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October 14, 2020

Financial Report for the Fiscal Period Ended August 31, 2020 (For the Reporting Period from March 1, 2020 to August 31, 2020)

Hulic Reit, Inc. (“Investment Corporation”)

Listing: Tokyo Stock Exchange
Securities code: 3295
URL: <https://www.hulic-reit.co.jp>
Representative: Eiichi Tokita, Executive Officer

Asset management company: Hulic Reit Management Co., Ltd.
Representative: Eiichi Tokita, Representative Director, President and CEO
Contact: Kazuaki Chokki, Director, Executive Vice President, CFO, Head of Planning and Administration Division
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Scheduled date to file securities report: November 24, 2020
Scheduled date to commence payment of distributions: November 13, 2020
Preparation of supplementary material on financial report: Yes
Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen, except for the basic earnings per unit)

1. Summary of financial results for the fiscal period ended August 31, 2020 (March 1, 2020 - August 31, 2020)

(1) Operating results

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit	
Fiscal period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2020	10,591	9.8	5,782	9.8	5,083	9.7	5,082	9.7
February 29, 2020	9,642	5.5	5,268	5.7	4,634	6.2	4,633	6.2

	Basic earnings per unit	Return on equity	Ordinary profit on total assets	Ordinary profit on operating revenues
Fiscal period ended	Yen	%	%	%
August 31, 2020	3,873	2.8	1.4	48.0
February 29, 2020	3,554	2.7	1.4	48.1

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units outstanding during the period (fiscal period ended August 31, 2020: 1,312,000 units; fiscal period ended February 29, 2020: 1,303,374 units).

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
August 31, 2020	3,874	5,082	2	2	100.0	2.8
February 29, 2020	3,531	4,632	1	1	99.9	2.6

(Note 1) Total distributions in excess of earnings fully relate to allowance for temporary difference adjustments.

(Note 2) The payout ratio is calculated with the following formula and rounded down to nearest one decimal place.

Payout ratio = Total distributions (excluding distributions in excess of earnings) / Profit × 100

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2020	370,487	178,860	48.3	136,326
February 29, 2020	349,732	178,412	51.0	135,984

(4) Cash flows

	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
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2020	11,835	(23,926)	14,557	19,947
February 29, 2020	4,790	(18,188)	13,587	17,480

2. Forecasts of performance for the fiscal period ending February 28, 2021 (September 1, 2020 - February 28, 2021) and the fiscal period ending August 31, 2021 (March 1, 2021 - August 31, 2021)

(Percentages show changes from the previous fiscal period)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
February 28, 2021	11,017	4.0	6,047	4.6	5,315	4.6	5,314	4.6	4,050	2
August 31, 2021	10,123	(8.1)	5,266	(12.9)	4,528	(14.8)	4,527	(14.8)	3,450	2

(Reference) Forecasted basic earnings per unit (Forecasted profit / Forecasted number of investment units at end of period)

For the fiscal period ending February 28, 2021: ¥4,050

For the fiscal period ending August 31, 2021: ¥3,450

*** Other**

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

- | | | |
|----|--|------|
| a. | Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| b. | Changes in accounting policies due to reasons other than a. above: | None |
| c. | Changes in accounting estimates: | None |
| d. | Retrospective restatement: | None |

(2) Total number of investment units issued

- | | | |
|----|--|-----------------|
| a. | Total number of investment units issued at end of period (including treasury investment units) | |
| | As of August 31, 2020 | 1,312,000 units |
| | As of February 29, 2020 | 1,312,000 units |
| b. | Number of treasury investment units at end of period | |
| | As of August 31, 2020 | 0 units |
| | As of February 29, 2020 | 0 units |

(Note) Please refer to “Notes on Per Unit Information” on page 37 for the number of investment units used as the basis for calculating basic earnings per unit.

*** Financial reports are exempt from audit conducted by certified public accountants or an audit corporation.**

*** Special notes**

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The above-mentioned forecasts are based on “Assumptions for forecasts of performance for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021)” (hereinafter “Assumptions for Forecasts”) on pages 11 through 14 for calculation, and our judgment as of this date. Actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may vary due to factors such as additional acquisitions or transfers of real estate, etc., upswings or downswings in the real estate market or other changes in market conditions affecting the Investment Corporation. These forecasts do not guarantee the distribution amount.

1. Status of Asset Management

(1) Operating results

Summary of results for the reporting period

i) Transition of the Investment Corporation

The Investment Corporation was established on November 7, 2013, with Hulic Reit Management Co., Ltd. (hereinafter referred to as the “Asset Manager”), which is entrusted with the management of the assets of the Investment Corporation, as the organizer under the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trust Act”). On November 25, 2013, the Investment Corporation was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 88). The Investment Corporation issued new investment units through a public offering with the payment date on February 6, 2014, which were listed on the Real Estate Investment Trust Securities (J-REIT) Market of Tokyo Stock Exchange, Inc. (Securities code: 3295) on February 7, 2014. New investment units were issued through a third-party allotment on March 7, 2014. The Investment Corporation recently carried out capital increases through its sixth public offering after its listing on September 26, 2019 and a third-party allotment on October 11, 2019. As a result, the number of investment units issued as of the end of the reporting period was 1,312,000.

The Investment Corporation primarily invests in and manages office buildings and retail facilities.

ii) Performance for the reporting period

During the reporting period, the Investment Corporation acquired four properties, Hulic Ryogoku Building, Hulic Asakusabashi Edo-dori, Hulic Mejiro and Hulic Tsukiji 3 Chome Building (total acquisition price: ¥23,672 million) in March 2020, and transferred Gate City Ohsaki (transfer price: ¥4,800 million) in the same month. As a result, the number of properties held by the Investment Corporation as of the end of the reporting period was 58, and the total acquisition price was ¥351,449 million (rounded to the nearest ¥1 million). The occupancy rate of the entire portfolio has remained at a high level to end the reporting period at 99.8%.

Based on the belief that consideration for the environment, society and governance leads to the maximization of medium- to long-term unitholder value, the Asset Manager formulated the “Sustainability Policy” in March 2016 and has implemented initiatives related to environmental consideration, improvement in tenants’ satisfaction and contribution to local communities.

The Investment Corporation has participated in the Real Estate Assessment of Global Real Estate Sustainability Benchmark (GRESB) (Note 1) from the fiscal period ended August 31, 2016. In the GRESB Real Estate Assessment conducted in 2019, the Investment Corporation was awarded a “Green Star” for the third consecutive year for its initiatives in environmental awareness and sustainability, having received strong recognition in both the areas of “Management & Policy” and “Implementation & Measurement.” At the same time, the Investment Corporation also received “4 Stars,” the 2nd-highest GRESB Rating for the third year in a row. In addition, the Investment Corporation has been working on acquisition of external certification relating to energy conservation and environmental performance of its owned properties, and as of the date of this report, it has acquired external certification for a total of 22 properties, as follows. Concerning DBJ Green Building Certification (Note 2), the Investment Corporation has acquired certification for 7 properties, with Ochanomizu Sola City, Shinagawa Season Terrace and Hulic Asakusabashi Building obtaining the highest ranking. As for BELS (Note 3), which is a public rating system that assesses the energy-conservation performance of non-residential buildings, the Investment Corporation acquired certification for 8 properties, with Shinagawa Season Terrace and HULIC & New SHIBUYA obtaining the highest ranking. In December 2019, Shinagawa Season Terrace became the first office building with a floor area of 100 thousand m² or more that acquired ZEB Ready (Note 4) under the said rating system (Note 5). Concerning the real estate evaluation certification CASBEE (Note 6), the Investment Corporation has acquired certification for 6 properties, with Hulic Kamiyacho Building and Toranomon First Garden obtaining the highest ranking. In November 2019, the Investment Corporation acquired CASBEE-Wellness Office evaluation certification (Note 7) for Hulic Toranomon Building.

- (Note 1) The “Global Real Estate Sustainability Benchmark (GRESB)” is an annual benchmark assessment used to evaluate ESG considerations in the global real estate sector. It was established in 2009 primarily by major European pension fund groups, which led the Principles for Responsible Investment.
- (Note 2) The “DBJ Green Building Certification” is a certification system created by Development Bank of Japan Inc. in April 2011 to support real estate properties with environmental and social awareness (“Green Building”). The certification system is said to evaluate and certify real estate properties in terms of their desirability for society and the economy based on a comprehensive evaluation, which includes not only environmental performance, but also responsiveness to various stakeholder needs such as consideration for emergency preparedness and the community, and to support these efforts.
- (Note 3) The “BELS” is a building energy-efficiency labeling system that was started with the aim of having third-party institutions implement accurate evaluation and labeling of energy-conservation performance in non-residential buildings in accordance with the guidelines set forth in October 2013 by the Ministry of Land, Infrastructure, Transport and Tourism in “Evaluation Guidelines for Energy-efficiency Labeling for Non-residential Buildings (2013).”
- (Note 4) “ZEB Ready” refers to a state-of-the-art building designed with ZEB (Net Zero Energy Building: building aiming at annual net zero primary energy consumption balance) in mind. It is equipped with cladding of high thermal insulation and highly efficient energy saving facilities (to be ZEB Ready, the building must meet a reduction in consumption of primary energy by 50% or more from the standard primary energy consumption, excluding renewable energy(*)).
- (*) The scope of the amount of renewable energy is limited to renewable energy produced on-site, including both the part of it that is sold and the part that is consumed on-site.
- (Note 5) According to data published by Housing Performance Assessment/Labeling Association, as of December 2019, the only office building with a floor area of 100 thousand m² or more that acquired “ZEB Ready” certification was Shinagawa Season Terrace.
- (Note 6) “CASBEE” (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating the environmental performance of buildings. CASBEE is a system that comprehensively evaluates the quality of buildings by giving consideration not only to the environment in regard to the use of materials that have good energy conservation and small environmental loads, but also to the comfort inside the buildings and to the landscapes. Institute for Building Environment and Energy Conservation (IBEC) promotes the adoption of the system and operates the assessment and certification. The real estate evaluation certification CASBEE evaluates the environmental performance of existing buildings with one or more years of use after completion.
- (Note 7) The “CASBEE-Wellness Office evaluation certification” is a method for evaluating specifications, performance and approaches of buildings that support maintenance and enhancement of the health and comfort of building users. The system evaluates not only the direct impact on the health and comfort of workers who inhabit offices in the building but also other performance factors such as contribution to intellectual productivity improvement as well as security and safety. IBEC promotes the adoption of the system and operates the assessment and certification.

iii) Status of financing

During the reporting period, in addition to the refinancing of short-term borrowings of ¥3,960 million, the Investment Corporation procured ¥10,750 million in long-term borrowings on August 31, 2020, refinanced long-term borrowings of ¥3,559 million that was due for repayment on the same date, and repaid ¥7,200 million as an early partial repayment of short-term borrowings of ¥19,200 million.

As a result, as of the end of the reporting period, interest-bearing debt totaled ¥172,776 million (comprising ¥18,960 million in short-term borrowings, ¥15,680 million in current portion of long-term borrowings, ¥126,136 million in long-term borrowings and ¥12,000 million in investment corporation bonds), resulting in a loan-to-value (LTV) ratio of 46.6%.

Issuer credit ratings of the Investment Corporation as of the end of the reporting period are as follows:

Credit rating agency	Contents of credit rating
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: AA-, Rating outlook: Positive

iv) Overview of financial results and distributions

As a result of the above asset management, operating revenues for the reporting period were ¥10,591 million (up 9.8% compared with the previous fiscal period), operating profit was ¥5,782 million (up 9.8% compared with the previous fiscal period), ordinary profit after deducting interest expenses for borrowings, etc. was ¥5,083 million (up 9.7% compared with the previous fiscal period), and profit was ¥5,082 million (up 9.7% compared with the previous fiscal period).

Furthermore, in accordance with the distribution policy set forth in the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to pay distributions for the reporting period in an amount roughly equal to unappropriated retained earnings, with the aim of including distributions of profits in tax deductible expenses pursuant to special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Consequently, distributions per unit (excluding distributions in excess of earnings) came to ¥3,874.

In addition to this, pursuant to the policy for distribution of cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to distribute ¥2,624,000 as distribution of allowance for temporary difference adjustments with distributions in excess of earnings per investment unit being ¥2, in consideration of effects of discrepancies in tax and accounting treatment in the case of excess income in association with expenses related to asset retirement obligations (as prescribed in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accountings of Investment Corporations) on distributions.

Consequently, distributions per unit (including distributions in excess of earnings per investment unit of ¥2) for the reporting period came to ¥3,876.

Outlook for the fiscal period ending February 28, 2021

i) Outlook for overall operations

The Japanese economy going forward is expected to continue picking up as the level of socio-economic activity is gradually raised while taking measures to prevent the spread of the novel coronavirus disease (COVID-19). The rental office market is forecasted to remain firm, but the Investment Corporation will closely observe changes in office needs as a result of downsizing of offices due to factors such as the deterioration of corporate earnings, as well as the spread of working-from-home arrangements, and other developments. Furthermore, in retail properties and hotels, despite consumer sentiment showing signs of picking up due to the effects of various measures, it is necessary to ascertain the business condition of tenants and properly respond to them.

Against this backdrop, the Investment Corporation will focus on Tokyo Commercial Properties (Note 1), aiming to maximize unitholder value over the medium to long term, and invest in Next-Generation Assets Plus (Note 2), aiming to support stable earnings over the long term. As part of these efforts to maximize unitholder value over the medium to long term, the Investment Corporation will implement efforts combining the Asset Manager's own measures to drive external and internal growth while using the support of the Hulic Group. The Investment Corporation will maintain and grow profits over the medium to long term and increase the size and value of the asset portfolio.

In terms of financing strategy, the Investment Corporation will seek to maintain the LTV ratio at an appropriate level and shift to loans with longer terms with fixed interest rates and staggered repayment dates in order to maintain a stable and healthy financial position.

(Note 1) "Tokyo Commercial Properties" are office properties and retail properties under a concept specific to the Investment Corporation that comprehensively includes properties consistent with the basic philosophy of the Investment Corporation. Specifically, office properties are those in Tokyo and government-ordinance-designated cities in the surrounding areas that are in principle located within a five-minute walking distance from the nearest train station, in areas where the office properties are sufficiently competitive. Retail properties are those located in Tokyo and major cities in the surrounding areas that are in principle located within a five-minute walking distance from the nearest train station or in areas with a high concentration of retail activities. Such retail properties are also highly visible in public and have the potential to generate

demand from prospective tenants that offer products and services suitable for the characteristics of their respective retail areas.

- (Note 2) “Next-Generation Assets Plus” are properties specified for investment by the Investment Corporation based on its basic philosophy. Specifically, they are lease properties for which the Investment Corporation deems that firm demand can be anticipated even in the future and stable long-term earnings can be obtained, or that it will contribute to the maximization of unitholder value over the medium to long term, and in principle, the Investment Corporation stringently selects investment targets after carefully examining the individual properties’ profitability, characteristics of the location and competitiveness of the location. The Investment Corporation classifies private nursing homes, network centers and hotels, as well as office properties and retail properties that do not fall under the category of Tokyo Commercial Properties, as Next-Generation Assets Plus.

ii) Significant events after the reporting period

Not applicable.

(Reference information)

(A) Acquisitions of properties

On October 14, 2020, the Investment Corporation executed a purchase and sale agreement regarding the acquisition of the beneficiary rights of real estate in trust shown in the table of <Assets Planned for Acquisition> below (2 properties; the total of anticipated acquisition prices: ¥8,100 million. Hereinafter referred to as the “Asset Planned for Acquisition” (individually) or “Assets Planned for Acquisition” (collectively). The anticipated acquisition price provided does not include expenses incurred on the acquisition of such Assets Planned for Acquisition (including acquisition expenses, settlement of fixed asset tax and city planning tax and consumption taxes), and is equal to the acquisition price stated on the agreement for sales of beneficial interests in trust.

<Assets Planned for Acquisition>

Property name	Location	Scheduled date of acquisition	Anticipated acquisition price (Millions of yen)	Seller
Hulic Nakano Building	Nakano-ku, Tokyo	October 16, 2020	3,200	Hulic Co., Ltd.
Hulic Hachioji Building	Hachioji-shi, Tokyo	October 16, 2020	4,900	Hulic Co., Ltd.
Total	—	—	8,100	—

(B) Transfer of properties

On October 14, 2020, the Investment Corporation executed a purchase and sale agreement regarding the transfer of the beneficiary rights of real estate in trust shown in the table of <Assets Planned for Transfer> below (3 properties; the total of anticipated transfer prices: ¥12,045 million. Hereinafter referred to as the “Asset Planned for Transfer” (individually) or “Assets Planned for Transfer” (collectively). The anticipated transfer price provided does not include expenses incurred on the transfer of such Assets Planned for Transfer (including transfer expenses, settlement of fixed asset tax and city planning tax and consumption taxes), and is equal to the transfer price stated on the agreement for sales of beneficial interests in trust.

<Assets Planned for Transfer>

Property name	Location	Scheduled date of transfer	Quasi co-ownership interest planned for transfer (Note 1)	Anticipated transfer price (Millions of yen)	Transferee
Hulic Nihonbashi Honcho 1 Chome Building	Chuo-ku, Tokyo	October 15, 2020	50%	4,450	Undisclosed (Note 2)
Orchid Square	Chiyoda-ku, Tokyo	October 16, 2020	50%	1,945	Hulic Co., Ltd.
		March 1, 2021	50%	1,945	
Hulic Omori Building	Shinagawa-ku, Tokyo	October 16, 2020	100%	3,705	Hulic Co., Ltd.
Total	—	—	—	12,045	—

(Note 1) “Quasi co-ownership interest planned for transfer” shows the percentage of quasi co-ownership interest of the assets held by the Investment Corporation that is planned for transfer on the scheduled date. The Investment Corporation holds 50% quasi co-ownership interest of Hulic Nihonbashi Honcho 1 Chome Building, and upon transfer, it plans to transfer all the interest that it holds.

(Note 2) Although the transferee is a business company in Japan, the transferee is not disclosed because the transferee’s consent regarding disclosure has not been obtained.

(C) Early partial repayment of borrowings

On October 14, 2020, the Investment Corporation decided that it will make an early partial repayment of ¥1,000 million (provisional) on October 30, 2020 for the following borrowings (hereinafter referred to as the “Early Partial Repayment”) by using the amount received for the transfer from the transferee for the asset swap of (A) and (B) above less the acquisition price paid to the seller, topped up with cash reserves.

Lender	Borrowing amount (Millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Remarks
Mizuho Bank, Ltd.	12,000 (Note)	Base rate of interest (JBA one-month Japanese Yen TIBOR) +0.300%	March 26, 2020	February 28, 2021	Lump-sum repayment	Unsecured and unguaranteed

(Note) The borrowing amount is the amount after reflecting the borrowings in the amount of ¥19,200 million made on March 26, 2020, and early partial repayment of ¥7,200 million made on August 31, 2020. The balance of borrowings after the Early Partial Repayment is to be ¥11,000 million.

iii) Operating results (earnings) forecasts

The Investment Corporation's forecasts for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021) are as follows:

- Operating results forecasts for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and details of the revision to the operating results forecasts

	Previous forecast (A) (Note 1)	Current forecast (B) (Note 2)	Difference (amount) (B-A)	Difference (%)
Operating revenues	¥10,205 million	¥11,017 million	¥811 million	8.0%
Operating profit	¥5,548 million	¥6,047 million	¥498 million	9.0%
Ordinary profit	¥4,873 million	¥5,315 million	¥442 million	9.1%
Profit	¥4,872 million	¥5,314 million	¥442 million	9.1%
Distributions per unit (excluding distributions in excess of earnings)	¥3,480	¥4,050	¥570	16.4%
Distributions in excess of earnings per unit	¥2	¥2	¥—	—%

(Note 1) "Previous forecast" states the forecasts for the fiscal period ending February 28, 2021 disclosed in Financial Report for the Fiscal Period Ended February 29, 2020 that was released on April 14, 2020.

(Note 2) "Current forecast" states the forecasts for the fiscal period ending February 28, 2021 disclosed in this Financial Report for the Fiscal Period Ended August 31, 2020.

<Reason for the revision to the operating results forecasts>

As of October 14, 2020, the Investment Corporation has decided to acquire the Assets Planned for Acquisition and to transfer the Assets Planned for Transfer as stated in "(1) Operating results, Outlook for the fiscal period ending February 28, 2021, ii) Significant events after the reporting period, (Reference information)." Furthermore, the Investment Corporation had included in its previous forecasts the assumptions that, as disclosed in Financial Report for the Fiscal Period Ended February 29, 2020 that was released on April 14, 2020 and Notice concerning Revisions to the Forecasts of Financial Results, etc. for the Fiscal Period Ending August 31, 2020 announced on August 5, 2020, the Investment Corporation had filed a shelf registration statement for the issuance of investment units (planned issuance amount of ¥16,000 million) to the Director-General of the Kanto Local Finance Bureau as of March 24, 2020, and it planned to issue new units for the planned issuance amount (88,000 investment units) stated in the aforementioned shelf registration statement during the fiscal period ending February 28, 2021 (hereinafter referred to as the "Issuance of New Investment Units in Fiscal Period Ending February 28, 2021"). However, in light of the present conditions of the stock market and other factors, the Investment Corporation decided not to proceed with the Issuance of New Investment Units in Fiscal Period Ending February 28, 2021 and withdrew the aforementioned shelf registration statement as of the date of this report.

Accordingly, for the reasons stated above, the assumptions of the previous forecasts have now changed and the operating results forecasts have been revised.

- Operating results forecasts for the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021)

	Fiscal period ending August 31, 2021
Operating revenues	¥10,123 million
Operating profit	¥5,266 million
Ordinary profit	¥4,528 million
Profit	¥4,527 million
Distributions per unit (excluding distributions in excess of earnings)	¥3,450
Distributions in excess of earnings per unit	¥2

Information on current assumptions for the forecasts of operating results is as shown in “Assumptions for forecasts of performance for the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021)” on pages 11 through 14.

(Note) The above-mentioned forecasts are based on certain calculation assumptions and our judgment based on information currently available to the Investment Corporation. Actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may vary in response to factors such as additional acquisitions or transfers of real estate, etc., upswings or downswings in the real estate market or other changes in market conditions affecting the Investment Corporation. These forecasts do not guarantee the distribution amount.

**Assumptions for forecasts of performance for
the fiscal period ending February 28, 2021 (from September 1, 2020 to February 28, 2021) and
the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021)**

Item	Assumptions
Accounting period	- Fiscal period ending February 28, 2021: 181 days from September 1, 2020 to February 28, 2021 - Fiscal period ending August 31, 2021: 184 days from March 1, 2021 to August 31, 2021
Portfolio	- We have based our assumptions on a total of 60 properties consisting of 58 properties we hold as of the date of this report (hereinafter referred to as the “Assets Held” in this table of assumptions) in addition to the Assets Planned for Acquisition, and taking into account the Assets Planned for Transfer (quasi co-ownership interest). For details on the Assets Planned for Acquisition and Assets Planned for Transfer, please refer to the “Notice concerning the Acquisition and Transfer of Properties” released as of the date of this report. - Concerning Orchid Square among the Assets Planned for Transfer, we plan to transfer the quasi co-ownership interest of 50% in the fiscal period ending February 28, 2021 (the 14th fiscal period) and the quasi co-ownership interest of 50% in the fiscal period ending August 31, 2021 (the 15th fiscal period). - In our forecasts of performance, we have assumed that there will be no changes in the composition of our portfolio (no acquisitions of new properties, no transfers of Assets Held, etc.) excluding above until August 31, 2021 (the end of the 15th fiscal period). - There may be changes in the portfolio, however, caused by buying or selling of properties.
Operating revenues	- Real estate leasing business revenues from Assets Held have been calculated in consideration of trends of the lease market and other factors on the basis of lease agreements effective as of the date of this report. Real estate leasing business revenues from Assets Planned for Acquisition have been calculated in consideration of trends of the lease market and other factors on the basis of information provided primarily by the owner and lease agreements scheduled to be effective as of the scheduled date of acquisition for the Assets Planned for Acquisition, and the real estate leasing business revenues from the Assets Planned for Transfer reflect the decreases of the quasi co-ownership interest on the assumption that the transfers (of the quasi co-ownership interest) are carried out as planned. Occupancy rates are assumed to be 99.2% and 98.5% as of February 28, 2021 and as of August 31, 2021, respectively, and such rates may vary if there are new tenant departure or if tenants that are scheduled to depart from some areas do not depart. - Projected amount for a gain on transfer relating to the Assets Planned for Transfer (after deducting expenses relating to the transfer) is recognized for the fiscal period ending February 28, 2021 (the 14th fiscal period) and the fiscal period ending August 31, 2021 (the 15th fiscal period). - Operating revenues assume no delinquencies or non-payment of rent by tenants.

Item	Assumptions
Operating expenses	• Of the expenses related to leasing business, the principal component of operating expenses, expenses other than depreciation and amortization expenses for the Assets Held excluding assets acquired in March 2020 have been calculated in such a way as to reflect variable factors in the expenses on the basis of past performance figures. In addition, such expenses for the assets acquired in March 2020 and Assets Planned for Acquisition have been calculated in such a way as to reflect variable factors in the expenses based on information received from the transferors of each asset and others, and also based on past performance figures. • We have calculated depreciation and amortization expenses using the straight-line method, including ancillary expenses, and assumed that we will incur depreciation and amortization expenses of ¥1,237 million for the fiscal period ending February 28, 2021 (the 14th fiscal period) and ¥1,246 million for the fiscal period ending August 31, 2021 (the 15th fiscal period). • In general, fixed asset tax, city planning tax, etc. for the assets we acquire or transfer are settled at the time of acquisition or transfer between the transferor and the transferee based on their respective periods of ownership in relation to the relevant tax year. With respect to the acquired assets, any of these taxes allocated to the transferee are not recognized in expenses at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes in the Investment Corporation. Fixed asset tax, city planning tax, etc. are assumed at ¥778 million for the fiscal period ending February 28, 2021 (the 14th fiscal period) and ¥876 million for the fiscal period ending August 31, 2021 (the 15th fiscal period). • Repair expenses for buildings are recognized for each fiscal period in amounts assumed as necessary based on the repair plan formulated by the Asset Manager for each property. However, actual repair expenses for each fiscal period may differ substantially from our forecasts, mainly for the following reasons: (i) we may incur expenses for urgent repairs to properties for reasons including damage to buildings resulting from factors that are difficult to foresee, (ii) generally, there is a substantial difference in such expenses incurred between each fiscal period, and (iii) such expenses are not incurred on a regular basis. We expect to post ¥183 million in the fiscal period ending February 28, 2021 (the 14th fiscal period) and ¥124 million in the fiscal period ending August 31, 2021 (the 15th fiscal period).
Non-operating expenses	• We expect to record interest expenses and other borrowing-related expenses of ¥710 million in the fiscal period ending February 28, 2021 (the 14th fiscal period) and ¥718 million in the fiscal period ending August 31, 2021 (the 15th fiscal period). • We expect to record amortization of investment corporation bond issuance costs (amortized by the straight-line method over period until redemption) and amortization of investment unit issuance costs (amortized by the straight-line method over a three-year period) relating to issuance of investment corporation bonds and new investment units, etc. of ¥20 million in the fiscal period ending February 28, 2021 (the 14th fiscal period) and ¥19 million in the fiscal period ending August 31, 2021 (the 15th fiscal period).

Item	Assumptions
Interest-bearing debt	• The balance of interest-bearing debt of the Investment Corporation as of the date of this report is ¥172,776 million (comprising ¥18,960 million in short-term borrowings, ¥15,680 million in current portion of long-term borrowings, ¥126,136 million in long-term borrowings and ¥12,000 million in investment corporation bonds). • Following the Early Partial Repayment, the unpaid amount of short-term borrowings of ¥3,000 million as of the date of this report taken out as acquisition funds for properties on December 20, 2019 and the unpaid amount of short-term borrowings of ¥12,000 million as of the date of this report taken out on March 26, 2020, will amount to ¥11,000 million. With respect to this unpaid amount, using cash reserves (planned to be ¥2,000 million), the respective short-term borrowings are scheduled to be partially repaid or refinanced on their respective due dates (in the case of partial repayment, the amount targeted for refinancing shall be the unpaid amount remaining after the partial repayment). The aforementioned cash reserves to be reduced in the partial repayment are planned to be supplemented by the transfer price of 50% quasi co-ownership interest of Orchid Square scheduled for transfer on March 1, 2021 (¥1,945 million). • For ¥8,550 million in current portion of long-term borrowings, for which repayment is due by February 28, 2021 (the end of the 14th fiscal period) and ¥7,130 million in current portion of long-term borrowings, for which repayment is due by August 31, 2021 (the end of the 15th fiscal period), we assume the refinancing of the entire amounts at the time of the due date. • As a result of the above, we assume that the balance of interest-bearing debt as of each of February 28, 2021 (as of the end of the 14th fiscal period), and August 31, 2021 (as of the end of the 15th fiscal period), will be ¥169,776 million. • We have assumed LTV ratio (assumed) of approximately 46.2% as of February 28, 2021 (as of the end of the 14th fiscal period). • The above LTV ratio (assumed) was obtained by the following formula: $\text{LTV (assumed)} = \frac{\text{Interest-bearing debt at end of period (assumed amount)}}{\text{Total assets at end of period (projected amount)}} \times 100$ Total assets at end of period (assumed): Amount obtained by adding the total of the acquisition prices of Assets Planned for Acquisition (¥8,100 million) to and subtracting the book value of Assets Planned for Transfer before February 28, 2021 (the end of the 14th fiscal period) (¥9,097 million) and cash reserves allocated to the partial repayment of borrowings (¥2,000 million) from the sum of the total assets as stated on the balance sheet dated August 31, 2020 (as of the end of the 13th fiscal period) (¥370,487 million)
Issuance of investment units	• We have assumed 1,312,000 total investment units have been issued as of the date of this report, and that there will be no issuance of additional investment units until the end of the fiscal period ending August 31, 2021 (the 15th fiscal period).
Distributions per unit (excluding distributions in excess of earnings)	• We have calculated distributions per unit (excluding distributions in excess of earnings) in accordance with the cash distribution policy prescribed 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 the asset portfolio, fluctuations in rent revenues associated with changes in tenants, or unforeseen occurrences of repairs.

Item	Assumptions
Distributions in excess of earnings per unit	• We expect to recognize ¥2 million in allowance for temporary difference adjustments in both the fiscal period ending February 28, 2021 (the 14th fiscal period) and the fiscal period ending August 31, 2021 (the 15th fiscal period) arising from discrepancies in tax and accounting treatment in connection with the recognition of expenses related to asset retirement obligations. • The Investment Corporation has decided to make distributions in excess of earnings equivalent to the increase in allowance for temporary difference adjustments and expects to distribute ¥2 per investment unit in distributions in excess of earnings in both the fiscal period ending February 28, 2021 (the 14th fiscal period) and the fiscal period ending August 31, 2021 (the 15th fiscal period).
Others	• It is assumed that there will not be further expansion of the adverse effect due to the spread of the novel coronavirus disease. Accordingly, the consideration of a negative effect on operations due to novel coronavirus disease's expansion or prolonged period of effect is not included. • We have assumed that no revisions that impact these forecasts will be made to law and regulations, tax systems, accounting standards, securities listing regulations and the rules of The Investment Trusts Association, Japan, or others. • We have assumed that no significant unforeseeable changes will occur in general economic trends or conditions in the real estate market.

2. Unaudited Financial Information

(1) Balance Sheets (unaudited)

	(Unit: thousands of yen)	
	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
Assets		
Current assets		
Cash and deposits	10,149,008	12,245,579
Cash and deposits in trust	7,331,270	7,701,626
Operating accounts receivable	218,667	171,014
Prepaid expenses	39,115	43,705
Consumption taxes receivable	328,769	–
Other	1,417	–
Total current assets	18,068,249	20,161,925
Noncurrent assets		
Property, plant and equipment		
Buildings	670,500	670,500
Accumulated depreciation	(22,977)	(31,201)
Buildings, net	647,523	639,298
Land	1,811,416	1,831,442
Buildings in trust	67,380,509	73,144,898
Accumulated depreciation	(7,993,387)	(9,024,783)
Buildings in trust, net	59,387,122	64,120,115
Structures in trust	391,060	402,327
Accumulated depreciation	(132,983)	(140,483)
Structures in trust, net	258,077	261,843
Machinery and equipment in trust	322,763	363,851
Accumulated depreciation	(158,945)	(179,780)
Machinery and equipment in trust, net	163,817	184,070
Tools, furniture and fixtures in trust	78,908	90,203
Accumulated depreciation	(22,844)	(27,680)
Tools, furniture and fixtures in trust, net	56,063	62,522
Land in trust	256,846,528	270,737,589
Construction in progress in trust	–	22,312
Total property, plant and equipment	319,170,549	337,859,195
Intangible assets		
Leasehold interests in land	2,343,025	2,343,025
Land leasehold interests in trust	8,790,287	8,784,984
Total intangible assets	11,133,313	11,128,010
Investments and other assets		
Leasehold and guarantee deposits	360,302	360,302
Long-term prepaid expenses	859,966	864,175
Deferred tax assets	41	26
Total investments and other assets	1,220,311	1,224,504
Total noncurrent assets	331,524,173	350,211,711
Deferred assets		
Investment unit issuance costs	65,006	43,623
Investment corporation bond issuance costs	75,094	70,314
Total deferred assets	140,100	113,938
Total assets	349,732,524	370,487,574

(Unit: thousands of yen)

	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	518,769	686,557
Short-term borrowings	6,960,000	18,960,000
Current portion of long-term borrowings	12,109,000	15,680,000
Accounts payable - other	1,095,726	1,287,412
Accrued expenses	36,351	37,689
Income taxes payable	1,391	1,140
Accrued consumption taxes	74,816	228,380
Advances received	1,641,023	1,713,009
Deposits received	—	362
Total current liabilities	22,437,078	38,594,551
Noncurrent liabilities		
Investment corporation bonds	12,000,000	12,000,000
Long-term borrowings	122,516,000	126,136,000
Leasehold and guarantee deposits received	131,075	131,075
Leasehold and guarantee deposits received in trust	13,954,009	14,482,762
Asset retirement obligations	282,245	282,922
Total noncurrent liabilities	148,883,329	153,032,760
Total liabilities	171,320,408	191,627,311
Net assets		
Unitholders' equity		
Unitholders' capital	173,778,746	173,778,746
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	—	*2 (1,312)
Total deduction from unitholders' capital	—	(1,312)
Unitholders' capital, net	173,778,746	173,777,434
Surplus		
Unappropriated retained earnings	4,633,369	5,082,828
Total surplus	4,633,369	5,082,828
Total unitholders' equity	178,412,115	178,860,262
Total net assets	*3 178,412,115	*3 178,860,262
Total liabilities and net assets	349,732,524	370,487,574

(2) Statements of Income and Retained Earnings (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Operating revenues		
Leasing business revenue	*1, *3 9,120,841	*1, *3 9,610,701
Other leasing business revenues	*1 521,321	*1 449,771
Gain on sales of real estate properties	-	*2 530,987
Total operating revenues	9,642,162	10,591,461
Operating expenses		
Expenses related to leasing business	*1 3,278,634	*1 3,515,691
Asset management fee	915,009	1,083,340
Asset custody fee	14,604	15,056
Administrative service fees	45,961	47,342
Remuneration for directors (and other officers)	6,000	6,000
Other operating expenses	113,430	141,576
Total operating expenses	4,373,640	4,809,008
Operating profit	5,268,522	5,782,453
Non-operating income		
Interest income	73	81
Gain on forfeiture of unclaimed dividends	680	310
Interest on tax refund	-	1,300
Total non-operating income	753	1,692
Non-operating expenses		
Interest expenses	437,278	479,024
Interest expenses on investment corporation bonds	41,623	44,627
Borrowing related expenses	127,893	151,032
Amortization of investment unit issuance costs	22,534	21,382
Amortization of investment corporation bond issuance costs	5,474	4,780
Total non-operating expenses	634,804	700,847
Ordinary profit	4,634,472	5,083,298
Profit before income taxes	4,634,472	5,083,298
Income taxes - current	1,402	1,152
Income taxes - deferred	(38)	15
Total income taxes	1,363	1,167
Profit	4,633,108	5,082,130
Retained earnings brought forward	261	697
Unappropriated retained earnings	4,633,369	5,082,828

(3) Statements of Changes in Net Assets (unaudited)

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

(Unit: thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings	Total surplus		
Balance at the beginning of the period	162,803,382	4,362,498	4,362,498	167,165,880	167,165,880
Changes during the period					
Issuance of new investment units	10,975,364	—	—	10,975,364	10,975,364
Dividends of surplus	—	(4,362,237)	(4,362,237)	(4,362,237)	(4,362,237)
Profit	—	4,633,108	4,633,108	4,633,108	4,633,108
Total changes during the period	10,975,364	270,871	270,871	11,246,235	11,246,235
Balance at the end of the period	*1 173,778,746	4,633,369	4,633,369	178,412,115	178,412,115

Reporting Period (From March 1, 2020 to August 31, 2020)

(Unit: thousands of yen)

	Unitholders' equity							Total net assets
	Unitholders' capital				Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus		
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital					
Balance at the beginning of the period	173,778,746	—	—	173,778,746	4,633,369	4,633,369	178,412,115	178,412,115
Changes during the period								
Dividends of surplus	—	—	—	—	(4,632,672)	(4,632,672)	(4,632,672)	(4,632,672)
Distributions in excess of earnings from allowance for temporary difference adjustments	—	(1,312)	(1,312)	(1,312)	—	—	(1,312)	(1,312)
Profit	—	—	—	—	5,082,130	5,082,130	5,082,130	5,082,130
Total changes during the period	—	(1,312)	(1,312)	(1,312)	449,458	449,458	448,146	448,146
Balance at the end of the period	*1 173,778,746	(1,312)	(1,312)	173,777,434	5,082,828	5,082,828	178,860,262	178,860,262

(4) Statements of Cash Distributions (unaudited)

Fiscal period Item	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
I Unappropriated retained earnings	¥4,633,369,968	¥5,082,828,695
II Added amount of distributions in excess of earnings	¥1,312,000	¥2,624,000
Of the above, allowance for temporary difference adjustments	¥1,312,000	¥2,624,000
III Distribution amount	¥4,633,984,000	¥5,085,312,000
(Distributions per unit)	(¥3,532)	(¥3,876)
Of the above, distributions of earnings	¥4,632,672,000	¥5,082,688,000
(Of the above, distributions of earnings per unit)	(¥3,531)	(¥3,874)
Of the above, allowance for temporary difference adjustments	¥1,312,000	¥2,624,000
(Of the above, distributions in excess of earnings per unit (those related to allowance for temporary difference adjustments))	(¥1)	(¥2)
IV Retained earnings carried forward	¥697,968	¥140,695
Method of calculating distribution amount	Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥4,632,672,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,312,000 units), and not in excess of unappropriated retained earnings. In addition, pursuant to the policy for distribution of cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to distribute ¥1,312,000 as distribution of allowance for temporary difference adjustments, in consideration of effects of discrepancies in tax and accounting treatment in the case of excess income in association with expenses related to asset retirement obligations (as prescribed in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accountings of Investment Corporations) on distributions.	Pursuant to the distribution policy prescribed in Article 35, Paragraph 1 of the Investment Corporation's Articles of Incorporation, the distribution amount shall be in excess of an amount equivalent to 90% of earnings available for distributions as defined in Article 67-15 of the Act on Special Measures Concerning Taxation, but not in excess of the amount of earnings. Based on this policy, the Investment Corporation has declared the total distributions to be ¥5,082,688,000, which is the largest integral multiple of the total number of investment units issued and outstanding (1,312,000 units), and not in excess of unappropriated retained earnings. In addition, pursuant to the policy for distribution of cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation, the Investment Corporation has decided to distribute ¥2,624,000 as distribution of allowance for temporary difference adjustments, in consideration of effects of discrepancies in tax and accounting treatment in the case of excess income in association with expenses related to asset retirement obligations (as prescribed in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accountings of Investment Corporations) on distributions.

(5) Statements of Cash Flows (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Cash flows from operating activities		
Profit before income taxes	4,634,472	5,083,298
Depreciation and amortization	1,057,617	1,216,061
Amortization of investment unit issuance costs	22,534	21,382
Amortization of investment corporation bond issuance costs	5,474	4,780
Interest income	(73)	(81)
Interest expenses	478,901	523,651
Decrease (increase) in operating accounts receivable	(107,488)	47,653
Decrease (increase) in consumption taxes refund receivable	(328,769)	328,769
Decrease (increase) in prepaid expenses	11,520	(4,589)
Increase (decrease) in operating accounts payable	(236,281)	268,737
Increase (decrease) in accounts payable - other	53,406	199,797
Increase (decrease) in accrued consumption taxes	(323,394)	153,563
Increase (decrease) in advances received	88,522	71,986
Increase (decrease) in deposits received	(9,004)	362
Decrease (increase) in long-term prepaid expenses	(75,950)	(4,208)
Decrease in property, plant and equipment in trust due to sales	–	4,446,592
Other, net	(2,802)	3,461
Subtotal	5,268,685	12,361,218
Interest received	73	81
Interest paid	(477,900)	(524,680)
Income taxes (paid) refund	(658)	(1,391)
Net cash provided by (used in) operating activities	4,790,199	11,835,227
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,213,631)	(28,517)
Purchase of property, plant and equipment in trust	(16,921,157)	(24,426,243)
Purchase of intangible assets in trust	(478,135)	–
Payments of leasehold and guarantee deposits	(350,000)	–
Proceeds from refund of leasehold and guarantee deposits	10,000	–
Refund of leasehold and guarantee deposits received in trust	(194,373)	(208,044)
Proceeds from leasehold and guarantee deposits received in trust	958,659	736,797
Net cash provided by (used in) investing activities	(18,188,637)	(23,926,008)
Cash flows from financing activities		
Proceeds from short-term borrowings	10,225,000	23,160,000
Repayments of short-term borrowings	(7,225,000)	(11,160,000)
Proceeds from long-term borrowings	16,815,000	10,750,000
Repayments of long-term borrowings	(12,790,000)	(3,559,000)
Proceeds from issuance of investment corporation bonds	1,981,218	–
Redemption of investment corporation bonds	(2,000,000)	–
Proceeds from issuance of investment units	10,943,146	–
Distributions paid	(4,362,204)	(4,633,293)
Net cash provided by (used in) financing activities	13,587,161	14,557,706
Net increase (decrease) in cash and cash equivalents	188,723	2,466,926
Cash and cash equivalents at beginning of period	17,291,555	17,480,278
Cash and cash equivalents at end of period	*1 17,480,278	*1 19,947,205

(6) Notes on Going Concern Assumption (unaudited)

Not applicable.

(7) Notes on Significant Accounting Policies (unaudited)

1. Method of depreciation and amortization of noncurrent assets	(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The estimated useful lives of property, plant and equipment are listed below. <table> <tr> <td>Buildings</td><td>3 to 64 years</td></tr> <tr> <td>Structures</td><td>4 to 20 years</td></tr> <tr> <td>Machinery and equipment</td><td>3 to 10 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>3 to 15 years</td></tr> </table> (2) Intangible assets The straight-line method is used. Internal use software is amortized over the estimated useful life (5 years). (3) Long-term prepaid expenses The straight-line method is used.	Buildings	3 to 64 years	Structures	4 to 20 years	Machinery and equipment	3 to 10 years	Tools, furniture and fixtures	3 to 15 years
Buildings	3 to 64 years								
Structures	4 to 20 years								
Machinery and equipment	3 to 10 years								
Tools, furniture and fixtures	3 to 15 years								
2. Accounting method for deferred assets	(1) Investment corporation bond issuance costs Amortized by the straight-line method over period until redemption. (2) Investment unit issuance costs Amortized by the straight-line method over a three-year period.								
3. Recognition of revenue and expenses	Fixed asset tax and related taxes For fixed asset tax, city planning tax, depreciable asset tax, etc. for real estate properties held, the amount of tax levied corresponding to the relevant accounting period is recorded as expenses related to leasing business. The amount equivalent to fixed asset tax and related taxes for the fiscal year that includes the date on which we paid settlement money to the transferor for acquisition of real estate, etc. is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. The amount equivalent to fixed asset tax included in acquisition costs for properties was ¥15,144 thousand for the previous fiscal period, and ¥80,411 thousand for the reporting period.								
4. Method of hedge accounting	(1) Method of hedge accounting Deferred hedge accounting is used for interest rate swaps. For interest rate swaps that satisfy requirements for special treatments, however, special treatment is used. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings (3) Hedging policy The Investment Corporation conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of the Investment Corporation pursuant to the basic policy of risk management. (4) Method of assessing hedge effectiveness The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.								

5. Scope of cash and cash equivalents in the statements of cash flows	Cash and cash equivalents in the statement of cash flows are composed of cash on hand, cash in trust, demand deposits, deposits in trust, and short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within 3 months of the date of acquisition.
6. Other significant information for preparation of financial statements	(1) Accounting method for beneficial interests in trust in real estate With regard to beneficial interests in trust in real estate, all assets and liabilities within assets in trust as well as all revenue and expense items associated with assets in trust are accounted for under the respective account items of the balance sheet and statements of income and retained earnings. Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet: i) Cash and deposits in trust ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and construction in progress in trust iii) Land leasehold interests in trust iv) Leasehold and guarantee deposits received in trust (2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for acquisition of assets are included in acquisition cost for each asset.

New accounting standards not yet applied

- “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 31, 2020)
- “Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, issued by the Accounting Standards Board of Japan on March 31, 2020)
- “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, issued by the Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) jointly developed comprehensive revenue recognition standards and issued “Revenue from Contracts with Customers” in May 2014 (IASB’s IFRS 15 and FASB’s Topic 606). Considering that IFRS 15 shall apply to fiscal years beginning on or after January 1, 2018, and Topic 606 shall apply to fiscal years beginning after December 15, 2017, the ASBJ developed a comprehensive accounting standard on revenue recognition and thus issued the accounting standard together with the implementation guidance.

The ASBJ established the accounting standard on revenue recognition by following the basic policies in developing it. The basic policies were: firstly, incorporating the core principle of IFRS 15 as the starting point from the perspective of facilitating comparability among financial statements, which is one of the benefits of ensuring consistency with IFRS 15; secondly, adding alternative treatments, but to the extent not impairing comparability, where consideration should be given to the practice having been used in Japan.

(2) Scheduled date of application

These ASBJ statement and guidances will be applied at the beginning of the fiscal period ending February 28, 2022.

(3) Effects of application of the accounting standard, etc.

The impact of the application of the Accounting Standard for Revenue Recognition and the above guidances on the financial statements is currently under evaluation.

- “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, issued by the Accounting Standards Board of Japan on July 4, 2019)
- “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, issued by the Accounting Standards Board of Japan on July 4, 2019)
- “Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, issued by the Accounting Standards Board of Japan on July 4, 2019)
- “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, issued by the Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

IASB and FASB both stipulate detailed guidance on fair value measurement as IFRS 13 “Fair Value Measurement” (IFRS) and Topic 820 “Fair Value Measurement” (FASB), respectively. To enhance the comparability with these international accounting standards, ASBJ has issued the above Accounting Standard for Fair Value Measurement and Guidances on Accounting Standard for Fair Value Measurement after thorough deliberation on the relevant guidance and disclosure requirements in the standard for fair value mainly of financial instruments.

The ASBJ’s basic policy for the development of the accounting standard for fair value measurement is to incorporate, in principle, all the provisions of IFRS 13 from the perspective of increasing comparability of financial statements among companies in Japan and overseas by using the unified measurement method, and to establish other treatments of individual items to the extent that consideration is given to practices that have been conducted to date in Japan and comparability among financial statements is not impaired largely.

(2) Scheduled date of application

These ASBJ statements and guidances will be applied at the beginning of the fiscal period ending February 28, 2022.

(3) Effects of application of the accounting standards, etc.

The impact of the application of the Accounting Standard for Fair Value Measurement and the other standard and guidances above on the financial statements is currently under evaluation.

- “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, issued by the Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

With regard to “sources of estimation uncertainty,” which is required to be disclosed in paragraph 125 of International Accounting Standard (IAS) 1 “Presentation of Financial Statements” (“IAS 1”) issued by the International Accounting Standards Board (IASB) in 2003, in order to oblige requests to consider requiring that those sources of estimation uncertainty to be treated as information that is highly useful to users of financial statements and disclosed in the form of note information in the Japanese GAAP as well, the ASBJ developed and issued the Accounting Standard for Disclosure of Accounting Estimates (“Accounting Standard”).

The ASBJ’s basic policy for the development of the Accounting Standard is to present the principle (disclosure purpose) instead of enhancing individual notes, and place the onus on entities to determine the specific information to be disclosed according to the disclosure purpose, while referring to the provision of paragraph 125 of IAS 1 in the development.

(2) Scheduled date of application

The ASBJ statement will be applied at the end of the fiscal period ending August 31, 2021.

- “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (ASBJ Statement No. 24, revised by the Accounting Standards Board of Japan on March 31, 2020)

(1) Overview

After receiving proposals for considering the enhancement of information in notes on “accounting policies and procedures adopted in cases where the relevant provisions set forth in accounting standards and other regulations are not clear,” the ASBJ made necessary amendments to ASBJ Statement No. 24, including renaming it, and issued the revised accounting standard as the “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections.” When enhancing information in notes on “accounting policies and procedures adopted in cases where the relevant provisions set forth in accounting standards and other regulations are not clear,” the Annotations on the Corporate Accounting Principles (Annotation No. 1-2) shall continue to be followed to avoid affecting established accounting practices in cases where the relevant provisions set forth in accounting standards and other regulations are clear.

(2) Scheduled date of application

The ASBJ statement will be applied at the end of the fiscal period ending August 31, 2021.

Additional information

Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments (unaudited)

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

1. Reason for provision, related assets, etc., and amount provided

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Buildings in trust	Discrepancies in tax and accounting treatment in connection with the recognition of expenses related to asset retirement obligations	¥1,312 thousand

2. Specific method for reversal

At the time of retirement of the asset, etc., the amount to be treated will be reversed.

Reporting period (From March 1, 2020 to August 31, 2020)

1. Reason for provision, related assets, etc., and amount provided

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Buildings in trust	Discrepancies in tax and accounting treatment in connection with the recognition of expenses related to asset retirement obligations	¥2,624 thousand

2. Specific method for reversal

At the time of retirement of the asset, etc., the amount to be treated will be reversed.

(8) Notes to Financial Information (unaudited)**Notes to Balance Sheet (unaudited)**

1. Commitment line contracts

The Investment Corporation has commitment line contracts with the banks with which it does business.

	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
Total amount of commitment line contracts	¥12,000,000 thousand	¥12,000,000 thousand
Balance of borrowings outstanding	–	–
Difference	¥12,000,000 thousand	¥12,000,000 thousand

*2. Allowance for temporary difference adjustments

Previous fiscal period (as of February 29, 2020)

Not applicable.

Reporting period (as of August 31, 2020)

1. Reason for provision and reversal, related assets, etc., and amount provided

(Unit: thousands of yen)

Related assets, etc.	Reason	Initial amount	Balance at the beginning of the period	Amount of provision for the period	Amount of reversal for the period	Balance at the end of the period	Reason for reversal
Buildings in trust	Discrepancies in tax and accounting treatment in connection with the recognition of expenses related to asset retirement obligations	1,312	–	1,312	–	1,312	–

2. Specific method for reversal

At the time of retirement of the asset, etc., the amount to be treated will be reversed.

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

	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
	¥50,000 thousand	¥50,000 thousand

Notes to Statements of Income and Retained Earnings (unaudited)

*1. Components of income (loss) from real estate leasing business

(Unit: thousands of yen)		
	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
A. Real estate leasing business revenues		
Leasing business revenue		
Rent	8,081,682	8,569,658
Land rent	265,026	265,026
Common service fees	774,132	776,016
Total	9,120,841	9,610,701
Other leasing business revenues		
Revenue from utilities charges	356,306	301,472
Other revenue	165,014	148,299
Total	521,321	449,771
Total real estate leasing business revenues	9,642,162	10,060,473
B. Expenses related to real estate leasing business		
Expenses related to leasing business		
Property management fees	574,024	577,347
Utilities expenses	351,978	326,295
Taxes and public dues	726,677	791,128
Insurance expenses	9,793	9,945
Repair expenses	121,912	222,304
Depreciation and amortization	1,057,617	1,216,061
Other expenses related to leasing business	436,630	372,608
Total expenses related to real estate leasing business	3,278,634	3,515,691
C. Income (loss) from real estate leasing business (A – B)	6,363,528	6,544,781

*2. Components of gain (loss) on sales of real estate properties

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

Not applicable.

Reporting period (From March 1, 2020 to August 31, 2020)

Gate City Ohsaki	(Unit: thousands of yen)
Proceeds from sales of real estate properties	4,800,000
Cost of sales of real estate properties	4,237,807
Other expenses for the sales	31,205
Gain on sales of real estate properties	530,987

*3. Transactions with major corporate unitholders

	(Unit: thousands of yen)	
	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
From operating transactions		
Leasing business revenue	843,996	843,996

Notes to Statements of Changes in Net Assets (unaudited)

*1. Total number of authorized investment units and total number of investment units issued

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Total number of authorized investment units at end of period	20,000,000 units	20,000,000 units
Total number of investment units issued at end of period	1,312,000 units	1,312,000 units

Notes to Statements of Cash Flows (unaudited)

*1. Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

	(Unit: thousands of yen)	
	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Cash and deposits	10,149,008	12,245,579
Cash and deposits in trust	7,331,270	7,701,626
Total cash and cash equivalent	17,480,278	19,947,205

Notes on Financial Instruments (unaudited)

1. Matters regarding status of financial instruments

(1) Policy for handling financial instruments

The Investment Corporation procures funds for acquisition of assets, repairs and repayment of debt primarily through borrowings from financial institutions, issuance of investment corporation bonds and issuance of investment units. In procuring interest-bearing debt, the Investment Corporation takes into account a balance between flexibility in procurement of funds and financial stability.

Furthermore, the Investment Corporation conducts derivative transactions only for the purpose of hedging fluctuation risk of interest rates for borrowings and does not conduct any speculative transactions.

(2) Description of financial instruments and associated risks, and risk management structure

Deposits are used for investment of our surplus funds. These deposits are exposed to credit risk such as bankruptcy of the depository financial institutions. Deposits are carried out with safety and redeemability taken into consideration and are limited to those with short-term deposit periods.

Borrowings and investment corporation bonds are mainly for the purpose of acquiring properties and refinancing of existing borrowings. Of these, borrowings with floating interest rates are exposed to interest rate fluctuation risk. To avoid this fluctuation risk, the Investment Corporation uses derivative transactions (interest rate swaps) as hedging instruments, which, in effect, converts fluctuating interest rates into fixed interest rates.

For the method of hedge accounting, hedging instruments and hedged items, hedging policy and the method of assessing hedge effectiveness, please refer to “4. Method of hedge accounting” in “Notes on Significant Accounting Policies” above.

(3) Supplemental explanation on matters regarding fair values, etc. of financial instruments

The fair values of financial instruments are based on market prices, if available. If there is no available market price for certain financial instruments, such fair value is based on the value rationally measured. Since a number of variables are factored into the measurement of fair value, such fair value may vary if different assumptions are used. The contract amounts related to derivatives mentioned in “Notes on Derivative Transactions” below should not be considered indicative of the market risk associated with the derivative transactions.

2. Matters regarding fair value, etc. of financial instruments

Balance sheet carrying amount, fair value, and the difference between the two values as of February 29, 2020 are as shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	10,149,008	10,149,008	—
(2) Cash and deposits in trust	7,331,270	7,331,270	—
Total assets	17,480,278	17,480,278	—
(1) Short-term borrowings	6,960,000	6,960,000	—
(2) Current portion of long-term borrowings	12,109,000	12,196,483	87,483
(3) Investment corporation bonds	12,000,000	12,109,700	109,700
(4) Long-term borrowings	122,516,000	121,251,107	(1,264,892)
Total liabilities	153,585,000	152,517,291	(1,067,708)
Derivative transactions	—	—	—

Balance sheet carrying amount, fair value, and the difference between the two values as of August 31, 2020 are shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	12,245,579	12,245,579	—
(2) Cash and deposits in trust	7,701,626	7,701,626	—
Total assets	19,947,205	19,947,205	—
(1) Short-term borrowings	18,960,000	18,960,000	—
(2) Current portion of long-term borrowings	15,680,000	15,747,979	67,979
(3) Investment corporation bonds	12,000,000	11,991,800	(8,200)
(4) Long-term borrowings	126,136,000	123,779,084	(2,356,915)
Total liabilities	172,776,000	170,478,863	(2,297,136)
Derivative transactions	—	—	—

(Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions

Assets

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

The book value is used as the fair value of these assets, given that the fair value is almost equivalent to the amount of the book value, as they are settled in a short time.

Liabilities

(1) Short-term borrowings

The book value is used as the fair value of these liabilities, given that the fair value is almost equivalent to the amount of the book value, as they are settled in a short time and carry floating interest rates.

(2) Current portion of long-term borrowings and (4) Long-term borrowings

Since long-term borrowings that carry floating interest rates are reviewed on a short-term interval to reflect market interest rates, and the Investment Corporation's credit standing did not change significantly after the execution of loans, their fair value is considered approximate to the book value. Therefore, the book value is used as the fair value of these liabilities (however, for long-term borrowings with floating interest rates to which special treatment for interest rate swaps is applied (please refer to "Notes on Derivative Transactions" below), the fair value is calculated by discounting the sum of principal and interest, which are treated in combination with such interest rate swap, at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period). The fair value of long-term borrowings carrying fixed interest rates is calculated by discounting the sum of principal and interest at a reasonable rate estimated for a similar new loan that is made corresponding to the remaining period.

(3) Investment corporation bonds

Fair value has been calculated on the basis of reference quotations of sales-purchase transactions and other such data, as provided by financial institutions and other such entities.

Derivative transactions

Please refer to "Notes on Derivative Transactions" below.

(Note 2) Redemption of monetary claims scheduled to be due after the balance sheet date

Previous fiscal period (As of February 29, 2020)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	10,149,008	—	—	—	—	—
Cash and deposits in trust	7,331,270	—	—	—	—	—
Total	17,480,278	—	—	—	—	—

Reporting period (As of August 31, 2020)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	12,245,579	—	—	—	—	—
Cash and deposits in trust	7,701,626	—	—	—	—	—
Total	19,947,205	—	—	—	—	—

(Note 3) Redemption of investment corporation bonds, long-term borrowings and other interest-bearing debt scheduled to be due after the balance sheet date

Previous fiscal period (As of February 29, 2020)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term borrowings	6,960,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	12,000,000
Long-term borrowings	12,109,000	15,680,000	18,705,000	19,213,000	22,133,000	46,785,000
Total	19,069,000	15,680,000	18,705,000	19,213,000	22,133,000	58,785,000

Reporting period (As of August 31, 2020)

(Unit: thousands of yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term borrowings	18,960,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	2,000,000	10,000,000
Long-term borrowings	15,680,000	17,610,000	20,465,000	21,077,000	22,069,000	44,915,000
Total	34,640,000	17,610,000	20,465,000	21,077,000	24,069,000	54,915,000

Notes on Derivative Transactions (unaudited)

1. Derivative transactions not applying hedge accounting

Not applicable for the previous fiscal period (as of February 29, 2020) and the reporting period (as of August 31, 2020).

2. Derivative transactions applying hedge accounting

Previous fiscal period (As of February 29, 2020)

The contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method is as follows:

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate / Receipt: floating interest rate	Long-term borrowings	82,642,000	70,533,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (2) Current portion of long-term borrowings and (4) Long-term borrowings”).

Reporting period (As of August 31, 2020)

The contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method is as follows:

(Unit: thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Measurement method for fair value
				Portion due after 1 year		
Special treatment of interest rate swaps	Interest rate swap transaction Payment: fixed interest rate / Receipt: floating interest rate	Long-term borrowings	87,933,000	72,253,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings (please refer to the preceding “Notes on Financial Instruments, 2. Matters regarding fair value, etc. of financial instruments, (Note 1) Measurement of fair values of financial instruments and matters regarding derivative transactions, Liabilities (2) Current portion of long-term borrowings and (4) Long-term borrowings”).

Notes on Tax Effect Accounting (unaudited)

1. Breakdown of significant components of deferred tax assets and deferred tax liabilities

(Unit: thousands of yen)

	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
Deferred tax assets		
Accrued enterprise tax excluded from expenses	41	26
Excess depreciation	598	1,794
Asset retirement obligations	88,794	89,007
Total deferred tax assets	89,433	90,828
Valuation allowance	(89,392)	(90,802)
Net deferred tax assets	41	26

2. Reconciliation of significant differences between the statutory tax rate and the effective tax rate

	(Unit: %)	
	Previous fiscal period (As of February 29, 2020)	Reporting period (As of August 31, 2020)
Statutory tax rate	31.51	31.46
(Adjustments)		
Distributions paid included in expenses	(31.51)	(31.47)
Others	0.03	0.03
Effective tax rate	0.03	0.02

Notes on Related Party Transactions (unaudited)

1. Parent company and major corporate unitholders

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

Type	Name	Location	Share capital or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenmachi, Chuo-ku, Tokyo	62,718,573	Real estate business	Directly held by related party 10.95%	None	Leasing and management of real estate	Purchase of beneficial interests in real estate trust	17,028,000	—	—
								Keeping of leasehold and guarantee deposits	955,006	Leasehold and guarantee deposits received in trust	11,602,004
								Repayment of leasehold and guarantee deposits	192,181		
								Earning of rent revenue, etc.	843,996	Advances received	150,316

(Note 1) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 2) Transaction terms are determined based on current market prices.

Reporting period (From March 1, 2020 to August 31, 2020)

Type	Name	Location	Share capital or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Major corporate unitholder	Hulic Co., Ltd.	7-3, Nihonbashi Odenmachi, Chuo-ku, Tokyo	62,718,573	Real estate business	Directly held by related party 10.95%	None	Leasing and management of real estate	Purchase of beneficial interests in real estate trust	23,672,000	—	—
								Keeping of leasehold and guarantee deposits	732,116	Leasehold and guarantee deposits received in trust	12,133,708
								Repayment of leasehold and guarantee deposits	200,412		
								Earning of rent revenue, etc.	843,996	Advances received	150,316

(Note 1) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 2) Transaction terms are determined based on current market prices.

2. Subsidiaries and affiliates

Not applicable for the previous fiscal period (from September 1, 2019 to February 29, 2020) and the reporting period (from March 1, 2020 to August 31, 2020).

3. Subsidiaries of parent company

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

Type	Name	Location	Share capital or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	963,279	Accounts payable - other	1,011,693

(Note 1) Payment of asset management fee includes the portion of compensation associated with a property acquisition factored into the book value of the individual properties (¥48,270 thousand).

(Note 2) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 3) Transaction terms are determined based on current market prices.

Reporting period (From March 1, 2020 to August 31, 2020)

Type	Name	Location	Share capital or investments in capital (Thousands of yen)	Description of business	Percentage of voting rights held in (by) related party	Relationship		Description of transaction	Amount of transaction (Thousands of yen)	Account item	Balance at end of period (Thousands of yen)
						Inter-locking officers, etc.	Business relationship				
Company in which major unitholder (corporation) owns a majority of voting rights	Hulic Reit Management Co., Ltd.	2-26-9, Hatcho-bori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	–	One	Consignment of asset management	Payment of asset management fee (Note 1)	1,166,520	Accounts payable - other	1,191,674

(Note 1) Payment of asset management fee includes the portion of compensation associated with a property acquisition factored into the book value of the individual properties (¥59,180 thousand) and the portion of compensation associated with a property transfer deducted from gain on sales of real estate properties of the individual properties (¥24,000 thousand).

(Note 2) In the amounts in the above table, consumption taxes are not included in amount of transaction but are included in balance at end of period.

(Note 3) Transaction terms are determined based on current market prices.

4. Officers and major individual unitholders

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

Transactions carried out by Eiji Tokita, Executive Officer of the Investment Corporation, as the Representative of a third party (Hulic Reit Management Co., Ltd.) are as shown above in transactions with Hulic Reit Management Co., Ltd. in “3. Subsidiaries of parent company.”

Reporting period (From March 1, 2020 to August 31, 2020)

Transactions carried out by Eiji Tokita, Executive Officer of the Investment Corporation, as the Representative of a third party (Hulic Reit Management Co., Ltd.) are as shown above in transactions with Hulic Reit Management Co., Ltd. in “3. Subsidiaries of parent company.”

Notes on Asset Retirement Obligations (unaudited)

Asset retirement obligations recorded in the balance sheet

1. Overview of asset retirement obligations

For Hulic Asakusabashi Building acquired on December 20, 2019, the Investment Corporation has restoration obligations under an agreement for establishment of a fixed-term land sublease right for business use and recorded asset retirement obligations.

2. Calculation of the amount of the asset retirement obligations

The expected usable period is estimated to be the period from the acquisition of the asset to the expiry of the agreement, which is 45 years and one month, and the amount of the asset retirement obligations was calculated using the discount rate of 0.48%.

3. Increase or decrease in the total amount of the asset retirement obligations

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Balance at beginning of period	–	282,245
Increase in connection with the acquisition of property, plant and equipment	281,906	–
Adjustment due to passage of time	338	677
Balance at end of period	282,245	282,922

(Unit: thousands of yen)

Notes on Investment and Rental Properties (unaudited)

The Investment Corporation owns rental office buildings and other properties in Tokyo and other regions for rent revenue. The balance sheet carrying amounts, changes during the period, and fair values of these rental properties are as follows:

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Balance sheet carrying amount		
Balance at beginning of period	312,335,267	330,303,862
Changes during period	17,968,594	18,683,343
Balance at end of period	330,303,862	348,987,206
Fair value at end of period	387,353,000	406,212,000

(Unit: thousands of yen)

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) The main reason for the increase in the investment and rental properties during the previous fiscal period is the acquisition of real estate and beneficial interests in real estate trust of 6 properties (¥18,762,173 thousand) and the decrease is mainly due to depreciation and amortization (¥1,057,278 thousand). The main reason for the increase during the reporting period is the acquisition of beneficial interests in real estate trust of 4 properties (¥23,959,757 thousand) and the decrease is mainly due to transfer of beneficial interests in real estate trust of 1 property (¥4,446,592 thousand) and depreciation and amortization (¥1,215,384 thousand).

(Note 3) The fair value at end of period is the appraisal value provided by an independent real estate appraiser. Concerning the fair value at end of the reporting period, the fair value of Hulic Nihonbashi Honcho 1 Chome Building, Orchid Square and Hulic Omori Building therein is based on the transfer prices stated on the trust beneficiary right sales agreement entered into on October 14, 2020.
The profit or loss concerning investment and rental properties is indicated under “Notes to Statements of Income and Retained Earnings” above.

Notes on Segment and Related Information (unaudited)

Segment information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the real estate leasing business.

Related information

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

1. Information by product and service

Disclosure is omitted as operating revenues from external customers of products and services within a single segment are more than 90% of operating revenues on the statements of income and retained earnings.

2. Information by geographical area

(1) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

3. Information by major customer

Disclosure is omitted because operating revenues to any single external customer are less than 10% of all operating revenues in the statements of income.

Reporting period (From March 1, 2020 to August 31, 2020)

1. Information by product and service

Disclosure is omitted as operating revenues from external customers of products and services within a single segment are more than 90% of operating revenues on the statements of income and retained earnings.

2. Information by geographical area

(1) Operating revenues

Disclosure is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

3. Information by major customer

Disclosure is omitted because operating revenues to any single external customer are less than 10% of all operating revenues in the statements of income.

Notes on Per Unit Information (unaudited)

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Net assets per unit	¥135,984	¥136,326
Basic earnings per unit	¥3,554	¥3,873

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period. Fully diluted earnings per unit is not presented, as there is no potential investment unit.

(Note 2) The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From September 1, 2019 to February 29, 2020)	Reporting period (From March 1, 2020 to August 31, 2020)
Profit (Thousands of yen)	4,633,108	5,082,130
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	4,633,108	5,082,130
Average number of investment units for the period (Units)	1,303,374	1,312,000

Notes on Significant Subsequent Events (unaudited)

Not applicable.

Omission of Disclosure

Disclosure is omitted for items for notes on securities, share of profit or loss of entities accounted for using the equity method, lease transactions and retirement benefits, since necessity for their disclosure in the financial results report is not deemed to be significant.

(9) Changes in Total Number of Investment Units Issued

A summary of capital increase, etc. over the most recent five years including the reporting period is shown as below.

Date	Event	Total number of investment units issued (Units)		Total unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
March 29, 2016	Capital increase through public offering	167,600	948,600	29,444	116,061	(Note 1)
April 13, 2016	Capital increase through third-party allotment	8,400	957,000	1,475	117,537	(Note 2)
October 3, 2016	Capital increase through public offering	83,800	1,040,800	13,821	131,358	(Note 3)
October 26, 2016	Capital increase through third-party allotment	4,200	1,045,000	692	132,051	(Note 4)
October 31, 2017	Capital increase through public offering	61,800	1,106,800	9,190	141,241	(Note 5)
November 20, 2017	Capital increase through third-party allotment	3,200	1,110,000	475	141,717	(Note 6)
October 31, 2018	Capital increase through public offering	134,200	1,244,200	20,068	161,786	(Note 7)
November 19, 2018	Capital increase through third-party allotment	6,800	1,251,000	1,016	162,803	(Note 8)
September 26, 2019	Capital increase through public offering	58,000	1,309,000	10,435	173,238	(Note 9)
October 11, 2019	Capital increase through third-party allotment	3,000	1,312,000	539	173,778	(Note 10)

(Note 1) New investment units were issued through public offering with an issue price per unit of ¥181,837 (issue value: ¥175,682) in order to raise funds for the acquisition of new properties, etc.

(Note 2) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥175,682.

(Note 3) New investment units were issued through public offering with an issue price per unit of ¥170,625 (issue value: ¥164,937) in order to raise funds for the acquisition of new properties, etc.

(Note 4) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥164,937.

(Note 5) New investment units were issued through public offering with an issue price per unit of ¥153,757 (issue value: ¥148,710) in order to raise funds for the acquisition of new properties, etc.

(Note 6) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥148,710.

(Note 7) New investment units were issued through public offering with an issue price per unit of ¥154,537 (issue value: ¥149,544) in order to raise funds for the acquisition of new properties, etc.

(Note 8) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥149,544.

(Note 9) New investment units were issued through public offering with an issue price per unit of ¥185,932 (issue value: ¥179,924) in order to raise funds for the acquisition of new properties, etc.

(Note 10) New investment units were issued through a private placement allocated to Mizuho Securities Co., Ltd. with an issue value per unit of ¥179,924.

(Note 11) Changes in total unitholders' capital in connection with the implementation of distributions in excess of earnings related to allowance for temporary difference adjustments have not been taken into consideration.

3. Reference Information

(1) Status of Investment

Type of assets	Category	Region (Note 1)	Previous fiscal period (As of February 29, 2020)		Reporting period (As of August 31, 2020)	
			Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Tokyo Commercial Properties	Six central wards of Tokyo	4,801	1.4	4,813	1.3
		Other wards of Tokyo	—	—	—	—
		Other	—	—	—	—
		Total	4,801	1.4	4,813	1.3
	Next-Generation Assets Plus	Six central wards of Tokyo	—	—	—	—
		Other wards of Tokyo	—	—	—	—
		Other	—	—	—	—
		Total	—	—	—	—
	Total real estate		4,801	1.4	4,813	1.3
Real estate in trust	Tokyo Commercial Properties	Six central wards of Tokyo	238,398	68.2	233,661	63.1
		Other wards of Tokyo	21,871	6.3	38,586	10.4
		Other	4,640	1.3	4,615	1.2
		Total	264,910	75.7	276,862	74.7
	Next-Generation Assets Plus	Six central wards of Tokyo	22,769	6.5	29,679	8.0
		Other wards of Tokyo	23,086	6.6	22,989	6.2
		Other	14,735	4.2	14,641	4.0
		Total	60,590	17.3	67,310	18.2
	Total real estate in trust		325,501	93.1	344,173	92.9
Total real estate and real estate in trust			330,303	94.4	348,987	94.2
Deposits and other assets			19,428	5.6	21,500	5.8
Total assets			349,732	100.0	370,487	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	171,320	49.0	191,627	51.7
Total net assets	178,412	51.0	178,860	48.3

(Note 1) *Six central wards of Tokyo* refer to Chiyoda ward (Chiyoda-ku), Chuo ward (Chuo-ku), Minato ward (Minato-ku), Shinjuku ward (Shinjuku-ku), Shibuya ward (Shibuya-ku) and Shinagawa ward (Shinagawa-ku).

(Note 2) *Total amount held* represents the balance sheet carrying amount (for real estate and real estate in trust, book value less depreciation expenses), rounded down to the nearest million yen.

(Note 3) *Percentage to total assets* represents the ratios of each asset held, total liabilities and total net assets to total assets, rounded to one decimal place.

(2) Investment Assets

i) Overview of investment assets

(As of August 31, 2020)

(As of August 31, 2020)								
Category		Property name	Date of construction (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ guarantee deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	April 1985	2,770	2,670	32,487.06	32,487.06	100.0
		Hulic Kudan Building (Land)	—	530	265	3,351.07	3,351.07	100.0
		Toranomon First Garden (Note 7)	August 2010	575	423	5,689.97	5,689.97	100.0
		Rapiros Roppongi (Note 8)	August 1997	644	590	6,730.52	6,730.52	100.0
		Hulic Takadanobaba Building	November 1993	314	194	5,369.71	5,369.71	100.0
		Hulic Kanda Building	September 2008	271	212	3,728.36	3,728.36	100.0
		Hulic Kandabashi Building	June 2001	164	127	2,566.95	2,566.95	100.0
		Hulic Kakigaracho Building	March 1993	191	128	2,858.48	2,858.48	100.0
		Ochanomizu Sola City (Note 9)	February 2013	(Note 21)	(Note 21)	13,923.42	13,923.42	100.0
		Hulic Higashi Ueno 1 Chome Building	July 1988	179	163	3,137.09	3,137.09	100.0
		Tokyo Nishi Ikebukuro Building (Note 10)	October 1990	111	195	1,429.74	1,429.74	100.0
		Hulic Toranomon Building	May 2015	921	654	8,574.65	8,574.65	100.0
		Hulic Shibuya 1 chome Building	August 1993	243	187	2,817.65	2,817.65	100.0
		Hulic Higashi Nihonbashi Building	November 1996	175	121	3,456.22	3,681.20	93.9
		Hulic Jimbocho Building	September 1989	78	56	1,561.38	1,561.38	100.0
		Hulic Ginza 7 Chome Building (Note 11)	September 1962	1,022	572	11,405.68	11,405.68	100.0
		Shinagawa Season Terrace (Note 12)	January 2015	(Note 21)	(Note 21)	3,196.54	3,196.54	100.0
		Hulic Gotanda Yamate-dori Building	March 1996	208	131	3,296.01	3,296.01	100.0
		Hulic Nihonbashi Honcho 1 Chome Building (Note 13)	January 1964	204	143	3,702.25	3,702.25	100.0
		Bancho House	August 1989	(Note 21)	128	1,949.01	1,949.01	100.0
		Ebisu Minami Building	September 1992	(Note 21)	(Note 21)	1,629.09	1,629.09	100.0
		Hulic Iidabashi Building	February 1991	82	57	1,431.94	1,431.94	100.0
		Hulic Asakusabashi Building (Note 14)	February 2013	354	193	5,280.72	5,280.72	100.0
		Hulic Ebisu Building	February 1992	71	54	1,059.22	1,059.22	100.0
		Hulic Ryogoku Building (Note 15)	January 2010	286	203	4,569.34	4,569.34	100.0
		Hulic Asakusabashi Edo-dori (Note 16)	September 2015	270	130	3,956.73	3,956.73	100.0
		Subtotal		—	—	—	139,158.80	139,383.78
	Retail properties	Oimachi Redevelopment Building (#2)	September 1989	624	656	14,485.66	14,485.66	100.0
		Oimachi Redevelopment Building (#1) (Note 17)	September 1989	438	529	10,612.67	10,612.67	100.0
		Dining Square Akihabara Building	June 1993	(Note 21)	(Note 21)	2,169.41	2,169.41	100.0
		Hulic Jingu-Mae Building	September 2000	159	82	1,656.24	1,656.24	100.0
		Hulic Shinjuku 3 Chome Building	June 1983	346	208	1,351.15	1,351.15	100.0
		Yokohama Yamashitacho Building	July 1993	(Note 21)	(Note 21)	8,958.70	8,958.70	100.0
		Orchid Square	January 2009	115	56	868.65	1,334.88	65.1
		Hulic Todoroki Building	August 1990	94	69	1,676.02	1,676.02	100.0
		Hulic Omori Building	January 2017	192	143	2,666.52	2,666.52	100.0
HULIC &New SHIBUYA (Note 18)		April 2017	128	116	898.62	898.62	100.0	
HULIC &New SHINBASHI		April 2017	154	135	1,725.35	1,725.35	100.0	
Hulic Shimura-sakaue		(Retail property block) November 2015 (Private nursing home block) February 2016	469	354	11,528.34	11,528.34	100.0	
Hulic Mejiro		October 2018	278	187	3,805.72	3,805.72	100.0	
Subtotal		—	—	—	62,403.05	62,869.28	99.3	
Total		—	—	—	201,561.85	202,253.06	99.7	

Category		Property name	Date of construction (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ guarantee deposits (Millions of yen) (Note 3)	Total leased area (m ²) (Note 4)	Total leasable area (m ²) (Note 5)	Occupancy rate (%) (Note 6)	
Next-Generation Assets Plus	Private nursing homes	Aria Matsubara	September 2005	(Note 21)	(Note 21)	5,454.48	5,454.48	100.0	
		Trust Garden Yoganomori	September 2005	(Note 21)	(Note 21)	5,977.75	5,977.75	100.0	
		Trust Garden Sakurashinmachi	August 2005	(Note 21)	(Note 21)	3,700.26	3,700.26	100.0	
		Trust Garden Suginami Miyamae	April 2005	(Note 21)	(Note 21)	3,975.99	3,975.99	100.0	
		Trust Garden Tokiwamatsu	January 2016	(Note 21)	(Note 21)	2,893.82	2,893.82	100.0	
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 21)	(Note 21)	4,912.57	4,912.57	100.0	
		Charm Suite Shinjukutoyama	June 2015	(Note 21)	(Note 21)	4,065.62	4,065.62	100.0	
		Charm Suite Shakujiko	June 2014	(Note 21)	(Note 21)	4,241.68	4,241.68	100.0	
		Subtotal	—	—	—	35,222.17	35,222.17	100.0	
	Network centers	Ikebukuro Network Center	January 2001	271	136	12,773.04	12,773.04	100.0	
		Tabata Network Center	April 1998	90	45	3,832.73	3,832.73	100.0	
		Hiroshima Network Center	October 2001	88	44	5,208.54	5,208.54	100.0	
		Atsuta Network Center	May 1997	73	37	4,943.10	4,943.10	100.0	
		Nagano Network Center	September 1994	33	17	2,211.24	2,211.24	100.0	
		Chiba Network Center	June 1995	447	224	23,338.00	23,338.00	100.0	
		Sapporo Network Center	January 2002	167	84	9,793.57	9,793.57	100.0	
		Keihanna Network Center	May 2001	94	47	9,273.44	9,273.44	100.0	
			Subtotal	—	1,265	632	71,373.66	71,373.66	100.0
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome (Note 19)	August 2016	480	480	6,984.32	6,984.32	100.0	
		Sotetsu Fresa Inn Tokyo-Roppongi (Note 20)	August 2017	216	54	2,408.45	2,408.45	100.0	
		Hulic Tsukiji 3 Chome Building	November 2018	(Note 21)	(Note 21)	4,740.31	4,740.31	100.0	
			Subtotal	—	—	—	14,133.08	14,133.08	100.0
			Total	—	—	—	120,728.91	120,728.91	100.0
	Total of the portfolio			—	—	—	322,290.76	322,981.97	99.8

(Note 1) *Date of construction* represents the date of construction as described in the property registry. Date of construction is omitted in case of holding of land only.

(Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2020) indicated in the relevant lease agreements for buildings of each asset held in effect as of August 31, 2020 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which ownership is only for land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of August 31, 2020 by 12 and rounding to the nearest million yen. When a master lease agreement has been executed for the asset held, the amounts provided are the amount for the portion corresponding to the pass-through master lease under which rents are directly received from end-tenants in principle (hereinafter referred to as the “Pass-through Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion corresponding to the fixed-type master lease under which a certain amount of rent is received regardless of fluctuations in rents for end-tenants (hereinafter referred to as the “Fixed-type Master Lease Agreement”), calculated on an annual basis by multiplying the monthly rent as indicated by the Fixed-type Master Lease Agreement corresponding to that portion by 12. In addition, the Investment Corporation has not obtained permission from the end-tenant or other relevant party of Hulic Shinjuku 3 Chome Building to disclose information on the partial right of land additionally acquired on February 13, 2020, and accordingly is unable to calculate the total contracted rent relating to the partial right of land.

(Note 3) *Leasehold/guarantee deposits* indicates the aggregate of the recognized book values for the leasehold and/or guarantee deposit(s) of each asset held as of August 31, 2020, rounded to the nearest million yen. In addition, the Investment Corporation has not obtained permission from the end-tenant or other relevant party of Hulic Shinjuku 3 Chome Building to disclose information on the partial right of land additionally acquired on February 13, 2020, and accordingly is unable to calculate the leasehold/guarantee deposits relating to the partial right of land.

(Note 4) *Total leased area* is equivalent to total floor area or similar measurement of leased space set out in the relevant lease agreements or similar contracts for buildings of each asset held as of August 31, 2020. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided; and for the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided.

(Note 5) *Total leasable area* is equivalent to the gross leasable area, based on the lease agreements or floor plans of buildings of each asset held as of August 31, 2020. With respect to properties of which ownership is only for land, leasable area is the leasable area of the land as described in the applicable land lease agreements or land plans.

(Note 6) *Occupancy rate* shows the proportion of the total leased area to the total leasable area of each asset held as of August 31, 2020, rounded to the nearest tenth. Subtotals, totals and total of the portfolio show the proportion of the total leased area to the total of leasable area for the assets held, rounded to the nearest tenth.

- (Note 7) For Toranomom First Garden, total leasable area shows figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.) On the other hand, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners, and as income and expenditure of the property is allocated according to the ratio of ownership interest of the partial ownership owned by each unit owner, the figure shown for occupancy rate is that of the entire building. Total leased area, total contracted rent and leasehold/guarantee deposits show amounts equivalent to the ratio of ownership interest of the partial ownership in the building held by the Investment Corporation (approximately 81.4%).
- (Note 8) For Rapiros Roppongi, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)
- (Note 9) For Ochanomizu Sola City, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (21.7%).
- (Note 10) For Tokyo Nishi Ikebukuro Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion).
- (Note 11) For Hulic Ginza 7 Chome Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (95.0%).
- (Note 12) For Shinagawa Season Terrace, total leased area, total leasable area, and occupancy rate show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (25.0%) on account of NTT Urban Development Corporation receiving rent from each end-tenant for the entire building and distributing that income to the respective owners in proportion to the ratio of ownership.
- (Note 13) For Hulic Nihonbashi Honcho 1 Chome Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 14) For Hulic Asakusabashi Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 15) For Hulic Ryogoku Building, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (90.0%).
- (Note 16) For Hulic Asakusabashi Edo-dori, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (90.0%).
- (Note 17) For Oimachi Redevelopment Building (#1), total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.
- (Note 18) For HULIC & New SHIBUYA, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- (Note 19) For Sotetsu Fresa Inn Ginza 7 Chome, total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 20) For Sotetsu Fresa Inn Tokyo-Roppongi, total leased area, total leasable area, occupancy rate, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%). Total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 21) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 22) In the above table, *Total contracted rent*, *Leasehold/guarantee deposits*, *Total leased area* and *Occupancy rate* may include data of end-tenant lease agreements for which we have received a request for cancellation or termination and end-tenant lease agreements for which rent payment was delinquent as of August 31, 2020, if the lease agreement was valid as of August 31, 2020.

ii) Overview of appraisal report

(As of August 31, 2020)

(As of August 31, 2020)												
Category	Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)					
							Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Commercial Properties	Office properties	Hulic Kamiyacho Building	D	55,250	55,584	66,100	63,100	67,800	3.2	65,300	3.0	3.4
		Hulic Kudan Building (Land)	N	11,100	11,191	13,100	(Note 5)	13,100	3.4	13,000	3.0	3.5
		Toranomon First Garden	C	8,623	8,149	12,400	16,200	12,400	3.2	12,400	2.9	3.3
		Rapiros Roppongi	N	6,210	6,720	10,400	12,200	10,500	3.4	10,200	3.1	3.6
		Hulic Takadanobaba Building	D	3,900	3,750	5,120	4,400	5,070	3.9	5,140	3.7	4.1
		Hulic Kanda Building	T	3,780	3,557	4,380	4,860	4,750	3.8	4,220	3.9	4.0
		Hulic Kandabashi Building	D	2,500	2,464	3,060	3,260	3,090	3.6	3,040	3.4	3.8
		Hulic Kakigaracho Building	T	2,210	2,161	3,030	3,270	3,060	4.1	3,020	4.2	4.3
		Ochanomizu Sola City	N	38,149	36,658	45,353	37,107	45,787	3.1	44,919	2.8	3.2
		Hulic Higashi Ueno 1 Chome Building	N	2,678	2,749	3,200	2,740	3,240	3.8	3,150	3.6	4.0
		Tokyo Nishi Ikebukuro Building	N	1,580	1,596	2,020	1,540	2,050	4.0	1,990	3.8	4.2
		Hulic Toranomom Building	N	18,310	17,928	22,000	24,500	22,200	3.0	21,800	2.7	3.1
		Hulic Shibuya 1 chome Building	T	5,100	5,084	5,700	5,810	5,960	3.4	5,590	3.5	3.6
		Hulic Higashi Nihonbashi Building	T	3,480	3,456	3,760	4,100	3,960	4.1	3,680	4.2	4.3
		Hulic Jimbocho Building	N	1,460	1,552	1,710	1,410	1,740	3.8	1,680	3.6	4.0
		Hulic Ginza 7 Chome Building	N	21,080	21,191	21,280	25,080	21,565	3.2	20,995	3.0	3.3
		Shinagawa Season Terrace	N	6,100	5,969	6,225	5,525	6,275	3.5	6,150	3.2	3.6
		Hulic Gotanda Yamate-dori Building	D	3,450	3,571	3,530	3,270	3,780	3.7	3,420	3.4	3.8
		Hulic Nihonbashi Honcho 1 Chome Building	D	3,980	4,004	4,310	4,680	4,390	3.9	4,280	3.7	4.1
		Bancho House	D	2,750	2,759	3,180	2,720	3,220	3.7	3,160	3.5	3.9
		Ebisu Minami Building (Note 6)	T	2,420	2,423	2,550	2,530	2,660	3.8	2,500	3.8	3.9
		Hulic Iidabashi Building	T	1,450	1,460	1,490	1,430	1,560	3.9	1,460	4.0	4.1
		Hulic Asakusabashi Building (Note 7)	T	4,750	4,931	4,970	4,470	4,900	4.9	5,000	4.9	—
		Hulic Ebisu Building	C	1,275	1,284	1,350	963	1,400	3.8	1,350	3.6	3.9
		Hulic Ryogoku Building	N	5,610	5,616	5,778	5,139	5,877	3.8	5,679	3.6	4.0
		Hulic Asakusabashi Edo-dori	N	5,420	5,501	5,598	5,436	5,715	3.9	5,472	3.6	4.0
		Subtotal	—	222,615	221,321	261,594	—	266,049	—	258,595	—	—
	Retail properties	Oimachi Redevelopment Building (#2)	T	9,456	9,451	11,900	11,900	12,200	4.0	11,700	4.1	4.2
		Oimachi Redevelopment Building (#1)	T	6,166	6,247	7,230	7,010	7,420	4.2	7,150	4.3	4.4
		Dining Square Akihabara Building	N	3,200	3,169	3,990	2,730	4,060	3.7	3,920	3.5	3.9
		Hulic Jingu-Mae Building	T	2,660	2,646	3,600	3,760	3,730	3.3	3,550	3.4	3.5
		Hulic Shinjuku 3 Chome Building	N	6,690	6,791	8,040	7,900	8,240	3.3	7,830	3.0	3.5
		Yokohama Yamashitacho Building	N	4,850	4,615	5,160	3,580	5,230	4.3	5,090	4.1	4.5
		Orchid Square	D	3,502	3,474	3,870	3,880	3,950	3.5	3,830	3.3	3.7
		Hulic Todoroki Building	T	1,200	1,227	1,380	1,550	1,410	4.5	1,370	4.6	4.7
		Hulic Omori Building	C	3,420	3,361	3,700	2,790	3,700	4.2	3,700	4.0	4.3
		HULIC &New SHIBUYA	N	3,150	3,113	3,410	2,750	3,495	3.0	3,320	2.8	3.2

Category	Property name	Appraisal agency (Note 1)	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Appraisal value (Millions of yen) (Note 4)	Integrated price by using cost method (Millions of yen)	Return price (Millions of yen)					
							Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Commercial Properties	Retail properties	HULIC &New SHINBASHI	N	3,100	3,044	3,390	3,230	3,440	3.6	3,330	3.4	3.8
		Hulic Shimura-sakaue	N	7,556	7,474	7,770	7,840	7,910	4.5	7,630	4.3	4.8
		Hulic Mejiro	N	5,670	5,737	5,830	6,500	5,920	3.8	5,740	3.6	4.0
		Subtotal	—	60,620	60,354	69,270	65,420	70,705	—	68,160	—	—
		Total	—	283,235	281,676	330,864	—	336,754	—	326,755	—	—
Next-Generation Assets Plus	Private nursing homes	Aria Matsubara	N	3,244	3,125	4,280	3,810	4,310	4.4	4,250	4.0	4.6
		Trust Garden Yoganomori	N	5,390	5,269	6,850	5,630	6,890	4.7	6,810	4.3	4.9
		Trust Garden Sakurashinmachi	N	2,850	2,807	3,660	3,100	3,680	4.6	3,630	4.2	4.8
		Trust Garden Suginami Miyamae	N	2,760	2,707	3,550	2,890	3,570	4.6	3,530	4.2	4.8
		Trust Garden Tokiwamatsu	N	3,030	2,981	3,300	3,210	3,340	4.2	3,250	4.0	4.4
		SOMPO Care La vie Re Kita-Kamakura	N	1,780	1,743	1,770	1,220	1,780	5.5	1,750	5.3	5.7
		Charm Suite Shinjukutoyama	N	3,323	3,370	3,530	3,520	3,580	4.1	3,470	3.9	4.3
		Charm Suite Shakujikocho	N	3,200	3,254	3,280	3,170	3,320	4.4	3,230	4.2	4.6
		Subtotal	—	25,577	25,258	30,220	26,550	30,470	—	29,920	—	—
		Total	—	283,235	281,676	330,864	—	336,754	—	326,755	—	—
	Network centers	Ikebukuro Network Center	N	4,570	4,475	5,220	5,130	5,260	4.4	5,180	4.1	4.5
		Tabata Network Center	N	1,355	1,350	1,520	1,580	1,530	4.9	1,510	4.6	5.0
		Hiroshima Network Center	N	1,080	1,025	1,210	1,210	1,210	5.7	1,200	5.4	5.8
		Atsuta Network Center	N	1,015	972	1,070	1,020	1,080	5.4	1,060	5.1	5.5
		Nagano Network Center	N	305	296	363	298	363	6.9	362	6.7	7.1
		Chiba Network Center	N	7,060	6,913	7,270	4,280	7,310	5.1	7,230	4.8	5.2
		Sapporo Network Center	N	2,510	2,511	2,540	2,750	2,550	5.2	2,530	4.9	5.3
		Keihanna Network Center	N	1,250	1,178	1,300	1,200	1,300	5.5	1,300	5.2	5.6
		Subtotal	—	19,145	18,724	20,493	17,468	20,603	—	20,372	—	—
		Total	—	68,214	67,310	75,183	70,083	75,973	—	74,252	—	—
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome	N	11,520	11,427	12,200	14,100	12,400	3.5	11,900	3.3	3.7
		Sotetsu Fresa Inn Tokyo-Roppongi	N	5,000	4,910	5,000	4,985	5,100	3.7	4,920	3.5	3.9
		Hulic Tsukiji 3 Chome Building	N	6,972	6,989	7,270	6,980	7,400	3.6	7,140	3.4	3.8
		Subtotal	—	23,492	23,327	24,470	26,065	24,900	—	23,960	—	—
		Total	—	68,214	67,310	75,183	70,083	75,973	—	74,252	—	—
Total		—	351,449	348,987	406,047	—	412,727	—	401,007	—	—	

(Note 1) The letters in the *appraisal agency* column indicate appraisers as follows:

- D: Daiwa Real Estate Appraisal Co., Ltd.
N: Japan Real Estate Institute
C: CBRE K.K.
T: The Tanizawa Sōgō Appraisal Co., Ltd.

(Note 2) *Acquisition price* represents trading value stipulated in each sales agreement in relation to each asset held, rounded to the nearest million yen. The trading value does not include consumption tax, local consumption tax and expenses incurred on acquisition.

(Note 3) *Book value at end of period* represents book value for each property less depreciation expenses as of August 31, 2020, rounded down to the nearest million yen.

(Note 4) *Appraisal value* represents the appraisal value as of the valuation date of August 31, 2020.

(Note 5) For Hulic Kudan Building (Land), this item was not provided due to the Investment Corporation only holding the land.

(Note 6) Discount rate for Ebisu Minami Building was 3.6% for the 1st fiscal year to the 2nd fiscal year, 3.7% for the 3rd fiscal year to the 8th fiscal year, and 3.8% for the 9th fiscal year to the 11th fiscal year. The table shows the 9th fiscal year to the 11th fiscal year (3.8%).

(Note 7) For Hulic Asakusabashi Building, since the calculation method based on the capitalization method over a definite term (modified Inwood method) has been employed as a direct capitalization method based on the consideration that the land lease right acquired is a fixed-term land sublease right for business use, the discount rate in the capitalization method over a definite term (modified Inwood method) is shown in the *Capitalization rate*. In addition, because terminal capitalization rate is not applied in the DCF method, it has not been provided.

iii) Capital expenditures for assets under management

(A) Schedule of capital expenditures

For each asset held by the Investment Corporation as of August 31, 2020, the main capital expenditures for renovation work, etc. scheduled as of August 31, 2020 (the end of the 13th fiscal period) are as below. Estimated capital expenditure for work mentioned below includes parts that are charged to expenses.

Property name	Location	Purpose	Scheduled period	Estimated capital expenditure for work (Millions of yen)
Hulic Kakigaracho Building	Chuo-ku, Tokyo	Renewal work for air-conditioning units	From November 2020 to December 2020	23
Hulic Higashi Nihonbashi Building	Chuo-ku, Tokyo	Renovation work for mechanical parking lot	From January 2021 to April 2021	126
Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	Renewal work for cooling tower	From October 2020 to January 2021	50

(B) Capital expenditures during the period

An overview of the construction work corresponding to capital expenditures during the reporting period is as below. Capital expenditures during the reporting period were ¥365,535 thousand and repair expenses were ¥222,304 thousand. In aggregate, construction work in the amount of ¥587,840 thousand was carried out during the period.

Property name	Location	Purpose	Period	Capital expenditure for work (Millions of yen)
Hulic Kamiyacho Building	Minato-ku, Tokyo	Renewal work for the rooms for rent	From December 2019 to June 2020	124
Hulic Kamiyacho Building	Minato-ku, Tokyo	Renewal work for heat pump chiller	From May 2020 to August 2020	62
Hulic Todoroki Building	Setagaya-ku, Tokyo	Renewal work for elevator	From June 2020 to July 2020	21
Other				157
Total				365

(3) Major Investment Assets

The following is an overview of the Assets Held by the Investment Corporation whose Total contracted rent makes up 10% or more of the total rental income for the entire portfolio as of August 31, 2020.

Property name	Total contracted rent (annual) (Millions of yen) (Note 1)	Total leased area (m ²) (Note 2)	Total leasable area (m ²) (Note 3)	Occupancy rate (%) (Note 4)
Hulic Kamiyacho Building	2,770	32,487.06	32,487.06	100.0

(Note 1) *Total contracted rent (annual)* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2020) as indicated in the relevant lease agreements for the building of the asset held in effect as of August 31, 2020 by 12 (in cases where multiple lease agreements are executed, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. When a master lease agreement has been executed for the asset held, the amount provided is the amount for the portion corresponding to the Pass-through Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12.

(Note 2) *Total leased area* shows the total floor area of leased space set out in the relevant lease agreements for the building of the property held as of August 31, 2020. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided.

(Note 3) *Total leasable area* shows the floor area considered leasable based on the lease agreements or floor plans of buildings of the property held as of August 31, 2020.

(Note 4) *Occupancy rate* shows the proportion of the total leased area to the total leasable area for the entire building of the above-mentioned property held as of August 31, 2020, rounded to the nearest tenth.

(4) Overview of Major Tenants

Tenants for which leased area accounted for 10% or more of the total leased area as of August 31, 2020 are shown as below.

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ guarantee deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
Hulic Co., Ltd.	Real estate leasing business	Hulic Kamiyacho Building	32,487.06	2,770	2,670	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Kudan Building (Land)	3,351.07	530	265	February 6, 2063	Terminated due to the expiry of the agreement
		Toranomon First Garden (Note 6)	5,689.97	575	423	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Rapiros Roppongi (Note 7)	6,730.52	644	590		
		Hulic Takadanobaba Building	5,369.71	314	194		
		Hulic Kanda Building	3,728.36	271	212		
		Hulic Kandabashi Building	2,566.95	164	127		
		Hulic Kakigaracho Building	2,858.48	191	128		
		Hulic Higashi Ueno 1 Chome Building	3,137.09	179	163	October 15, 2021	
		Tokyo Nishi Ikebukuro Building (Note 8)	1,429.74	111	195	March 30, 2022	
		Hulic Toranomon Building	8,574.65	921	654	December 24, 2020	
		Hulic Shibuya 1 chome Building	2,817.65	243	187	March 30, 2022	
		Hulic Higashi Nihonbashi Building	3,456.22	175	121	April 27, 2022	
		Hulic Jimbocho Building	1,561.38	78	56	March 28, 2021	
		Hulic Ginza 7 Chome Building (Note 9)	11,405.68	1,022	572	September 30, 2021	
		Hulic Gotanda Yamate-dori Building	3,296.01	208	131	October 31, 2021	
		Hulic Nihonbashi Honcho 1 Chome Building (Note 10)	3,702.25	204	143	October 31, 2021	
		Bancho House	1,949.01	(Note 18)	128	October 31, 2021	
		Ebisu Minami Building	1,629.09	(Note 18)	(Note 18)	December 26, 2021	
		Hulic Iidabashi Building	1,431.94	82	57	June 27, 2022	
		Hulic Asakusabashi Building (Note 11)	5,280.72	354	193	December 31, 2064	Terminated due to the expiry of the agreement
		Hulic Ebisu Building	1,059.22	71	54	December 19, 2022	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Ryogoku Building (Note 12)	4,569.34	286	203	March 25, 2023	
		Hulic Asakusabashi Edo-dori (Note 13)	3,956.73	270	130	March 25, 2023	
		Oimachi Redevelopment Building (#2)	14,485.66	624	656	February 6, 2021	

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/ guarantee deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)		
Hulic Co., Ltd.	Real estate leasing business	Oimachi Redevelopment Building (#1) (Note 14)	10,612.67	438	529	(Note 19)	Automatically renewed for a term agreed upon unless notified in writing at least 6 months before the expiry of the agreement		
		Dining Square Akihabara Building	2,169.41	(Note 18)	(Note 18)	February 6, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement		
		Hulic Jingu-Mae Building	1,656.24	159	82	October 15, 2021			
		Hulic Shinjuku 3 Chome Building	1,351.15	346	208				
		Yokohama Yamashitacho Building	8,958.70	(Note 18)	(Note 18)				
		Orchid Square	868.65	115	56	March 29, 2021			
		Hulic Todoroki Building	1,676.02	94	69	December 26, 2021			
		Hulic Omori Building	2,666.52	192	143	March 30, 2022			
		HULIC &New SHIBUYA (Note 15)	898.62	128	116	June 29, 2022			
		HULIC &New SHINBASHI	1,725.35	154	135	October 31, 2020			
		Hulic Shimura-sakaue	11,528.34	469	354	June 28, 2021			
		Hulic Mejiro	3,805.72	278	187	March 25, 2023			
		Aria Matsubara	5,454.48	(Note 18)	(Note 18)	February 6, 2021			
		Trust Garden Yoganomori	5,977.75	(Note 18)	(Note 18)				
		Trust Garden Sakurashinmachi	3,700.26	(Note 18)	(Note 18)				
		Trust Garden Suginami Miyamae	3,975.99	(Note 18)	(Note 18)				
		Trust Garden Tokiwamatsu	2,893.82	(Note 18)	(Note 18)	August 31, 2021			
		SOMPO Care La vie Re Kita-Kamakura	4,912.57	(Note 18)	(Note 18)	June 29, 2022			
		Charm Suite Shinjukutoyama	4,065.62	(Note 18)	(Note 18)	September 26, 2022			
		Charm Suite Shakujiikoen	4,241.68	(Note 18)	(Note 18)	September 11, 2022			
		Sotetsu Fresa Inn Ginza 7 Chome (Note 16)	6,984.32	480	480	October 31, 2020			
		Sotetsu Fresa Inn Tokyo- Roppongi (Note 17)	2,408.45	216	54				
		Hulic Tsukiji 3 Chome Building	4,740.31	(Note 18)	(Note 18)	March 25, 2023			
		Total	233,797.14	15,936	12,265	—	—		
		SoftBank Corp.	Telecommuni- cations business	Ikebukuro Network Center	12,773.04	271	136	September 30, 2030	Terminated due to the expiry of the agreement
				Tabata Network Center	3,832.73	90	45	September 30, 2030	
Hiroshima Network Center	5,208.54			88	44	September 30, 2030			
Atsuta Network Center	4,943.10			73	37	September 30, 2030			
Nagano Network Center	2,211.24			33	17	November 5, 2024			
Chiba Network Center	23,338.00			447	224	September 30, 2030			

Tenant	Business type	Property name	Leased area (m ²) (Note 1)	Total contracted rent (Millions of yen) (Note 2)	Leasehold/guarantee deposits (Millions of yen) (Note 3)	Expiration date (Note 4)	Renewal of agreement, etc. (Note 5)
SoftBank Corp.	Telecommunications business	Sapporo Network Center	9,793.57	167	84	September 30, 2030	Terminated due to the expiry of the agreement
		Keihanna Network Center	9,273.44	94	47	September 30, 2030	
		Total	71,373.66	1,265	632	—	—

(Note 1) *Leased area* is equivalent to total floor area or similar measurement of leased space set out in the relevant lease agreements or similar contracts for buildings of each property as of August 31, 2020. For the portion for which there is a Pass-through Master Lease Agreement, the actual total area leased under each sublease agreement entered into with end-tenants corresponding to that portion is provided. For the portion for which there is a Fixed-type Master Lease Agreement, the total area corresponding to that portion is provided. For the property of which ownership is only for land, the area of the land is provided.

(Note 2) *Total contracted rent* is calculated by multiplying the monthly contracted rent (limited to rent for room, including common service fee and excluding consumption taxes and usage fee for warehouses, signboards and parking lots, regardless of free rent arrangements in effect as of August 31, 2020) indicated in the relevant lease agreements for buildings of each property in effect as of August 31, 2020 by 12 (with respect to assets held subject to multiple lease agreements, the aggregate monthly rent for all lease agreements) and rounding to the nearest million yen. For properties for which ownership is only for land, it is calculated by multiplying the monthly contracted rent (excluding consumption taxes) as indicated in the lease agreement for such land as of August 31, 2020 by 12 and rounding to the nearest million yen. The amounts provided are the amount for the portion of property corresponding to a Pass-through Master Lease Agreement for which the tenant is a sublessor as a master lease company, in accordance with the lease agreement with the end-tenant in effect as of August 31, 2020, calculated on an annual basis by multiplying the monthly rent as indicated in each sublease agreement entered into with end-tenants corresponding to that portion by 12; and the amount for the portion of property corresponding to a Fixed-type Master Lease Agreement, calculated on an annual basis by multiplying the monthly rent as indicated in the master lease agreement corresponding to that portion.

(Note 3) *Leasehold/guarantee deposits* indicates the aggregate of the recognized book values for the leasehold and/or guarantee deposit(s) of each asset held as of August 31, 2020, rounded to the nearest million yen.

(Note 4) *Expiration date* is the date provided in the lease agreements for each asset in effect on August 31, 2020 where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.

(Note 5) *Renewal of agreement, etc.* represents the content of renewal of agreement, etc. provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement.

(Note 6) For Toranomom First Garden, a master lease is served on the whole building together with the exclusively owned portions owned by other unit owners. Moreover, income and expenditure of the property is allocated according to the ratio of ownership interest of the partial ownership owned by each unit owner. Accordingly, leased area, total contracted rent and leasehold/guarantee deposits show amounts equivalent to the ratio of ownership interest of the partial ownership in the whole building held by the Investment Corporation (approximately 81.4%).

(Note 7) For Rapiros Roppongi, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion). (For the co-ownership portion, the figures calculated on a pro-rata basis in accordance with the co-ownership interests owned by the Investment Corporation are listed.)

(Note 8) For Tokyo Nishi Ikebukuro Building, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's partial ownership in the building (including some of co-ownership portion).

(Note 9) For Hulic Ginza 7 Chome Building, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (95.0%).

(Note 10) For Hulic Nihonbashi Honcho 1 Chome Building, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).

(Note 11) For Hulic Asakusabashi Building, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).

(Note 12) For Hulic Ryogoku Building, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (90.0%).

(Note 13) For Hulic Asakusabashi Edo-dori, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (90.0%).

(Note 14) For Oimachi Redevelopment Building (#1), the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building.

(Note 15) For HULIC & New SHIBUYA, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).

- (Note 16) For Sotetsu Fresa Inn Ginza 7 Chome, the total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 17) For Sotetsu Fresa Inn Tokyo-Roppongi, the leased area, total contracted rent and leasehold/guarantee deposits show figures equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%). Total contracted rent is made up of a fixed rent and a proportional rent that arises when annual guest room sales exceed a certain amount. Total contracted rent shows amounts calculated with monthly fixed rent specified in lease agreements multiplied by 12, with the result rounded to the nearest million yen.
- (Note 18) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 19) The lease agreement for Oimachi Redevelopment Building (#1) was renewed as the lease agreement does not specify a term at the last renewal of the agreement.

(5) Top End-Tenants in Terms of Leased Area

The following table shows the top ten end-tenants in terms of leased area in the entire portfolio as of August 31, 2020. The information stated for the portion for which there is a Fixed-type Master Lease Agreement, reflects the details on the Fixed-type Master Lease Agreement corresponding to that portion, while the information stated for the portion for which there is a Pass-through Master Lease Agreement, reflects the details on each lease agreement executed with the end tenants.

End-tenant	Property name	Leased area (m ²) (Note 1)	Area ratio (%) (Note 2)	Expiration date (Note 3)	Form of agreement (Note 4)
SoftBank Corp.	Ikebukuro Network Center Tabata Network Center Hiroshima Network Center Atsuta Network Center Nagano Network Center Chiba Network Center Sapporo Network Center Keihanna Network Center	71,373.66	22.1	September 30, 2030 September 30, 2030 September 30, 2030 September 30, 2030 November 5, 2024 September 30, 2030 September 30, 2030 September 30, 2030	Fixed-term building lease agreement
Hulic Co., Ltd.	Hulic Kudan Building (Land) Oimachi Redevelopment Building (#2) Oimachi Redevelopment Building (#1) Hulic Omori Building	29,600.73	9.2	February 6, 2063 February 6, 2021 (Note 6) March 30, 2022	Fixed-term business-use land lease agreement Ordinary building lease agreement Ordinary building lease agreement Ordinary building lease agreement
Trust Garden Co., Ltd.	Trust Garden Yoganomori Trust Garden Sakurashinmachi Trust Garden Suginami Miyamae Trust Garden Tokiwamatsu	16,547.82	5.1	January 24, 2028 January 24, 2028 January 24, 2028 February 29, 2036	Ordinary building lease agreement
Sotetsu Hotel Development Co., Ltd.	Sotetsu Fresa Inn Ginza 7 Chome (Note 5) Sotetsu Fresa Inn Tokyo- Roppongi (Note 5)	9,392.77	2.9	September 30, 2046 October 9, 2047	Fixed-term building lease agreement
(Note 7)	Hulic Ginza 7 Chome Building	9,107.44	2.8	(Note 7)	(Note 7)
Barneys Japan	Yokohama Yamashitacho Building	8,958.70	2.8	(Note 7)	(Note 7)
Charm Care Corporation Co., Ltd.	Charm Suite Shinjukutoyama Charm Suite Shakujiikoen	8,307.30	2.6	October 31, 2045 October 31, 2044	Ordinary building lease agreement
Benesse Style Care Co., Ltd.	Aria Matsubara	5,454.48	1.7	September 30, 2030	Ordinary building lease agreement
Sompo Care Inc.	SOMPO Care La vie Re Kita- Kamakura	4,912.57	1.5	March 31, 2029	Ordinary building lease agreement
HATO BUS CO.,LTD	Hulic Tsukiji 3 Chome Building	4,740.31	1.5	(Note 7)	Fixed-term building lease agreement

(Note 1) *Leased area* is equivalent to total floor area, or similar measurement of leased space set out in the lease agreements or similar contracts with end-tenants as of August 31, 2020. The pertinent items are as follows.

- The land area is provided for Hulic Kudan Building (Land).
- For the portion for which there is a Fixed-type Master Lease Agreement, the leasable area to end-tenants is provided.
- For Oimachi Redevelopment Building (#1), the figure equivalent to the Investment Corporation's co-ownership interest (approximately 82.6%) in partial ownership in the building is shown.
- For Sotetsu Fresa Inn Tokyo-Roppongi, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (50.0%).
- For Hulic Ginza 7 Chome Building, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (95.0%).

(Note 2) Figures are rounded to the nearest tenth.

(Note 3) *Expiration date* is the expiration date shown on the lease agreement with the end tenant as lessee that is in effect as of August 31, 2020.

- (Note 4) *Form of agreement* is the form of agreement described in the lease agreement with the end-tenants as of August 31, 2020.
- (Note 5) Sotetsu Fresa Inn Ginza 7 Chome and Sotetsu Fresa Inn Tokyo-Roppongi are sub-leased by Sotetsu Hotel Development Co., Ltd. to a hotel operator.
- (Note 6) The lease agreement for Oimachi Redevelopment Building (#1) was renewed as the lease agreement does not specify a term at the last renewal of the agreement.
- (Note 7) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(6) Overview and Income/Loss of Leasing Businesses

Reporting period (From March 1, 2020 to August 31, 2020)

(Unit: thousands of yen)

Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadano-baba Building	Hulic Kanda Building	Hulic Kandabashi Building
Days under management	184	184	184	184	184	184	184
Leasing business revenues	1,419,019	265,002	307,543	330,632	172,619	145,684	87,576
Leasing business revenue	1,332,691	265,002	287,272	314,786	156,884	135,262	82,109
Other leasing business revenues	86,328	–	20,270	15,846	15,735	10,421	5,466
Expenses related to leasing business	387,302	35,225	141,993	149,278	68,338	65,463	33,341
Taxes and public dues	76,547	33,359	38,565	45,283	13,099	4,096	9,532
Utilities expenses	58,029	–	12,331	13,951	8,529	6,810	4,333
Insurance expenses	937	34	203	659	185	97	80
Repair expenses	69,834	–	16,580	330	9,850	1,489	1,708
Property management fees	101,554	1,325	5,235	5,982	14,996	7,630	5,824
Other expenses related to leasing business	8,048	506	26,016	64,666	1,327	26,295	1,712
Depreciation and amortization	72,350	–	43,060	18,404	20,349	19,042	10,150
Income (loss) from leasing business	1,031,716	229,776	165,549	181,354	104,281	80,221	54,235
NOI	1,104,067	229,776	208,610	199,759	124,631	99,263	64,385

(Unit: thousands of yen)

Property name	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Tokyo Nishi Ikebukuro Building	Gate City Ohsaki (Note 1)	Hulic Toranomon Building	Hulic Shibuya 1 chome Building
Days under management	184	184	184	184	5	184	184
Leasing business revenues	103,521	(Note 2)	99,267	57,026	9,627	479,784	132,393
Leasing business revenue	93,508	(Note 2)	89,105	56,030	6,356	459,687	121,593
Other leasing business revenues	10,012	(Note 2)	10,161	996	3,270	20,096	10,800
Expenses related to leasing business	37,600	(Note 2)	39,385	20,711	5,517	188,079	42,283
Taxes and public dues	9,563	(Note 2)	7,614	2,456	239	61,657	9,567
Utilities expenses	5,299	(Note 2)	4,985	–	3,235	16,201	6,179
Insurance expenses	92	(Note 2)	95	158	30	275	107
Repair expenses	1,548	(Note 2)	552	–	69	13,570	4,789
Property management fees	11,583	(Note 2)	10,278	9,794	16	41,440	7,814
Other expenses related to leasing business	1,258	(Note 2)	3,552	3,582	1,926	1,518	1,575
Depreciation and amortization	8,255	(Note 2)	12,306	4,719	–	53,414	12,250
Income (loss) from leasing business	65,920	(Note 2)	59,881	36,315	4,110	291,704	90,110
NOI	74,175	727,087	72,188	41,035	4,110	345,119	102,360

(Unit: thousands of yen)

Property name	Hulic Higashi Nihonbashi Building	Hulic Jimbocho Building	Hulic Ginza 7 Chome Building	Shinagawa Season Terrace	Hulic Gotanda Yamate-dori Building	Hulic Nihonbashi Honcho 1 Chome Building	Bancho House
Days under management	184	184	184	184	184	184	184
Leasing business revenues	101,121	47,541	553,703	(Note 2)	117,765	105,973	(Note 2)
Leasing business revenue	91,275	38,888	525,976	(Note 2)	105,140	96,662	(Note 2)
Other leasing business revenues	9,845	8,652	27,727	(Note 2)	12,624	9,310	(Note 2)
Expenses related to leasing business	38,060	15,362	179,679	(Note 2)	60,422	24,247	(Note 2)
Taxes and public dues	8,670	3,438	78,444	(Note 2)	5,814	6,194	(Note 2)
Utilities expenses	6,000	1,996	26,712	(Note 2)	7,412	6,702	(Note 2)
Insurance expenses	104	47	378	(Note 2)	119	127	(Note 2)
Repair expenses	4,505	564	8,138	(Note 2)	10,786	1,909	(Note 2)
Property management fees	6,629	4,020	38,790	(Note 2)	5,959	4,253	(Note 2)
Other expenses related to leasing business	1,142	570	2,418	(Note 2)	22,106	1,684	(Note 2)
Depreciation and amortization	11,007	4,724	24,795	(Note 2)	8,224	3,375	(Note 2)
Income (loss) from leasing business	63,061	32,178	374,024	(Note 2)	57,343	81,725	(Note 2)
NOI	74,068	36,902	398,820	106,854	65,567	85,100	53,915

(Unit: thousands of yen)

Property name	Ebisu Minami Building	Hulic Iidabashi Building	Hulic Asakusa-bashi Building	Hulic Ebisu Building	Hulic Ryogoku Building	Hulic Asakusa-bashi Edo-dori	Oimachi Redevelopment Building (#2)
Days under management	184	184	184	184	159	159	184
Leasing business revenues	(Note 2)	44,671	214,185	37,012	130,749	120,995	312,000
Leasing business revenue	(Note 2)	40,825	204,505	35,382	123,112	117,314	312,000
Other leasing business revenues	(Note 2)	3,845	9,679	1,629	7,636	3,681	—
Expenses related to leasing business	(Note 2)	25,466	169,290	9,493	52,300	42,702	71,697
Taxes and public dues	(Note 2)	3,807	12,893	2,706	—	—	32,838
Utilities expenses	(Note 2)	3,367	15,109	1,740	6,974	3,900	—
Insurance expenses	(Note 2)	12	77	11	153	137	337
Repair expenses	(Note 2)	10,540	4,162	100	637	1,173	—
Property management fees	(Note 2)	4,240	34,299	2,953	10,259	8,200	6,240
Other expenses related to leasing business	(Note 2)	869	12,847	666	929	1,365	504
Depreciation and amortization	(Note 2)	2,629	89,899	1,315	33,347	27,924	31,776
Income (loss) from leasing business	(Note 2)	19,204	44,894	27,518	78,449	78,293	240,302
NOI	43,012	21,833	134,794	28,834	111,796	106,218	272,079

(Unit: thousands of yen)

Property name	Oimachi Redevelop- ment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building	Orchid Square	Hulic Todoroki Building
Days under management	184	184	184	184	184	184	184
Leasing business revenues	218,931	(Note 2)	80,671	179,198	(Note 2)	97,095	52,797
Leasing business revenue	218,931	(Note 2)	76,364	172,828	(Note 2)	76,311	47,159
Other leasing business revenues	–	(Note 2)	4,306	6,370	(Note 2)	20,784	5,638
Expenses related to leasing business	66,967	(Note 2)	21,565	19,414	(Note 2)	31,851	25,748
Taxes and public dues	35,045	(Note 2)	6,209	588	(Note 2)	4,567	4,192
Utilities expenses	–	(Note 2)	3,823	3,576	(Note 2)	4,668	4,645
Insurance expenses	1,628	(Note 2)	43	47	(Note 2)	48	54
Repair expenses	–	(Note 2)	1,370	–	(Note 2)	13,390	6,144
Property management fees	4,378	(Note 2)	3,139	5,555	(Note 2)	2,991	4,610
Other expenses related to leasing business	7,971	(Note 2)	2,183	6,912	(Note 2)	481	1,011
Depreciation and amortization	17,944	(Note 2)	4,794	2,733	(Note 2)	5,703	5,089
Income (loss) from leasing business	151,963	(Note 2)	59,106	159,784	(Note 2)	65,243	27,049
NOI	169,907	77,779	63,900	162,518	124,222	70,947	32,139

(Unit: thousands of yen)

Property name	Hulic Omori Building	HULIC &New SHIBUYA	HULIC &New SHINBASHI	Hulic Shimura- sakaue	Hulic Mejiro	Aria Matsubara	Trust Garden Yogano- mori
Days under management	184	184	184	184	159	184	184
Leasing business revenues	105,311	69,373	80,779	256,179	126,145	(Note 2)	(Note 2)
Leasing business revenue	95,752	63,915	74,118	234,547	121,710	(Note 2)	(Note 2)
Other leasing business revenues	9,559	5,457	6,660	21,632	4,434	(Note 2)	(Note 2)
Expenses related to leasing business	32,485	21,132	29,770	130,060	37,351	(Note 2)	(Note 2)
Taxes and public dues	5,297	3,878	5,128	21,819	–	(Note 2)	(Note 2)
Utilities expenses	6,922	3,607	3,976	23,205	4,016	(Note 2)	(Note 2)
Insurance expenses	55	40	70	254	129	(Note 2)	(Note 2)
Repair expenses	530	893	825	645	48	(Note 2)	(Note 2)
Property management fees	6,123	3,048	5,836	31,548	9,140	(Note 2)	(Note 2)
Other expenses related to leasing business	2,189	990	995	779	640	(Note 2)	(Note 2)
Depreciation and amortization	11,366	8,674	12,937	51,806	23,377	(Note 2)	(Note 2)
Income (loss) from leasing business	72,825	48,240	51,008	126,119	88,793	(Note 2)	(Note 2)
NOI	84,192	56,914	63,946	177,926	112,171	97,253	162,638

(Unit: thousands of yen)

Property name	Trust Garden Sakurashin-machi	Trust Garden Suginami Miyamae	Trust Garden Tokiwamatsu	SOMPO Care La vie Re Kita-Kamakura	Charm Suite Shinjuku-toyama	Charm Suite Shakujii-koen	Ikebukuro Network Center
Days under management	184	184	184	184	184	184	184
Leasing business revenues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	130,176
Leasing business revenue	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	130,176
Other leasing business revenues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	–
Expenses related to leasing business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	32,715
Taxes and public dues	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	15,710
Utilities expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	–
Insurance expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	147
Repair expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	4,650
Property management fees	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	1,048
Other expenses related to leasing business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	504
Depreciation and amortization	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	10,655
Income (loss) from leasing business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	97,460
NOI	85,126	81,847	71,583	50,336	74,148	74,231	108,115

(Unit: thousands of yen)

Property name	Tabata Network Center	Hiroshima Network Center	Atsuta Network Center	Nagano Network Center	Chiba Network Center	Sapporo Network Center	Keihanna Network Center
Days under management	184	184	184	184	184	184	184
Leasing business revenues	43,285	42,091	35,273	16,708	214,701	80,358	45,166
Leasing business revenue	43,285	42,091	35,273	16,708	214,687	80,358	45,166
Other leasing business revenues	–	–	–	–	13	–	–
Expenses related to leasing business	8,989	15,237	11,011	6,151	85,237	25,029	17,067
Taxes and public dues	4,763	5,814	4,769	2,351	30,506	13,099	8,500
Utilities expenses	–	–	–	–	–	–	–
Insurance expenses	47	64	56	33	250	100	96
Repair expenses	–	2,059	–	–	4,454	1,200	–
Property management fees	720	1,355	960	840	1,872	799	1,200
Other expenses related to leasing business	504	504	504	504	504	504	504
Depreciation and amortization	2,954	5,439	4,721	2,422	47,649	9,325	6,766
Income (loss) from leasing business	34,295	26,853	24,261	10,556	129,464	55,328	28,098
NOI	37,249	32,292	28,983	12,979	177,113	64,654	34,864

(Unit: thousands of yen)

Property name	Sotetsu Fresa Inn Ginza 7 Chome	Sotetsu Fresa Inn Tokyo-Roppongi	Hulic Tsukiji 3 Chome Building
Days under management	184	184	159
Leasing business revenues	240,000	108,400	(Note 2)
Leasing business revenue	240,000	108,000	(Note 2)
Other leasing business revenues	–	400	(Note 2)
Expenses related to leasing business	56,692	33,227	(Note 2)
Taxes and public dues	25,512	11,399	(Note 2)
Utilities expenses	–	–	(Note 2)
Insurance expenses	195	83	(Note 2)
Repair expenses	190	163	(Note 2)
Property management fees	2,400	1,080	(Note 2)
Other expenses related to leasing business	604	261	(Note 2)
Depreciation and amortization	27,790	20,240	(Note 2)
Income (loss) from leasing business	183,307	75,172	(Note 2)
NOI	211,098	95,412	(Note 2)

(Note 1) The Investment Corporation transferred all the quasi co-ownership interest of Gate City Ohsaki on March 6, 2020.

(Note 2) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.