to be around 48.5%, and 47.0% as of the end of the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively. ・The LTV ratio is calculated using the following formula: LTV ratio = Total amount of interest-bearing debt as of the end of the fiscal period / Total assets as of the end of the fiscal period× 100
Investment units	・It is assumed that, there will be no change in the number of investment units issued outstanding as of today (345,500) due to the issuance of new investment units or otherwise by the end of the fiscal period ending August 31, 2019 (the third fiscal period).
Distributions per unit (excluding excess of earnings per unit)	・Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the Investment Corporation’s Articles of Incorporation. ・Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in rental revenues, changes in investment assets and tenants, and unexpected repairs and other factors.
Distribution in excess of earnings per unit	・Allowance for temporary difference adjustment of 1,727,500 yen is expected to book concerning the difference between net income and taxable income associated with recording of asset retirement obligation as of the end of the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively. It is assumed that the distribution in excess of earnings per unit will be 5 yen, and 5 yen as of the end of the fiscal periods ending February 28, 2019 (the second fiscal period), and August 31, 2019 (the third fiscal period), respectively. ・It is assumed that no deferred losses on hedges will be incurred, which is an item of deduction from net assets, as described above. ・In addition, of distribution in excess of earnings, that falling under the category of distribution under tax law resulting in a decrease of investment capital is not scheduled at this point.
Other	・It is assumed that there will be no change in laws and regulations, the taxation system, accounting standards, the Securities Listing Regulations of the Tokyo Stock Exchange, or the rules of the Investment Trust Association, Japan, etc. that could affect the above forecasts. ・It is assumed that there will be no unexpected significant change in general economic trends, real estate market conditions, etc.

３． Financial Statements

（１） Balance Sheet

(Unit: thousand yen)

	1st fiscal period (As of August 31, 2018)
Assets	
Current assets	
Cash and deposits	731,698
Cash and deposits in trust	1,941,949
Operating accounts receivable	36,687
Prepaid expenses	94,737
Deferred tax assets	39
Consumption tax receivable	1,389,734
Other current assets	10
Total current assets	4,194,858
Fixed assets	
Property and equipment	
Buildings in trust	16,950,478
Accumulated depreciation	△78,314
Buildings in trust, net	16,872,164
Structures in trust	20,591
Accumulated depreciation	△78
Structures in trust, net	20,513
Land in trust	48,291,144
Total property and equipment	65,183,822
Investments and other assets	
Security deposits	10,000
Long-term prepaid expenses	116,780
Other assets	10
Total investments and other assets	126,790
Total fixed assets	65,310,613
Deferred assets	
Investment unit issuance costs	72,627
Total deferred assets	72,627
Total assets	69,578,099

(Unit: thousand yen)

	1st fiscal period (As of August 31, 2018)
Liabilities	
Current liabilities	
Operating accounts payable	247,759
Short-term loans	4,600,000
Accounts payable	16,746
Accrued expenses	13,970
Income tax payable	1,919
Advances received	16,041
Other current liabilities	22,770
Total current liabilities	4,919,207
Non-current liabilities	
Long-term loans	30,000,000
Tenant leasehold and security deposits in trust	2,544,461
Asset retirement obligations	89,002
Derivative liabilities	13,883
Total non-current liabilities	32,647,348
Total liabilities	37,566,555
Net assets	
Unitholders’ equity	
Unitholders’ capital	31,991,672
Surplus	
Retained earnings	33,755
Total surplus	33,755
Total unitholders’ equity	32,025,427
Valuation and translation adjustments	
Deferred gains or losses on hedges	△13,883
Total valuation and translation adjustments	△13,883
Total net assets	※1 32,011,543
Total liabilities and net assets	69,578,099

（２） Statement of Income

(Unit: thousand yen)

	1st fiscal period From: Sep 11,2017 To: August 31, 2018
Operating revenue	
Rental revenue	※1 345,244
Other rental revenue	※1 32,185
Total operating revenue	377,429
Operating expenses	
Expenses related to property rental business	※1 141,762
Asset management fee	2,707
Asset custody and administrative service fees	4,893
Directors' compensations	1,600
Taxes and dues	16,585
Other operating expenses	9,287
Total operating expenses	176,837
Operating income	200,592
Non-operating income	
Interest income	6
Total non-operating income	6
Non-operating expenses	
Interest expenses	15,025
Foundation expenses	2,753
Borrowing related expenses	142,910
Amortization of investment unit issuance costs	4,272
Total non-operating expenses	164,962
Ordinary income	35,637
Income before income taxes	35,637
Income taxes - current	1,920
Income taxes - deferred	△39
Total income taxes	1,881
Net income	33,755
Unappropriated retained earnings	33,755

（３）Statement of Unitholders' Equity

1st fiscal period (from September 11, 2017 to August 31, 2018)

(Unit: thousand yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Retained earnings	Total surplus				
Balance at beginning of period	-	-	-	-	-	-	-
Changes during the period							
Issuance of new investment units	31,991,672			31,991,672			31,991,672
Net income		33,755	33,755	33,755			33,755
Net changes of items other than unitholders' equity					△13,883	△13,883	△13,883
Total changes during the period	31,991,672	33,755	33,755	32,025,427	△13,883	△13,883	32,011,543
Balance at end of period	※1 31,991,672	33,755	33,755	32,025,427	△13,883	△13,883	32,011,543

（4） Statement of Cash Distribution

(Unit: yen)

Category	1st fiscal period From: Sep 11,2017 To: August 31, 2018
I Unappropriated retained earning	33,755,504
II Addition of cash distribution in excess of earnings	14,165,500
Of which, allowance for temporary difference adjustment	14,165,500
III Cash distribution	33,859,000
[Cash distribution per unit]	(98)
Of which, cash distribution of earnings	19,693,500
[Of which, cash distribution of earnings per unit]	(57)
Of which, allowance for temporary difference adjustment	14,165,500
[Of which, cash distribution in excess of earnings per unit (attributable to allowance for temporary difference adjustment)]	(41)
IV Retained earnings carried forward	14,062,004
Method of calculation of amount of cash distribution	Cash distributions declared for the six months ended August 31, 2018 were 19,693,500yen. 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 eleven months ended August 31,2018 were 19,693,500yen 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. 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, Paragraph2, 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 eleven months ended August 31, 2018 were amounting to 14,165,500yen which were 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 eleven months ended August 31, 2018 amounting to 14,165,500yen 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). Unitcapital refund from deduction of unitcapital under tax rules is not included.

（５） Statement of Cash Flow

(Unit: thousand yen)

	1st fiscal period From: Sep 11,2017 To: August 31, 2018
Cash flows from operating activities	
Income before income taxes	35,637
Depreciation	78,392
Amortization of investment unit issuance costs	4,272
Borrowing related expenses	136,596
Interest income	△6
Interest expenses	15,025
Decrease (increase) in operating accounts receivable	△31,154
Decrease (increase) in consumption taxes receivable	△1,389,734
Decrease (increase) in prepaid expenses	△17,992
Decrease (increase) in long-term prepaid expenses	△14,706
Increase (decrease) in operating accounts payable	113,150
Increase (decrease) in accounts payable	13,924
Increase (decrease) in advances received	16,041
Other, net	19,052
Subtotal	△1,021,502
Interest income received	6
Interest expenses paid	△1,054
Income taxes paid	△0
Net cash used in operating activities	△1,022,552
Cash flows from investing activities	
Purchase of property, plant and equipment in trust	△65,047,546
Payments of tenant leasehold and security deposits	△10,000
Repayments of tenant leasehold and security deposits in trust	776,171
Proceeds from tenant leasehold and security deposits in trust	△5,715
Net cash used in investing activities	△64,287,090
Cash flows from financing activities	
Increase in short-term loans	4,582,849
Proceeds from long-term loans	29,701,734
Proceeds from issuance of investment units	31,917,583
Net cash provided by financing activities	66,202,168
Net increase in cash and cash equivalents	892,525
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	892,525

（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	（1） Property and equipment (including property and equipment in trust) The straight-line method is adopted. The useful life of primary property and equipment is as follows: Buildings 5～65 years Structures 37～55 years （2） Long-term prepaid expenses The straight-line method is adopted.
2. Accounting for deferred assets	（1） Foundation expenses The entire amount is expensed as incurred. （2） Amortization of investment unit issuance expenses Investment unit issuance expenses are amortized equally over three years.
3. Standards for revenue and expense recognition	Accounting for fixed property tax, etc Accounting for fixed property tax, city planning tax, depreciable asset tax, etc. (“fixed property tax, etc.”) on real estate or beneficiary interest in trust for real estate held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to rent business. The amount equivalent to fixed property tax, etc. in the initial fiscal year borne by SAR upon acquisition of real estate or beneficiary interest in trust for real estate is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc. In the fiscal period under review, the amount equivalent to fixed property tax, etc. included in the cost of acquisition of real estate, etc. was147,695 thousand yen.
4. Method of hedge accounting	（1） Hedge accounting approach Deferral hedge accounting is adopted. （2） Hedging instruments and hedged items Hedging instruments: Interest rate swap Hedged items: Interest on loans （3） Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging the risks provided in its Articles of Incorporation pursuant to rules and regulations. （4） Method of assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.
5. Scope of cash and cash equivalents in the statement of cash flow	Cash on hand and cash in trust, demand deposits and deposits in trust, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash and that are subject to an insignificant risk of changes in value.
6. Other significant matters serving as the basis for preparation of financial statements	（1） Accounting for beneficiary interest in trust for real estate, etc. Concerning beneficiary interest in trust for real estate, etc. held, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses from the trust assets are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet. ① Cash and deposits in trust ② Buildings, Structures, Land in trust ③ Security deposits in trust （2） Accounting for consumption tax, etc. The accounting for consumption tax and local consumption tax is the taxes are excluded from the transaction amounts. Non-deductible consumption tax targeted for subtraction are booked as an expense of the 1st fiscal period.

（Additional Information）

［Allowance for temporary difference adjustment］

1st fiscal period (From September 11, 2017 to August 31, 2018)

1．Reason for change of temporary difference, Item

(Unit: thousand yen)

Item	Reason for change of temporary difference	Amount for allowance (or reversal)
Buildings in trust	Excess of depreciation allowance	345
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	13,820

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.

(８) Notes to the Financial Statements

[Notes to the Balance Sheet]

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

(Unit: thousand yen)

1st fiscal period (As of August 31, 2018)
50,000

[Notes to the Statement of Income]

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

(Unit: thousand yen)

	1st fiscal period From: September 11, 2017 To: August 31, 2018	
A.Operating revenue from real estate leasing		
Lease business revenue		
Rental revenue	289,488	
Common area charges	40,448	
Parking revenue	13,330	
Other rental revenue	1,977	345,244
Other lease business revenue		
Utilities reimbursement	27,663	
Other revenue	4,522	32,185
Total operating revenue from real estate leasing		377,429
B.Operating expenses from real estate leasing		
Expenses related to property rental business		
Management fee	33,128	
Utilities expenses	26,265	
Insurance premium	695	
Repair expenses	1,499	
Trust fee	1,671	
Depreciation	78,392	
Other expenses	109	
Total operating expenses from real estate leasing		141,762
C.Operating income (loss) from real estate leasing（A－B）		235,667

［Notes to the Statement of Unitholders’ Equity］

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

	1st fiscal period From: September 11, 2017 To: August 31, 2018
Total number of investment units authorized	10,000,000 units
Total number of investment units issued and outstanding	345,500 units

[Notes to the Statement of Cash Flows]

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

	1st fiscal period From: Sep 11,2017 To: August 31, 2018
Cash and deposits	731,698 thousand yen
Cash and deposits in trust	1,941,949 thousand yen
Payment for restricted bank deposit（Note）	△1,781,123 thousand yen
Cash and cash equivalents	892,525 thousand yen

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

※2 Contents of the significant non-cash transactions

The significant amount of asset retirement obligations newly booked

	1st fiscal period From: Sep 11,2017 To: August 31, 2018
Significant amount of asset retirement obligations	89,002 thousand yen

[Notes on Lease Transactions]

Disclosure is omitted due to immateriality.

[Notes on Financial Instruments]

1．Our policy on financial instruments

（1）Policy for financial instrument transactions

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

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

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

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

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

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

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

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

2. Fair value, etc. of financial instruments

The amount on the balance sheet, the market value and the difference between them as of August 31, 2018 are as follows.

	Carrying amount (thousand yen)	Fair value (thousand yen)	Amount of difference (thousand yen)
(1) Cash and deposits	731,698	731,698	-
(2) Cash and deposits in trust	1,941,949	1,941,949	-
Assets total	2,673,648	2,673,648	-
(3) Short-term loans payable	4,600,000	4,600,000	-
(4) Long-term loans payable	30,000,000	30,000,000	-
Liabilities total	34,600,000	34,600,000	-
(5) Derivative transactions (*)	(13,883)	(13,883)	-

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

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

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

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

(3) Short-term loans payable

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) 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.

(5) 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	1st fiscal period (As of August 31, 2018)
Tenant leasehold and security deposits in trust	2,544,461

Tenant leasehold and security deposits in trust 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 settlement of accounts (August 31, 2018)

(Unit: thousand yen)

	Not later than 1 year
Cash and deposits	731,698
Cash and deposits in trust	1,941,949
Total	2,673,648

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts (August 31, 2018)

(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	4,600,000	-	-	-	-	-
Long-term loans payable	-	15,000,000	10,000,000	5,000,000	-	-
Total	4,600,000	15,000,000	10,000,000	5,000,000	-	-

[Notes on Securities]

1st fiscal period (As of August 31, 2018)

Not applicable.

［Notes on Derivative Transactions］

1. Derivative transactions to which hedge accounting is not applied

1st fiscal period (As of August 31, 2018)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

1st fiscal period (As of August 31, 2018)

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

(Unit: thousand yen)

Hedge accounting method	Derivative instruments	Hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, later than 1 year	
Deferred hedge accounting	Interest rate swap floating receivable; fixed payable	Long-term loans payable	30,000,000	30,000,000	△13,883

(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］

1st fiscal period (As of August 31, 2018)

Not applicable.

[Notes on Income Taxes]

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

(Unit: thousand yen)

	1st fiscal period (As of August 31, 2018)
Deferred tax assets (Current)	
Non-deductible accrued enterprise tax	39
Total Deferred tax assets (Current)	39
Deferred tax assets (Current), net	39
Deferred tax assets (Non-current)	
Asset retirement obligations	28,116
Deferred gains or losses on hedges	4,385
Subtotal Deferred tax assets (Non-current)	32,501
Valuation allowance	△4,583
Total Deferred tax assets (Non-current)	27,918
Deferred tax liabilities (Non-current)	
Building and equipment corresponding to the asset retirement obligations	△27,918
Total Deferred tax liabilities (Non-current)	△27,918
Deferred tax liabilities (Non-current), net	-

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

(Unit:%)

	1st fiscal period (As of August 31, 2018)
Statutory tax rate	31.74
(Adjustments)	
Deductible distributions	△30.16
Other	3.70
Effective income tax rate	5.28

[Notes on Related-Party Transactions]

1. Parent company, etc.

1st fiscal period (From September 11, 2017 to August 31, 2018)

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: Concurrent holding of position as officer, etc.	Relationship: Business relations	Description of transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Parent company (Note2)	PAG Investment Management Limited	4-1-28 Toranomon, Minato-ku, Tokyo	490	Investment management	(Owned) 100.0	—	Investor	Private placement for incorporation (Note3)	150,000	—	—

(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) At the time of trading, the percentage of ownership of voting rights was 100.0%, but due to the issuance of new investment units by public offering, the percentage of voting rights became 0.4%. Currently it is no longer a parent company. Therefore, the percentage of voting rights owned and the amount of transaction are the percentage and the amount of the period that was the parent company.

(Note3) Established private placement of the Investment Corporation at 1,000,000 yen per unit.

2. Affiliated company, etc.

1st fiscal period (from September 11, 2017 to August 31, 2018)

Not applicable.

3. Fellow subsidiary, etc.

1st fiscal period (from September 11, 2017 to August 31, 2018)

Not applicable.

4. Director, major individual unitholder, etc.

1st fiscal period (from September 11, 2017 to August 31, 2018)

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	615,292	Accounts payable - other	2,923

(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, etc. in the amount of 612,585 thousand yen.

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

1st fiscal period (from September 11, 2017 to August 31, 2018)

Not applicable.

[Notes on Asset Retirement Obligations]

1．Asset retirement obligation booked in the balance sheet

(1) Overview

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

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

	Property	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%
PCB	Nagoya Center Plaza Building	26 years	0.748%
	TTS Minami Aoyama Building	28 years	0.784%

(3) Movement of asset retirement obligation

(Unit: thousand yen)

	1st fiscal period From: September 11,2017 To: August 31, 2018
Balance at the beginning of the period	-
Increase due to acquisition of tangible fixed assets	88,941
Adjustment for passage of time	61
Balance at the end of the period	89,002

[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)

		1st fiscal period From: Sep 11,2017 To: August 31, 2018
Carrying amount		
	Balance at beginning of period	-
	Amount of increase (decrease) during period	65,183,822
	Balance at end of period	65,183,822
Fair value at end of period		68,221,000

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

(Note 2) Of the amount of increase (decrease) in investment and rental properties, the amount of increase is mainly attributable to acquisition of real estate beneficiary interest in trust of 27 properties (65,261,214 thousand yen) and capex (1,000thousand yen), while the amount of decrease is mainly attributable to accumulated depreciation (78,392 thousand yen).

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

The income (loss) concerning investment and rental properties for the fiscal period ended August 31, 2018 (1st fiscal period) is as stated in “Notes to the Statement of Income” earlier in this document.

[Notes on Per Unit Information]

	1st fiscal period From: September 11,2017 To: August 31, 2018
Net assets per unit	92,652yen
Net income per unit	903yen (97yen)

（Note1） Net income per unit is calculated by dividing net income by daily weighted average number of investment units (37,353 units). Also, assuming that the beginning of the period is July 30, 2018 which is the commencement of actual asset management, net income per unit for this period is also shown in parentheses using 345,500 units as the weighted average number of units. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

（Note2） We conducted a 10-for-1 unit split on April 21, 2018. Net income per unit is calculated assuming that the investment unit was split at the beginning of the fiscal year.

（Note3） The basis for calculation of net income per unit is as follows:

	1st fiscal period From: September 11, 2017 To: August 31, 2018
Net income (thousand yen)	33,755
Amount not attributable to common unitholders (thousand yen)	-
Net income attributable to common investment units (thousand yen)	33,755
Average number of investment units during period (units)	37,353

［Notes on Significant Subsequent Events］

Not applicable.

(9) Changes in Investment Units Issued and Outstanding

During the fiscal year under review, the Investment Corporation raised 150 million yen by private placement and 31,841 million yen through public offering. The total amount of investment and the total number of outstanding investment units until the end of August 31, 2018 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)

(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.

４． Changes in Directors

（１） Directors of the Investment Corporation

There were no changes in directors in the fiscal period under review.

（２） Directors of the Asset Management Company

Changes in officers of the Asset Management Company during the fiscal year under review are as follows.。

(Retirement)

February 15,2018 Yoichiro Kimoto, Director
February 15,2018 Kazuo Wakairo, Auditor

(Inauguration)

February 15,2018 Tetsuo Funamoto, President
February 15,2018 Kazuhiro Kono, Director
February 15,2018 Tetsu Kasuga, Director
February 15,2018 Kensuke Suzuki, Auditor

5． Reference Information

（1） Investment Status

Type of asset	Primary use	Geographic area (Note 1)	1st fiscal period (As of August 31, 2018)	
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate in trust	Office	Four major metropolitan areas	44,333	63.7
		Major regional cities	8,199	11.8
	Residence	Four major metropolitan areas	4,927	7.1
		Major regional cities	1,217	1.8
	Hotel	Four major metropolitan areas	-	-
		Major regional cities	4,461	6.4
	Retail and Other	Four major metropolitan areas	995	1.4
		Major regional cities	1,049	1.5
	Subtotal		65,183	93.7
Deposits and other assets			4,394	6.3
Total amount of assets			69,578	100.0

	1st fiscal period (As of August 31, 2018)	
	Amount (million yen)	As a percentage of total assets (%)
Total amount of liabilities (Note2)	37,566	54.0
Total amount of net assets (Note2)	32,011	46.0

（Note1） References to Japan's "four major metropolitan areas" are to the Tokyo, Nagoya, Osaka and Fukuoka metropolitan areas. "Tokyo metropolitan area" are to Tokyo, Kanagawa, Chiba and Saitama prefectures. "Osaka metropolitan area" are to Osaka, Kyoto and Hyogo prefectures. "Nagoya metropolitan area" are to Aichi, Gifu and Mie prefectures. "Fukuoka metropolitan area" are to Fukuoka prefecture.
References to Japan's "major regional cities" are to ordinance-designated cities, core cities, specially- designated cities and prefectural capital cities, excluding those included in Japan's four major metropolitan areas. References to "ordinance-designated cities" are to the cities of Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima and Kumamoto as of the end of the period. References to "core cities" are to Japanese cities that have a population of at least 200,000 persons and are designated as such by an ordinance under the Local Autonomy Act of Japan. References to "specially-designated cities" are to Japanese cities that had a population of at least 200,000 persons and were designated as such by an ordinance under the same act at the time of the abolishment of the system of specially-designated cities as of April 1, 2015.

（Note2） "Total amount held"、"Total amount of liabilities" and "Total amount of net assets" are based on the balance sheet as of August 31, 2018 (real estate in trust, the book value after depreciation), rounded down to the nearest million yen is stated.

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

（2） Invested Assets

①Major investment securities

Not applicable.

②Investment property

Not applicable.

④ Other major investment assets

a Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of August 31, 2018 (Trust beneficiary right with real estate or real estate as a trust property, hereinafter collectively referred to as "investment assets"),

Category	Property Number (Note1)	Property	Location (city or ward, prefecture)	Acquisition price (million yen) (Note2)	Percentage of total acquisition price (%) (Note3)	Appraisal value (million yen) (Note4)	Acquisition date
Office	O-01	NT Building	Shinagawa-ku, Tokyo	12,350	19.2	13,000	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	15.2	10,000	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	7.6	4,880	July 30, 2018
	O-04	TTS Minami Aoyama Building	Minato-ku, Tokyo	4,090	6.4	4,290	July 30, 2018
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	5.4	3,610	July 30, 2018
	O-06	SAMTY Shin-Osaka Center Building	Osaka, Osaka	3,450	5.4	3,620	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka, Fukuoka	2,500	3.9	2,600	July 30, 2018
	O-08	Chuo Bakuromachi Building	Osaka, Osaka	1,485	2.3	1,900	July 30, 2018
	O-09	L.Biz Jimbocho Building	Chiyoda-ku, Tokyo	1,006	1.6	1,140	July 30, 2018
	O-10	Shinsaibashi Building	Osaka, Osaka	772	1.2	805	July 30, 2018
	O-11	L.Biz Sendai	Sendai, Miyagi	1,680	2.6	1,740	July 30, 2018
	O-12	Sendai Nikko Building	Sendai, Miyagi	1,740	2.7	1,790	July 30, 2018
	O-13	Morioka Ekimae-dori Building	Morioka, Iwate	1,480	2.3	1,680	July 30, 2018
	O-14	Nagano Central Building	Nagano, Nagano	898	1.4	1,120	July 30, 2018
	O-15	EME Koriyama Building	Koriyama, Fukushima	900	1.4	1,030	July 30, 2018
	O-16	Utsunomiya Central Building	Utsunomiya, Tochigi	771	1.2	987	July 30, 2018
	O-17	Yamagata Ekimae-dori Building	Yamagata, Yamagata	600	0.9	814	July 30, 2018
	Subtotal		－	51,866	80.6	55,006	－
Residence	R-01	Amare Tokaidori	Nagoya, Aichi	1,100	1.7	1,220	July 30, 2018
	R-02	Dormy Ukimafunado	Itabashi-ku, Tokyo	1,080	1.7	1,110	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	1.6	1,080	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	1.6	1,070	July 30, 2018
	R-05	Alpha Space Toritsudai	Meguro-ku, Tokyo	589	0.9	605	July 30, 2018
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	1.9	1,340	July 30, 2018
	Subtotal		－	6,061	9.4	6,425	－
Hotel	H-01	Dormy Inn Matsuyama	Matsuyama,Ehime	2,427	3.8	2,500	July 30, 2018
	H-02	Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	2,000	3.1	2,100	July 30, 2018
	Subtotal		－	4,427	6.9	4,600	－
Retail and other assets	C-01	Prio Daimyo II	Fukuoka, Fukuoka	980	1.5	1,090	July 30, 2018
	C-02	Co-op Sapporo SMD	Asahikawa, Hokkaido	1,036	1.6	1,100	July 30, 2018
	Subtotal			2,016	3.1	2,190	－
Total			－	64,370	100.0	68,221	－

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

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

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

(Note4) "Appraisal value" indicates the appraisal value stated in the real estate appraisal report as of August 31, 2018. 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 of September 1, 2018, the name has been changed from "MB Odakyu Building" to "L. Biz Sendai".

b Individual property balance

The income and expenditure situation of individual property in the current term (33 actual asset management days) is as follows.

(Unit: thousand yen)

	Property Number	O-01	O-02	O-03	O-04	O-05
	Property	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	TTS Minami Aoyama Building	Omiya NSD Building
①	Lease business revenue	66,290	41,367	34,810	17,678	18,238
	Lease business revenue	55,907	37,329	30,613	16,761	17,474
	Other lease business revenue	10,383	4,037	4,196	916	764
②	Operating expenses from real estate leasing	10,358	5,286	8,534	1,633	5,031
	Management fee	3,468	1,891	3,919	691	3,554
	Utilities expenses	6,669	3,194	4,244	784	1,021
	Insurance premium	93	55	84	11	29
	Repair expenses	52	77	180	76	371
	Trust fee	72	67	54	67	54
	Other expenses	2	0	51	2	1
③	NOI(①-②)	55,931	36,081	26,275	16,044	13,207
④	Depreciation	11,266	7,812	5,887	1,188	2,102
⑤	Operating income (loss) from real estate leasing (③-④)	44,664	28,268	20,388	14,855	11,104

(Unit: thousand yen)

	Property Number	O-06	O-07	O-08	O-09	O-10
	Property	SAMTY Shin-Osaka Center Building	Hakata Gion Building	Chuo Bakuromachi Building	L.Biz Jimbocho Building	Shinsaibashi Building
⑥	Lease business revenue	20,495	15,507	11,820	4,763	5,615
	Lease business revenue	18,110	13,557	10,003	4,706	4,875
	Other lease business revenue	2,385	1,949	1,817	57	740
⑦	Operating expenses from real estate leasing	3,718	2,915	3,567	415	1,652
	Management fee	1,582	1,245	1,865	315	733
	Utilities expenses	2,029	1,544	1,454	-	834
	Insurance premium	33	25	26	4	13
	Repair expenses	-	27	149	40	-
	Trust fee	71	72	72	54	72
	Other expenses	0	-	0	0	0
⑧	NOI(①-②)	16,777	12,592	8,253	4,348	3,962
⑨	Depreciation	3,481	3,615	1,112	847	866
⑩	Operating income (loss) from real estate leasing (③-④)	13,296	8,976	7,140	3,501	3,096

(Unit: thousand yen)

Property Number		O-11	O-12	O-13	O-14	O-15
Property		L.Biz Sendai	Sendai Nikko Building	Morioka Ekimae-dori Building	Nagano Central Building	EME Koriyama Building
⑪	Lease business revenue	11,856	11,485	13,625	9,225	9,005
	Lease business revenue	10,404	10,905	13,442	8,333	8,673
	Other lease business revenue	1,451	580	183	892	331
⑫	Operating expenses from real estate leasing	2,629	1,687	2,804	1,963	2,044
	Management fee	1,411	1,036	2,490	1,217	1,393
	Utilities expenses	1,136	538	207	663	326
	Insurance premium	27	20	36	26	22
	Repair expenses	-	-	-	-	248
	Trust fee	54	81	67	54	54
	Other expenses	0	9	1	1	0
⑬	NOI(①-②)	9,226	9,798	10,820	7,262	6,960
⑭	Depreciation	2,756	1,768	4,752	2,608	2,741
⑮	Operating income (loss) from real estate leasing (③-④)	6,470	8,030	6,068	4,653	4,218

(Unit: thousand yen)

Property Number		O-16	O-17	R-01	R-02	R-03
Property		Utsunomiya Central Building	Yamagata Ekimae-dori Building	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet
⑯	Lease business revenue	9,035	6,538	6,764	5,648	6,137
	Lease business revenue	8,049	6,190	6,735	5,648	6,027
	Other lease business revenue	986	347	29	-	109
⑰	Operating expenses from real estate leasing	2,061	1,890	699	117	648
	Management fee	1,248	1,217	476	51	534
	Utilities expenses	735	596	-	-	44
	Insurance premium	22	21	14	10	13
	Repair expenses	-	-	127	-	-
	Trust fee	54	54	54	54	54
	Other expenses	0	1	27	0	0
⑱	NOI(①-②)	6,974	4,647	6,064	5,531	5,489
⑲	Depreciation	1,995	1,958	2,771	872	2,213
⑳	Operating income (loss) from real estate leasing (③-④)	4,979	2,689	3,292	4,658	3,276

(Unit: thousand yen)

Property Number	R-04	R-05	R-06	H-01	H-02
Property	LUXENA HIGASHI-KOENJI	Alpha Space Toritsudai	J City Hatchobori	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya
21 Lease business revenue	4,729	2,623	7,142	13,572	11,398
Lease business revenue	4,729	2,616	7,124	13,572	11,398
Other lease business revenue	-	6	18	-	-
22 Operating expenses from real estate leasing	866	771	993	367	166
Management fee	757	622	906	135	64
Utilities expenses	17	28	-	150	-
Insurance premium	6	5	13	25	29
Repair expenses	29	46	18	-	-
Trust fee	54	67	54	54	72
Other expenses	0	0	0	1	-
23 NOI(①-②)	3,863	1,851	6,149	13,205	11,232
24 Depreciation	1,126	384	1,503	6,384	3,739
25 Operating income (loss) from real estate leasing (③-④)	2,737	1,467	4,646	6,820	7,493

(Unit: thousand yen)

Property Number	C-01	C-02
Property	Prio Daimyo II	Co-op Sapporo Shunko
26 Lease business revenue	4,642	7,409
Lease business revenue	4,642	7,409
Other lease business revenue	-	-
27 Operating expenses from real estate leasing	340	204
Management fee	222	74
Utilities expenses	41	-
Insurance premium	3	17
Repair expenses	-	58
Trust fee	72	54
Other expenses	-	0
28 NOI(①-②)	4,302	7,204
29 Depreciation	350	2,284
30 Operating income (loss) from real estate leasing (③-④)	3,951	4,920

(３) Capital expenditure of investment assets

①Scheduled capital expenditure

As for the assets held by the Investment Corporation as of August 31, 2018, the major planned amount of capital expenditure accompanying the renovation work etc. for the February 2019 plan currently planned is as follows. In addition, the following planned amount of construction may occasionally be booked as repair expenses.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Planned amount(thousand yen)		
				Total	Current payment amount	Total spending
Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	Renewal of common areas Elevator renewal	From January, 2019 To February, 2019	45,991	-	-
Hotel Sunshine Utsunomiya	Utsunomiya, Tochigi	Air conditioning renewal	From September, 2018 To October, 2018	26,270	-	-
EME Koriyama Building	EME Koriyama Building	Air conditioning renewal LED installment	From October, 2018 To December, 2018	18,000	-	-

②Capital expenditure made during the period

The outline of the major constructions etc. corresponding to the capital expenditure made in the fiscal period ended August 31, 2018 are as follows. The construction corresponding to the capital expenditure of the assets held as a whole in the first fiscal period is 1,000 thousand yen, and together with the repair expenses of 1,499 thousand yen, a total of 2,499 thousand yen is being implemented.

Property	Location (city or ward, prefecture)	Purpose	Schedule	Amount (thousand yen)
EME Koriyama Building	Koriyama, Fukushima	Partition · Door installation work	From August 7, 2018 To August 19, 2018	1,000
Total				1,000

③Reserve for long-term repair plan

Not applicable.