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April 14, 2021

Financial Report for the Fiscal Period Ended February 28, 2021 (For the Reporting Period from September 1, 2020 to February 28, 2021)

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: Kazuaki Chokki, Representative Director, President and CEO
 Contact: Hiroshi Machiba, CFO, Head of Planning and Administration Division and General Manager of Finance and Planning Department
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Scheduled date to file securities report: May 21, 2021
 Scheduled date to commence payment of distributions: May 14, 2021
 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 February 28, 2021 (September 1, 2020 - February 28, 2021)

(1) Operating results

(Percentages show changes from the previous fiscal period)

Fiscal period ended	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2021	11,170	5.5	6,232	7.8	5,515	8.5	5,437	7.0
August 31, 2020	10,591	9.8	5,782	9.8	5,083	9.7	5,082	9.7

Fiscal period ended	Basic earnings per unit	Return on equity	Ordinary profit on total assets	Ordinary profit on operating revenues
	Yen	%	%	%
February 28, 2021	4,144	3.0	1.5	49.4
August 31, 2020	3,873	2.8	1.4	48.0

(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 February 28, 2021: 1,312,000 units; fiscal period ended August 31, 2020: 1,312,000 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	%	%
February 28, 2021	4,052	5,316	–	–	97.7	3.0
August 31, 2020	3,874	5,082	2	2	100.0	2.8

(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.

$$\text{Payout ratio} = \text{Total distributions (excluding distributions in excess of earnings)} / \text{Profit} \times 100$$

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2021	368,400	179,212	48.6	136,594
August 31, 2020	370,487	178,860	48.3	136,326

(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
February 28, 2021	15,812	(8,153)	(8,107)	19,498
August 31, 2020	11,835	(23,926)	14,557	19,947

2. Forecasts of performance for the fiscal period ending August 31, 2021 (March 1, 2021 - August 31, 2021) and the fiscal period ending February 28, 2022 (September 1, 2021 - February 28, 2022)

(Percentages show changes from the previous fiscal period)

Fiscal period ending	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
August 31, 2021	10,443	(6.5)	5,634	(9.6)	4,919	(10.8)	4,873	(10.4)	3,550	–
February 28, 2022	9,865	(5.5)	5,346	(5.1)	4,669	(5.1)	4,668	(4.2)	3,450	–

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

For the fiscal period ending August 31, 2021: ¥3,601

For the fiscal period ending February 28, 2022: ¥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 February 28, 2021 | 1,312,000 units |
| As of August 31, 2020 | 1,312,000 units |
| b. Number of treasury investment units at end of period | |
| As of February 28, 2021 | 0 units |
| As of August 31, 2020 | 0 units |

(Note) Please refer to “Notes on Per Unit Information” on page 36 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 August 31, 2021 (from March 1, 2021 to August 31, 2021) and the fiscal period ending February 28, 2022 (from September 1, 2021 to February 28, 2022)” (hereinafter “Assumptions for Forecasts”) on pages 9 through 12 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 two properties, Hulic Nakano Building and Hulic Hachioji Building (total acquisition price: ¥8,100 million) in October 2020, and transferred three properties, Hulic Nihonbashi Honcho 1 Chome Building, Hulic Omori Building and Orchid Square (quasi co-ownership interest of 50%) (total transfer price: ¥10,100 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 ¥350,398 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 99.6%.

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 2020, the Investment Corporation was awarded “5 Stars,” the highest GRESB Rating, for its initiatives in environmental awareness and sustainability, having received strong recognition in both the areas of “Management Component” and “Performance Component.” At the same time, the Investment Corporation also received a “Green Star” for the fourth consecutive year. 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 26 properties, as follows. Concerning DBJ Green Building Certification (Note 2), the Investment Corporation has acquired certification for 6 properties, with Ochanomizu Sola City 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 10 properties, with HULIC & New SHIBUYA obtaining the highest ranking. Concerning the real estate evaluation certification CASBEE (Note 4), the Investment Corporation has acquired certification for 9 properties, with Hulic Kamiyacho Building, Toranomom First Garden, Hulic Higashi Nihonbashi Building and Hulic Mejiro obtaining the highest ranking. In November 2019, the Investment Corporation acquired CASBEE-Wellness Office evaluation certification (Note 5) for Hulic Toranomom 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) “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 5) 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 using a portion of proceeds from the transfer of properties in October 2020 for the early partial repayment of short-term borrowings of ¥1,000 million, the Investment Corporation issued investment corporation bonds (green bonds) of ¥3,000 million and used them with cash reserves to make an early repayment of ¥3,000 million in short-term borrowings. Furthermore, in February 2021, the Investment Corporation allocated ¥2,000 million of cash reserves to the early partial repayment of short-term borrowings of ¥11,000 million, and the rest, together with ¥8,550 million in long-term borrowings that was due for repayment, was refinanced as a total of ¥17,550 million in long-term borrowings.

As a result, as of the end of the reporting period, interest-bearing debt totaled ¥169,776 million (comprising ¥3,960 million in short-term borrowings, ¥15,680 million in current portion of long-term borrowings, ¥135,136 million in long-term borrowings and ¥15,000 million in investment corporation bonds), resulting in a loan-to-value (LTV) ratio of 46.1%.

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 ¥11,170 million (up 5.5% compared with the previous fiscal period), operating profit was ¥6,232 million (up 7.8% compared with the previous fiscal period), ordinary profit after deducting interest expenses for borrowings, etc. was ¥5,515 million (up 8.5% compared with the previous fiscal period), and profit was ¥5,437 million (up 7.0% 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 applied special measures for the taxation system for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation) and decided to pay distributions for the reporting period of an amount of the initially

forecasted distribution of ¥5,316,224,000 and keep the amount in excess of that amount in internal reserves for the stabilization of future distributions. Consequently, distributions per unit came to ¥4,052. The Investment Corporation plans to use internal reserves to ensure stability in distribution payments, by using it to mitigate the negative effects in cases of temporary or unexpected income decrease or cost increase.

Outlook for the fiscal period ending August 31, 2021

i) Outlook for overall operations

The Japanese economy going forward is expected to pick up due to the effects of various measures and the improvement of overseas economies as the level of socio-economic activity is gradually raised while taking measures to prevent the spread of the novel coronavirus disease (COVID-19). Regarding the rental office market, the Investment Corporation will closely observe changes in office needs as a result of downsizing the scale 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 expecting consumer sentiment to pick 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

Issuance of new investment units

The Investment Corporation passed resolutions at meetings of its Board of Directors held on March 26, 2021 and April 1, 2021, to issue new investment units as follows for the purpose of using the proceeds to supplement cash reserves by amount of decrease arising from its allocation for a portion of the purchase price for specified assets, and finance the repayment of borrowings. The payment for the newly issued investment units through a public offering was completed on April 7, 2021.

(New investment unit issuance through public offering)

Number of new investment units to be issued:	39,000 units
Issue price (offer price):	¥167,895 per unit
Total amount of issue price (offer price):	¥6,547,905,000
Amount paid in (issue value):	¥162,470 per unit
Total amount paid in (issue value):	¥6,336,330,000
Payment date:	April 7, 2021
Distribution calculation date:	March 1, 2021

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued:	2,000 units (maximum)
Amount paid in (issue value):	¥162,470 per unit
Total amount paid in (issue value):	¥324,940,000 (maximum)
Payment date:	April 27, 2021
Distribution calculation date:	March 1, 2021
Allottee:	Mizuho Securities Co., Ltd.

If the entire number of new investment units to be issued in the third-party allotment (hereinafter referred to as the “Third-Party Allotment”), or a portion thereof, is not subscribed to, this may result in the final number of new investment units issued in the third-party allotment being reduced by such number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

(Reference information)

(A) Acquisitions of properties

The Investment Corporation acquired the below-mentioned beneficial interests in real estate trust (2 properties; total acquisition price: ¥7,440 million). The acquisition price provided does not include expenses incurred on the acquisition of such assets acquired (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.

Property name	Location	Date of acquisition	Acquisition price (Millions of yen)	Seller
Hulic Ueno Building	Taito-ku, Tokyo	March 31, 2021	4,100	Hulic Co., Ltd.
Hulic Chofu	Chofu-shi, Tokyo	March 31, 2021	3,340	Hulic Co., Ltd.
Total	–	–	7,440	–

(B) Transfer of properties

The Investment Corporation transferred the below-mentioned beneficial interests in real estate trust (2 properties; transfer price: ¥8,225 million). The transfer price provided does not include expenses incurred on the transfer of such transferred assets (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.

Property name	Location	Date of transfer	Transfer price (Millions of yen)	Transferee
Orchid Square (Note 1)	Chiyoda-ku, Tokyo	March 1, 2021	1,945 (Note 2)	Hulic Co., Ltd.
Shinagawa Season Terrace	Minato-ku, Tokyo	March 30, 2021	6,280	Undisclosed (Note 3)
Total	–	–	8,225	–

(Note 1) This is still referred to as 50.0% quasi co-ownership interest held after the transfer of 50.0% quasi co-ownership interest of property as of October 16, 2020.

(Note 2) The transfer price is the transfer price for the transfer of 50.0% quasi co-ownership interest of property stated on the agreement for sales of beneficial interests in trust as of March 1, 2021.

(Note 3) 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 repayment of borrowings

On April 7, 2021, the Investment Corporation resolved to make an early partial repayment of the following borrowings on May 7, 2021, using the balance of the proceeds from the issuance of new investment units through a public offering after supplementing those proceeds by amount of decrease arising from its allocation for a portion of the purchase price for specified assets.

Lender	Borrowing amount (Millions of yen)	Interest rate	Drawdown date	Repayment date	Repayment method	Remarks
Mizuho Bank, Ltd.	1,980	Base rate of interest (JBA one-month Japanese Yen TIBOR) +0.300%	August 7, 2020	August 6, 2021	Lump-sum repayment	Unsecured and unguaranteed
Sumitomo Mitsui Banking Corporation	1,386					
MUFG Bank, Ltd.	594					
Total	3,960	–	–	–	–	–

iii) Operating results (earnings) forecasts

The Investment Corporation's forecasts for the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021) and the fiscal period ending February 28, 2022 (from September 1, 2021 to February 28, 2022) are as follows:

	Fiscal period ending August 31, 2021	Fiscal period ending February 28, 2022
Operating revenues	¥10,443 million	¥9,865 million
Operating profit	¥5,634 million	¥5,346 million
Ordinary profit	¥4,919 million	¥4,669 million
Profit	¥4,873 million	¥4,668 million
Distributions per unit (excluding distributions in excess of earnings)	¥3,550	¥3,450
Distributions in excess of earnings per unit	¥–	¥–

Information on assumptions for the above forecasts of operating results is as shown in "Assumptions for forecasts of performance for the fiscal period ending August 31, 2021 (from March 1, 2021 to August 31, 2021) and the fiscal period ending February 28, 2022 (from September 1, 2021 to February 28, 2022)" on pages 9 through 12.

(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 August 31, 2021 (from March 1, 2021 to August 31, 2021) and the fiscal period ending February 28, 2022 (from September 1, 2021 to February 28, 2022)

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> • Fiscal period ending August 31, 2021: 184 days from March 1, 2021 to August 31, 2021 • Fiscal period ending February 28, 2022: 181 days from September 1, 2021 to February 28, 2022
Portfolio	<ul style="list-style-type: none"> • We have based our assumptions on 58 properties we hold as of the date of this report (hereinafter referred to as the “Assets Held” in this table of assumptions). • 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 February 28, 2022 (the end of the 16th fiscal period). • There may be changes in the portfolio, however, caused by buying or selling of properties.
Operating revenues	<ul style="list-style-type: none"> • Real estate leasing business revenues from Assets Held have been calculated in consideration of trends of the lease market, status of negotiations with tenants and other factors, and taking into account a certain degree of impact from tenants moving in and out, on the basis of lease agreements effective as of the date of this report. Real estate leasing business revenues from assets acquired in March 2021 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 effective as of the date of acquisition for the acquired assets. Average monthly occupancy rates during period are assumed to be 98.7% and 98.5% for the periods ending August 31, 2021 and February 28, 2022, respectively, although such rates may vary if there is unexpected moving in or out of tenants. • Projected amount for a gain on transfer relating to the assets transferred in March 2021 (after deducting expenses relating to the transfer) is recognized for 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	<ul style="list-style-type: none"> • 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 2021 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 2021 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 August 31, 2021 (the 15th fiscal period) and ¥1,235 million for the fiscal period ending February 28, 2022 (the 16th 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 ¥836 million for the fiscal period ending August 31, 2021 (the 15th fiscal period) and ¥836 million for the fiscal period ending February 28, 2022 (the 16th 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 ¥126 million in the fiscal period ending August 31, 2021 (the 15th fiscal period) and ¥134 million in the fiscal period ending February 28, 2022 (the 16th fiscal period). • Operating expenses other than those related to leasing business (asset management fee, asset custody fee, administrative service fees, etc.) are assumed at ¥1,290 million for the fiscal period ending August 31, 2021 (the 15th fiscal period) and ¥1,145 million for the fiscal period ending February 28, 2022 (the 16th fiscal period). These expenses have been calculated in such a way as to reflect variable factors, and also based on contractual terms and past performance figures.
Non-operating expenses	<ul style="list-style-type: none"> • Taking into account the interest rate trends, latest performance figures and other factors, we expect to record interest expenses and other borrowing-related expenses of ¥689 million in the fiscal period ending August 31, 2021 (the 15th fiscal period) and ¥658 million in the fiscal period ending February 28, 2022 (the 16th 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 ¥25 million in the fiscal period ending August 31, 2021 (the 15th fiscal period) and ¥17 million in the fiscal period ending February 28, 2022 (the 16th fiscal period).

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • The balance of interest-bearing debt of the Investment Corporation as of the date of this report is ¥169,776 million (comprising ¥3,960 million in short-term borrowings, ¥15,680 million in current portion of long-term borrowings, ¥135,136 million in long-term borrowings and ¥15,000 million in investment corporation bonds). • The Investment Corporation is assuming that from the proceeds of the issuance of new investment units through a public offering, which the Investment Corporation resolved at a meeting of its Board of Directors meeting held on March 26, 2021 and April 1, 2021, and the proceeds of the issuance of new investment units by the Third-Party Allotment resolved on the same day, the combined amount of (1) the balance of the proceeds from the former issuance after supplementing those proceeds by amount of decrease arising from its use for a portion of the acquired assets of property acquired in March 2021 and (2) the proceeds from the latter issuance will be allotted to repayment of ¥3,960 million in short-term borrowings, and the partial repayment of ¥7,130 million in current portion of long-term borrowings for, which repayment is due in the fiscal period ending August 31, 2021 (the 15th fiscal period). • We assume the refinancing of the balance after repayment of the above-mentioned borrowings for the ¥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), and the refinancing of the entire amount for the ¥8,550 million in current portion of long-term borrowings, for which repayment is due by February 28, 2022 (the end of the 16th fiscal period) to have been made at the time of the respective due dates. • As a result of the above, we assume that the balance of interest-bearing debt as of each of August 31, 2021 (as of the end of the 15th fiscal period), and February 28, 2022 (as of the end of the 16th fiscal period), will be ¥164,656 million. • We have assumed LTV ratio (assumed) of approximately 45% as of August 31, 2021 (as of the end of the 15th fiscal period). • The above LTV ratio (assumed) was obtained by the following formula: $\text{LTV (assumed)} = \frac{\text{Interest-bearing debt at end of period (assumed amount)}}{\text{Total assets at end of period (projected amount)}} \times 100$ <p style="margin-left: 40px;">Total assets at end of period (assumed): Amount obtained by adding the total of the acquisition prices of acquired assets for the 15th fiscal period (Hulic Ueno Building and Hulic Chofu) (¥7,440 million) to and subtracting the anticipated book value at the transfer date of Shinagawa Season Terrace (¥5,920 million), which was transferred as of March 30, 2021, and the amount of cash reserves used from the sum of the total assets as stated on the balance sheet dated February 28, 2021 (as of the end of the 14th fiscal period) (¥368,400 million)</p>
Issuance of investment units	<ul style="list-style-type: none"> • We have assumed that in addition to the 1,351,000 total investment units issued as of the date of this report, all 2,000 units of the maximum number of investment units to be issued through the Third-Party Allotment will be issued. Other than the above, we have assumed there will be no issuance of additional investment units until the end of the fiscal period ending February 28, 2022 (the 16th fiscal period).

Item	Assumptions
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> • 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. • On the assumption of satisfaction of the conduit-related requirements under tax law for the portion of the gain on transfer expected from the transfer of the properties transferred in March 2021, ¥70 million will be kept in internal reserves for the period ending August 31, 2021 (15th fiscal period). The actual amount of internal reserves may change. Moreover, the Investment Corporation plans to use internal reserves to ensure stability in distribution payments, by using it to mitigate the negative effects in cases of temporary or unexpected income decrease or cost occurrence.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • We currently have no plans to pay cash distributions in excess of earnings (regarding distributions in excess of earnings per unit).
Others	<ul style="list-style-type: none"> • It is assumed that there will not be further expansion of the adverse effect due to the spread of COVID-19. Accordingly, the consideration of a negative effect on operations due to continued expansion of COVID-19 or prolongation of its effect beyond expectation 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 August 31, 2020)	Reporting period (As of February 28, 2021)
Assets		
Current assets		
Cash and deposits	12,245,579	11,543,492
Cash and deposits in trust	7,701,626	7,955,014
Operating accounts receivable	171,014	134,166
Prepaid expenses	43,705	47,759
Total current assets	20,161,925	19,680,432
Noncurrent assets		
Property, plant and equipment		
Buildings	670,500	684,766
Accumulated depreciation	(31,201)	(39,574)
Buildings, net	639,298	645,191
Land	1,831,442	1,849,447
Buildings in trust	73,144,898	74,080,029
Accumulated depreciation	(9,024,783)	(10,085,773)
Buildings in trust, net	64,120,115	63,994,255
Structures in trust	402,327	414,041
Accumulated depreciation	(140,483)	(154,034)
Structures in trust, net	261,843	260,007
Machinery and equipment in trust	363,851	376,019
Accumulated depreciation	(179,780)	(200,498)
Machinery and equipment in trust, net	184,070	175,520
Tools, furniture and fixtures in trust	90,203	90,095
Accumulated depreciation	(27,680)	(34,286)
Tools, furniture and fixtures in trust, net	62,522	55,808
Land in trust	270,737,589	269,041,070
Construction in progress in trust	22,312	–
Total property, plant and equipment	337,859,195	336,021,301
Intangible assets		
Leasehold interests in land	2,343,025	2,343,025
Land leasehold interests in trust	8,784,984	8,779,682
Other	–	8,985
Total intangible assets	11,128,010	11,131,693
Investments and other assets		
Leasehold and guarantee deposits	360,302	419,955
Long-term prepaid expenses	864,175	1,032,215
Deferred tax assets	26	–
Total investments and other assets	1,224,504	1,452,171
Total noncurrent assets	350,211,711	348,605,166
Deferred assets		
Investment unit issuance costs	43,623	27,470
Investment corporation bond issuance costs	70,314	87,658
Total deferred assets	113,938	115,128
Total assets	370,487,574	368,400,728

(Unit: thousands of yen)

	Previous fiscal period (As of August 31, 2020)	Reporting period (As of February 28, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	686,557	610,323
Short-term borrowings	18,960,000	3,960,000
Current portion of long-term borrowings	15,680,000	15,680,000
Accounts payable - other	1,287,412	1,481,175
Accrued expenses	37,689	25,560
Income taxes payable	1,140	77,671
Accrued consumption taxes	228,380	446,953
Advances received	1,713,009	1,653,922
Deposits received	362	5,578
Total current liabilities	38,594,551	23,941,186
Noncurrent liabilities		
Investment corporation bonds	12,000,000	15,000,000
Long-term borrowings	126,136,000	135,136,000
Leasehold and guarantee deposits received	131,075	131,075
Leasehold and guarantee deposits received in trust	14,482,762	14,696,271
Asset retirement obligations	282,922	283,601
Total noncurrent liabilities	153,032,760	165,246,948
Total liabilities	191,627,311	189,188,135
Net assets		
Unitholders' equity		
Unitholders' capital	173,778,746	173,778,746
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*2 (1,312)	*2 (3,936)
Total deduction from unitholders' capital	(1,312)	(3,936)
Unitholders' capital, net	173,777,434	173,774,810
Surplus		
Unappropriated retained earnings	5,082,828	5,437,782
Total surplus	5,082,828	5,437,782
Total unitholders' equity	178,860,262	179,212,592
Total net assets	*3 178,860,262	*3 179,212,592
Total liabilities and net assets	370,487,574	368,400,728

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

(Unit: thousands of yen)

	Previous fiscal period (From March 1, 2020 to August 31, 2020)		Reporting period (From September 1, 2020 to February 28, 2021)	
Operating revenues				
Leasing business revenue	*1, *3	9,610,701	*1, *3	9,737,884
Other leasing business revenues	*1	449,771	*1	487,374
Gain on sales of real estate properties	*2	530,987	*2, *3	945,510
Total operating revenues		10,591,461		11,170,769
Operating expenses				
Expenses related to leasing business	*1	3,515,691	*1	3,421,533
Asset management fee		1,083,340		1,256,800
Asset custody fee		15,056		15,549
Administrative service fees		47,342		49,329
Remuneration for directors (and other officers)		6,000		6,000
Other operating expenses		141,576		189,303
Total operating expenses		4,809,008		4,938,515
Operating profit		5,782,453		6,232,254
Non-operating income				
Interest income		81		91
Gain on forfeiture of unclaimed dividends		310		243
Interest on tax refund		1,300		–
Total non-operating income		1,692		335
Non-operating expenses				
Interest expenses		479,024		479,149
Interest expenses on investment corporation bonds		44,627		47,252
Borrowing related expenses		151,032		168,386
Amortization of investment unit issuance costs		21,382		16,153
Amortization of investment corporation bond issuance costs		4,780		6,293
Total non-operating expenses		700,847		717,235
Ordinary profit		5,083,298		5,515,354
Profit before income taxes		5,083,298		5,515,354
Income taxes - current		1,152		77,685
Income taxes - deferred		15		26
Total income taxes		1,167		77,712
Profit		5,082,130		5,437,642
Retained earnings brought forward		697		140
Unappropriated retained earnings		5,082,828		5,437,782

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

Previous fiscal 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

Reporting period (From September 1, 2020 to February 28, 2021)

(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	(1,312)	(1,312)	173,777,434	5,082,828	5,082,828	178,860,262	178,860,262
Changes during the period								
Dividends of surplus	–	–	–	–	(5,082,688)	(5,082,688)	(5,082,688)	(5,082,688)
Distributions in excess of earnings from allowance for temporary difference adjustments	–	(2,624)	(2,624)	(2,624)	–	–	(2,624)	(2,624)
Profit	–	–	–	–	5,437,642	5,437,642	5,437,642	5,437,642
Total changes during the period	–	(2,624)	(2,624)	(2,624)	354,954	354,954	352,330	352,330
Balance at the end of the period	*1 173,778,746	(3,936)	(3,936)	173,774,810	5,437,782	5,437,782	179,212,592	179,212,592

(4) Statements of Cash Distributions (unaudited)

Fiscal period Item	Previous fiscal period (From March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
I Unappropriated retained earnings	¥5,082,828,695	¥5,437,782,898
II Added amount of distributions in excess of earnings	¥2,624,000	¥-
Of the above, allowance for temporary difference adjustments	¥2,624,000	¥-
III Distribution amount	¥5,085,312,000	¥5,316,224,000
(Distributions per unit)	(¥3,876)	(¥4,052)
Of the above, distributions of earnings	¥5,082,688,000	¥5,316,224,000
(Of the above, distributions of earnings per unit)	(¥3,874)	(¥4,052)
Of the above, allowance for temporary difference adjustments	¥2,624,000	¥-
(Of the above, distributions in excess of earnings per unit (those related to allowance for temporary difference adjustments))	(¥2)	(¥-)
IV Retained earnings carried forward	¥140,695	¥121,558,898
Method of calculating distribution amount	<p>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.</p> <p>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.</p>	<p>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 decided to pay distributions for the reporting period of an amount of the initially forecasted distribution of ¥5,316,224,000 and keep the amount in excess of that amount in internal reserves for the stabilization of future distributions.</p> <p>In addition, the Investment Corporation shall not distribute cash in an amount in excess of earnings prescribed in Article 35, Paragraph 2 of the Investment Corporation's Articles of Incorporation.</p>

(5) Statements of Cash Flows (unaudited)

(Unit: thousands of yen)

	Previous fiscal period (From March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Cash flows from operating activities		
Profit before income taxes	5,083,298	5,515,354
Depreciation and amortization	1,216,061	1,240,171
Amortization of investment unit issuance costs	21,382	16,153
Amortization of investment corporation bond issuance costs	4,780	6,293
Interest income	(81)	(91)
Interest expenses	523,651	526,401
Decrease (increase) in operating accounts receivable	47,653	36,847
Decrease (increase) in consumption taxes receivable	328,769	–
Decrease (increase) in prepaid expenses	(4,589)	(4,054)
Increase (decrease) in operating accounts payable	268,737	(272,262)
Increase (decrease) in accounts payable - other	199,797	192,479
Increase (decrease) in accrued consumption taxes	153,563	218,573
Increase (decrease) in advances received	71,986	(59,086)
Increase (decrease) in deposits received	362	5,215
Decrease (increase) in long-term prepaid expenses	(4,208)	(168,040)
Decrease in property, plant and equipment in trust due to sales	4,446,592	9,097,779
Other, net	3,461	(1,703)
Subtotal	12,361,218	16,350,033
Interest received	81	91
Interest paid	(524,680)	(536,596)
Income taxes (paid) refund	(1,391)	(1,140)
Net cash provided by (used in) operating activities	11,835,227	15,812,388
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,517)	(32,270)
Purchase of property, plant and equipment in trust	(24,426,243)	(8,264,963)
Purchase of intangible assets	–	(9,797)
Payments of leasehold and guarantee deposits	–	(59,879)
Proceeds from refund of leasehold and guarantee deposits	–	226
Refund of leasehold and guarantee deposits received	–	(12,440)
Proceeds from leasehold and guarantee deposits received	–	12,440
Refund of leasehold and guarantee deposits received in trust	(208,044)	(174,856)
Proceeds from leasehold and guarantee deposits received in trust	736,797	388,366
Net cash provided by (used in) investing activities	(23,926,008)	(8,153,175)
Cash flows from financing activities		
Proceeds from short-term borrowings	23,160,000	–
Repayments of short-term borrowings	(11,160,000)	(15,000,000)
Proceeds from long-term borrowings	10,750,000	17,550,000
Repayments of long-term borrowings	(3,559,000)	(8,550,000)
Proceeds from issuance of investment corporation bonds	–	2,976,361
Distributions paid	(4,633,293)	(5,084,273)
Net cash provided by (used in) financing activities	14,557,706	(8,107,911)
Net increase (decrease) in cash and cash equivalents	2,466,926	(448,699)
Cash and cash equivalents at beginning of period	17,480,278	19,947,205
Cash and cash equivalents at end of period	*1 19,947,205	*1 19,498,506

(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	<p>(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.</p> <table border="0"><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> <p>(2) Intangible assets The straight-line method is used. Internal use software is amortized over the estimated useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	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	<p>(1) Investment corporation bond issuance costs Amortized by the straight-line method over period until redemption.</p> <p>(2) Investment unit issuance costs Amortized by the straight-line method over a three-year period.</p>								
3. Recognition of revenue and expenses	<p>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.</p> <p>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 ¥80,411 thousand for the previous fiscal period, and ¥5,563 thousand for the reporting period.</p>								
4. Method of hedge accounting	<p>(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.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings</p> <p>(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.</p> <p>(4) Method of assessing hedge effectiveness The assessment of hedge effectiveness is omitted since the interest rate swaps satisfy the requirements for special treatment.</p>								

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	<p>(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.</p> <p>Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet:</p> <ul style="list-style-type: none"> i) Cash and deposits in trust ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust iii) Land leasehold interests in trust iv) Leasehold and guarantee deposits received in trust <p>(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.</p>

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 26, 2021)
- “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 guidance 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 guidance 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 Guidance 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 statement and guidance 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 guidance 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 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.

Reporting period (From September 1, 2020 to February 28, 2021)

Not applicable.

(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 August 31, 2020)	Reporting period (As of February 28, 2021)
Total amount of commitment line contracts	¥12,000,000 thousand	¥13,000,000 thousand
Balance of borrowings outstanding	–	–
Difference	¥12,000,000 thousand	¥13,000,000 thousand

*2. Allowance for temporary difference adjustments

Previous fiscal 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.

Reporting period (As of February 28, 2021)

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	3,936	1,312	2,624	–	3,936	–

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 August 31, 2020)	Reporting period (As of February 28, 2021)
	¥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 March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
A. Real estate leasing business revenues		
Leasing business revenue		
Rent	8,569,658	8,674,457
Land rent	265,026	265,026
Common service fees	776,016	798,399
Total	9,610,701	9,737,884
Other leasing business revenues		
Revenue from utilities charges	301,472	329,166
Other revenue	148,299	158,208
Total	449,771	487,374
Total real estate leasing business revenues	10,060,473	10,225,259
B. Expenses related to real estate leasing business		
Expenses related to leasing business		
Property management fees	577,347	598,690
Utilities expenses	326,295	307,590
Taxes and public dues	791,128	776,573
Insurance expenses	9,945	10,589
Repair expenses	222,304	126,776
Depreciation and amortization	1,216,061	1,239,359
Other expenses related to leasing business	372,608	361,953
Total expenses related to real estate leasing business	3,515,691	3,421,533
C. Income (loss) from real estate leasing business (A – B)	6,544,781	6,803,725

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

Previous fiscal 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

Reporting period (From September 1, 2020 to February 28, 2021)

Hulic Nihonbashi Honcho 1 Chome Building	(Unit: thousands of yen)	
Proceeds from sales of real estate properties		4,450,000
Cost of sales of real estate properties		4,003,602
Other expenses for the sales		29,700
Gain on sales of real estate properties		416,696

Hulic Omori Building	(Unit: thousands of yen)	
Proceeds from sales of real estate properties		3,705,000
Cost of sales of real estate properties		3,357,842
Other expenses for the sales		16,333
Gain on sales of real estate properties		330,823

Orchid Square (quasi co-ownership interest of 50%)	(Unit: thousands of yen)	
Proceeds from sales of real estate properties		1,945,000
Cost of sales of real estate properties		1,736,334
Other expenses for the sales		10,676
Gain on sales of real estate properties		197,989

*3. Transactions with major corporate unitholders

		(Unit: thousands of yen)	
	Previous fiscal period (From March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)	
From operating transactions			
Leasing business revenue	843,996		807,819
Gain on sales of real estate properties	—		528,813

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 March 1, 2020 to August 31, 2020)	Reporting Period (From September 1, 2020 to February 28, 2021)
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 March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Cash and deposits	12,245,579	11,543,492
Cash and deposits in trust	7,701,626	7,955,014
Total cash and cash equivalent	19,947,205	19,498,506

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 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	–	–	–

Balance sheet carrying amount, fair value, and the difference between the two values as of February 28, 2021 are shown below.

(Unit: thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	11,543,492	11,543,492	–
(2) Cash and deposits in trust	7,955,014	7,955,014	–
Total assets	19,498,506	19,498,506	–
(1) Short-term borrowings	3,960,000	3,960,000	–
(2) Current portion of long-term borrowings	15,680,000	15,738,813	58,813
(3) Investment corporation bonds	15,000,000	15,020,700	20,700
(4) Long-term borrowings	135,136,000	131,758,829	(3,377,170)
Total liabilities	169,776,000	166,478,342	(3,297,657)
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 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	–	–	–	–	–

Reporting period (As of February 28, 2021)

(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	11,543,492	–	–	–	–	–
Cash and deposits in trust	7,955,014	–	–	–	–	–
Total	19,498,506	–	–	–	–	–

(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 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

Reporting period (As of February 28, 2021)

(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	3,960,000	–	–	–	–	–
Investment corporation bonds	–	–	–	–	5,000,000	10,000,000
Long-term borrowings	15,680,000	18,705,000	21,123,000	24,133,000	19,770,000	51,405,000
Total	19,640,000	18,705,000	21,123,000	24,133,000	24,770,000	61,405,000

Notes on Derivative Transactions (unaudited)

1. Derivative transactions not applying hedge accounting

Not applicable for the previous fiscal period (as of August 31, 2020) and the reporting period (as of February 28, 2021).

2. Derivative transactions applying hedge accounting

Previous fiscal 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”).

Reporting period (As of February 28, 2021)

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	94,133,000	79,453,000	*	–

* 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 August 31, 2020)	Reporting period (As of February 28, 2021)
Deferred tax assets		
Accrued enterprise tax excluded from expenses	26	7,014
Excess depreciation	1,794	533
Asset retirement obligations	89,007	88,687
Total deferred tax assets	90,828	96,235
Valuation allowance	(90,802)	(96,235)
Net deferred tax assets	26	-

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

	(Unit: %)	
	Previous fiscal period (As of August 31, 2020)	Reporting period (As of February 28, 2021)
Statutory tax rate	31.46	34.59
(Adjustments)		
Distributions paid included in expenses	(31.47)	(33.34)
Others	0.03	0.16
Effective tax rate	0.02	1.41

Notes on Related Party Transactions (unaudited)

1. Parent company and major corporate unitholders

Previous fiscal 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.

Reporting period (From September 1, 2020 to February 28, 2021)

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	8,100,000	-	-
								Transfer of beneficial interests in real estate trust	5,650,000	-	-
								Keeping of leasehold and guarantee deposits	491,421	Leasehold and guarantee deposits received in trust	12,147,277
								Repayment of leasehold and guarantee deposits	477,853		
								Earning of rent revenue, etc.	807,819	Advances received	141,504

(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 March 1, 2020 to August 31, 2020) and the reporting period (from September 1, 2020 to February 28, 2021).

3. Subsidiaries of parent company

Previous fiscal 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, Hatchobori, 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.

Reporting period (From September 1, 2020 to February 28, 2021)

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, Hatchobori, Chuo-ku, Tokyo	200,000	Business related to management of investment corporation's assets under management	-	One (Note 1)	Consignment of asset management	Payment of asset management fee (Note 2)	1,313,425	Accounts payable - other	1,382,480

(Note 1) Eiji Tokita, Executive Officer of the Investment Corporation, retired from his position of President and CEO of Hulic Reit Management Co., Ltd. on February 24, 2021, and Kazuaki Chokki assumed position as President and CEO on the same day.

(Note 2) Payment of asset management fee includes the portion of compensation associated with a property acquisition factored into the book value of the individual properties (¥20,250 thousand) and the portion of compensation associated with a property transfer deducted from gain on sales of real estate properties of the individual properties (¥36,375 thousand).

(Note 3) 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 4) Transaction terms are determined based on current market prices.

4. Officers and major individual unitholders

Previous fiscal 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.”

Reporting period (From September 1, 2020 to February 28, 2021)

Eiji Tokita, Executive Officer of the Investment Corporation, retired from his position of President and CEO of Hulic Reit Management Co., Ltd. on February 24, 2021, and Kazuaki Chokki assumed position as President and CEO on the same day. Therefore, the transaction amounts for transactions during the period from September 1, 2020 to February 28, 2021, which includes those carried out during Eiji Tokita’s term of office as the Representative of a third party (Hulic Reit Management Co., Ltd.) are shown, and the details 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 March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Balance at beginning of period	282,245	282,922
Increase in connection with the acquisition of property, plant and equipment	–	–
Adjustment due to passage of time	677	679
Balance at end of period	282,922	283,601

(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 March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Balance sheet carrying amount		
Balance at beginning of period	330,303,862	348,987,206
Changes during period	18,683,343	(1,843,196)
Balance at end of period	348,987,206	347,144,009
Fair value at end of period	406,212,000	405,065,000

(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 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). The main reason for the increase during the reporting period is the acquisition of beneficial interests in real estate trust of 2 properties (¥8,149,485 thousand) and the decrease is mainly due to transfer of beneficial interests in real estate trust of 3 properties (¥9,097,779 thousand) and depreciation and amortization (¥1,238,680 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 previous fiscal period, the fair value of Hulin Nihonbashi Honcho 1 Chome Building, Orchid Square and Hulin Omori Building therein is based on the transfer prices stated on the trust beneficiary right sales agreement entered into on October 14, 2020. Concerning the fair value at end of the reporting period, the fair value of Orchid Square therein is based on the transfer price of the 50.0% quasi co-ownership interest of property transferred on March 1, 2021, stated on the trust beneficiary right sales agreement entered into on October 14, 2020, and the fair value of Shinagawa Season Terrace therein is based on the transfer price stated on the trust beneficiary right sales agreement entered into on March 26, 2021.

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 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.

Reporting period (From September 1, 2020 to February 28, 2021)

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

(Unit: thousands of yen)

Counterparty	Operating revenues	Related segment
Hulic Co., Ltd.	1,336,633	Real estate leasing business

Notes on Per Unit Information (unaudited)

	Previous fiscal period (From March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Net assets per unit	¥136,326	¥136,594
Basic earnings per unit	¥3,873	¥4,144

(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 March 1, 2020 to August 31, 2020)	Reporting period (From September 1, 2020 to February 28, 2021)
Profit (Thousands of yen)	5,082,130	5,437,642
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	5,082,130	5,437,642
Average number of investment units for the period (Units)	1,312,000	1,312,000

Notes on Significant Subsequent Events (unaudited)

Issuance of new investment units

The Investment Corporation passed resolutions at meetings of its Board of Directors held on March 26, 2021 and April 1, 2021, to issue new investment units as follows for the purpose of using the proceeds to supplement cash reserves by amount of decrease arising from its allocation for a portion of the purchase price for specified assets, and finance the repayment of borrowings. The payment for the newly issued investment units through a public offering was completed on April 7, 2021.

(New investment unit issuance through public offering)

Number of new investment units to be issued:	39,000 units
Issue price (offer price):	¥167,895 per unit
Total amount of issue price (offer price):	¥6,547,905,000
Amount paid in (issue value):	¥162,470 per unit
Total amount paid in (issue value):	¥6,336,330,000
Payment date:	April 7, 2021
Distribution calculation date:	March 1, 2021

(New investment unit issuance through third-party allotment)

Number of new investment units to be issued:	2,000 units (maximum)
Amount paid in (issue value):	¥162,470 per unit
Total amount paid in (issue value):	¥324,940,000 (maximum)
Payment date:	April 27, 2021
Distribution calculation date:	March 1, 2021
Allottee:	Mizuho Securities Co., Ltd.

If the entire number of new investment units to be issued in the third-party allotment, or a portion thereof, is not subscribed to, this may result in the final number of new investment units issued in the third-party allotment being reduced by such number of units or fewer due to forfeiture or the issuance itself not being carried out at all.

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 August 31, 2020)		Reporting period (As of February 28, 2021)	
			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	4,813	1.3	4,837	1.3
		Other wards of Tokyo	–	–	–	–
		Other	–	–	–	–
		Total	4,813	1.3	4,837	1.3
	Next-Generation Assets Plus	Six central wards of Tokyo	–	–	–	–
		Other wards of Tokyo	–	–	–	–
		Other	–	–	–	–
		Total	–	–	–	–
	Total real estate		4,813	1.3	4,837	1.3
	Real estate in trust	Tokyo Commercial Properties	Six central wards of Tokyo	233,661	63.1	224,158
Other wards of Tokyo			38,586	10.4	41,537	11.3
Other			4,615	1.2	4,604	1.2
Total			276,862	74.7	270,301	73.4
Next-Generation Assets Plus		Six central wards of Tokyo	29,679	8.0	29,569	8.0
		Other wards of Tokyo	22,989	6.2	22,953	6.2
		Other	14,641	4.0	19,482	5.3
		Total	67,310	18.2	72,005	19.5
Total real estate in trust		344,173	92.9	342,306	92.9	
Total real estate and real estate in trust		348,987	94.2	347,144	94.2	
Deposits and other assets		21,500	5.8	21,256	5.8	
Total assets		370,487	100.0	368,400	100.0	

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	191,627	51.7	189,188	51.4
Total net assets	178,860	48.3	179,212	48.6

(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 February 28, 2021)

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	2,772	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	645	586	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	272	235	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 23)	(Note 23)	13,885.63	13,923.42	99.7	
		Hulic Higashi Ueno 1 Chome Building	July 1988	183	145	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	245	188	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 23)	(Note 23)	3,115.39	3,196.54	97.5	
		Hulic Gotanda Yamate-dori Building	March 1996	181	131	2,815.68	3,296.01	85.4	
		Bancho House	August 1989	(Note 23)	128	1,949.01	1,949.01	100.0	
		Ebisu Minami Building	September 1992	(Note 23)	(Note 23)	1,629.09	1,629.09	100.0	
		Hulic Iidabashi Building	February 1991	72	50	1,266.58	1,431.94	88.5	
		Hulic Asakusabashi Building (Note 13)	February 2013	354	193	5,280.72	5,280.72	100.0	
		Hulic Ebisu Building	February 1992	71	56	1,059.22	1,059.22	100.0	
		Hulic Ryogoku Building (Note 14)	January 2010	286	203	4,569.34	4,569.34	100.0	
		Hulic Asakusabashi Edo-dori (Note 15)	September 2015	270	130	3,956.73	3,956.73	100.0	
		Hulic Nakano Building (Note 16)	October 1994	166	129	2,616.83	2,616.83	100.0	
		Subtotal	–	–	–	137,308.75	138,298.36	99.3	
		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 23)	(Note 23)	2,169.41	2,169.41	100.0
			Hulic Jingu-Mae Building	September 2000	154	82	1,546.11	1,656.24	93.4
			Hulic Shinjuku 3 Chome Building	June 1983	346	208	1,351.15	1,351.15	100.0
			Yokohama Yamashitacho Building	July 1993	(Note 23)	(Note 23)	8,958.70	8,958.70	100.0
Orchid Square (Note 18)	January 2009		58	25	434.34	667.46	65.1		
Hulic Todoroki Building	August 1990		94	69	1,676.02	1,676.02	100.0		
HULIC & New SHIBUYA (Note 19)	April 2017		128	130	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	–		–	–	59,192.09	59,535.34	99.4		
Total	–	–	–	196,500.84	197,833.70	99.3			

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 23)	(Note 23)	5,454.48	5,454.48	100.0
		Trust Garden Yoganomori	September 2005	(Note 23)	(Note 23)	5,977.75	5,977.75	100.0
		Trust Garden Sakurashinmachi	August 2005	(Note 23)	(Note 23)	3,700.26	3,700.26	100.0
		Trust Garden Suginami Miyamae	April 2005	(Note 23)	(Note 23)	3,975.99	3,975.99	100.0
		Trust Garden Tokiwamatsu	January 2016	(Note 23)	(Note 23)	2,893.82	2,893.82	100.0
		SOMPO Care La vie Re Kita-Kamakura	March 2009	(Note 23)	(Note 23)	4,912.57	4,912.57	100.0
		Charm Suite Shinjukutoyama	June 2015	(Note 23)	(Note 23)	4,065.62	4,065.62	100.0
		Charm Suite Shakujikoen	June 2014	(Note 23)	(Note 23)	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
	Hotels	Sotetsu Fresa Inn Ginza 7 Chome (Note 20)	August 2016	480	480	6,984.32	6,984.32	100.0
		Sotetsu Fresa Inn Tokyo-Roppongi (Note 21)	August 2017	216	54	2,408.45	2,408.45	100.0
		Hulic Tsukiji 3 Chome Building	November 2018	(Note 23)	(Note 23)	4,740.31	4,740.31	100.0
			Subtotal	–	–	–	14,133.08	14,133.08
	Others	Hulic Hachioji Building (Note 22)	(Bank branch building) February 2009 (Parking lot) November 2009	285	193	3,768.00	3,768.00	100.0
			Subtotal	–	285	193	3,768.00	3,768.00
		Total	–	–	–	124,496.91	124,496.91	100.0
		Total of the portfolio	–	–	–	320,997.75	322,330.61	99.6

(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 February 28, 2021) indicated in the relevant lease agreements for buildings of each asset held in effect as of February 28, 2021 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 February 28, 2021 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 February 28, 2021, 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 February 28, 2021. 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 February 28, 2021. 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 February 28, 2021, 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 and occupancy rate 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 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 14) 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 15) 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 16) For Hulic Nakano 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 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 Orchid Square, 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 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 20) 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 21) 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 22) For Hulic Hachioji 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 23) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.

(Note 24) 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 February 28, 2021, if the lease agreement was valid as of February 28, 2021.

ii) Overview of appraisal report

(As of February 28, 2021)

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	55,508	66,300	62,900	68,000	3.2	65,500	3.0	3.4
	Hulic Kudan Building (Land)	N	11,100	11,191	13,200	(Note 5)	13,200	3.4	13,100	3.0	3.5	
	Toranomon First Garden	C	8,623	8,106	12,400	16,200	12,400	3.2	12,400	2.9	3.3	
	Rapiros Roppongi	N	6,210	6,701	10,400	12,300	10,500	3.4	10,200	3.1	3.6	
	Hulic Takadanobaba Building	D	3,900	3,731	5,130	4,350	5,090	3.9	5,140	3.7	4.1	
	Hulic Kanda Building	T	3,780	3,538	4,370	4,810	4,630	3.8	4,260	3.9	4.0	
	Hulic Kandabashi Building	D	2,500	2,464	3,070	3,240	3,110	3.6	3,050	3.4	3.8	
	Hulic Kakigaracho Building	T	2,210	2,164	3,030	3,200	3,040	4.1	3,030	4.2	4.3	
	Ochanomizu Sola City	N	38,149	36,505	45,136	37,107	45,570	3.1	44,702	2.8	3.2	
	Hulic Higashi Ueno 1 Chome Building	N	2,678	2,736	3,220	2,740	3,260	3.8	3,170	3.6	4.0	
	Tokyo Nishi Ikebukuro Building	N	1,580	1,592	2,030	1,540	2,060	4.0	1,990	3.8	4.2	
	Hulic Toranomon Building	N	18,310	17,875	22,000	24,700	22,200	3.0	21,800	2.7	3.1	
	Hulic Shibuya 1 chome Building	T	5,100	5,083	5,680	5,800	5,920	3.4	5,570	3.5	3.6	
	Hulic Higashi Nihonbashi Building	T	3,480	3,445	3,750	4,030	3,930	4.1	3,670	4.2	4.3	
	Hulic Jimbocho Building	N	1,460	1,548	1,710	1,410	1,740	3.8	1,680	3.6	4.0	
	Hulic Ginza 7 Chome Building	N	21,080	21,166	21,755	25,080	22,040	3.2	21,375	3.0	3.3	
	Shinagawa Season Terrace	N	6,100	5,927	6,225	5,475	6,300	3.4	6,125	3.1	3.5	
	Hulic Gotanda Yamate-dori Building	D	3,450	3,577	3,520	3,210	3,780	3.7	3,410	3.4	3.8	
	Bancho House	D	2,750	2,755	3,160	2,530	3,220	3.7	3,130	3.5	3.9	
	Ebisu Minami Building (Note 6)	T	2,420	2,433	2,550	2,530	2,650	3.8	2,500	3.8	3.9	
	Hulic Iidabashi Building	T	1,450	1,457	1,490	1,420	1,550	3.9	1,460	4.0	4.1	
	Hulic Asakusabashi Building (Note 7)	T	4,750	4,844	4,940	4,390	4,880	4.9	4,970	4.9	-	
	Hulic Ebisu Building	C	1,275	1,282	1,350	980	1,400	3.8	1,350	3.6	3.9	
	Hulic Ryogoku Building	N	5,610	5,582	5,796	5,103	5,895	3.8	5,688	3.6	4.0	
	Hulic Asakusabashi Edo-dori	N	5,420	5,474	5,598	5,355	5,724	3.9	5,472	3.6	4.0	
	Hulic Nakano Building	N	3,200	3,216	3,384	2,934	3,447	3.9	3,312	3.7	4.1	
Subtotal	-	-	221,835	219,911	261,194	-	265,536	-	258,054	-	-	
Retail properties	Oimachi Redevelopment Building (#2)	T	9,456	9,477	11,900	11,900	12,100	4.0	11,800	4.1	4.2	
	Oimachi Redevelopment Building (#1)	T	6,166	6,273	7,210	7,010	7,340	4.2	7,150	4.3	4.4	
	Dining Square Akihabara Building	N	3,200	3,186	3,980	2,730	4,060	3.7	3,900	3.5	3.9	
	Hulic Jingu-Mae Building	T	2,660	2,647	3,600	3,760	3,700	3.3	3,550	3.4	3.5	
	Hulic Shinjuku 3 Chome Building	N	6,690	6,806	8,130	7,890	8,340	3.3	7,920	3.0	3.5	
	Yokohama Yamashitacho Building	N	4,850	4,604	4,750	3,640	4,810	4.3	4,680	4.1	4.5	

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	Orchid Square	D	1,751	1,735	1,880	1,770	1,940	3.6	1,860	3.4	3.8		
		Hulic Todoroki Building	T	1,200	1,222	1,380	1,550	1,400	4.5	1,370	4.6	4.7		
		HULIC &New SHIBUYA	N	3,150	3,104	3,380	2,745	3,470	3.0	3,290	2.8	3.2		
		HULIC &New SHINBASHI	N	3,100	3,031	3,400	3,230	3,450	3.6	3,340	3.4	3.8		
		Hulic Shimura-sakaue	N	7,556	7,422	7,760	7,850	7,910	4.5	7,610	4.3	4.8		
		Hulic Mejiro	N	5,670	5,714	5,870	6,460	5,960	3.8	5,770	3.6	4.0		
		Subtotal	–	55,449	55,226	63,240	60,535	64,480	–	62,240	–	–		
		Total	–	277,284	275,138	324,434	–	330,016	–	320,294	–	–		
		Next-Generation Assets Plus	Private nursing homes	Aria Matsubara	N	3,244	3,102	4,280	3,820	4,310	4.4	4,250	4.0	4.6
				Trust Garden Yoganomori	N	5,390	5,278	6,860	5,630	6,900	4.7	6,810	4.3	4.9
Trust Garden Sakurashinmachi	N			2,850	2,810	3,660	3,110	3,680	4.6	3,630	4.2	4.8		
Trust Garden Suginami Miyamae	N			2,760	2,712	3,550	2,890	3,570	4.6	3,520	4.2	4.8		
Trust Garden Tokiwamatsu	N			3,030	2,963	3,290	3,180	3,340	4.2	3,240	4.0	4.4		
SOMPO Care La vie Re Kita-Kamakura	N			1,780	1,721	1,770	1,200	1,780	5.5	1,750	5.3	5.7		
Charm Suite Shinjukutoyama	N			3,323	3,356	3,520	3,510	3,580	4.1	3,460	3.9	4.3		
Charm Suite Shakujikocho	N			3,200	3,235	3,270	3,180	3,320	4.4	3,220	4.2	4.6		
Subtotal	–			25,577	25,182	30,200	26,520	30,480	–	29,880	–	–		
Network centers	Ikebukuro Network Center			N	4,570	4,464	5,230	5,130	5,270	4.4	5,180	4.1	4.5	
	Tabata Network Center		N	1,355	1,347	1,530	1,580	1,540	4.9	1,520	4.6	5.0		
	Hiroshima Network Center		N	1,080	1,019	1,200	1,210	1,210	5.7	1,190	5.4	5.8		
	Atsuta Network Center		N	1,015	967	1,070	1,010	1,070	5.4	1,060	5.1	5.5		
	Nagano Network Center		N	305	293	362	289	363	6.9	360	6.7	7.1		
	Chiba Network Center		N	7,060	6,896	7,250	4,230	7,290	5.1	7,200	4.8	5.2		
	Sapporo Network Center		N	2,510	2,502	2,550	2,800	2,560	5.2	2,530	4.9	5.3		
	Keihanna Network Center		N	1,250	1,172	1,300	1,180	1,300	5.5	1,290	5.2	5.6		
	Subtotal		–	19,145	18,664	20,492	17,429	20,603	–	20,330	–	–		
	Hotels		Sotetsu Fresa Inn Ginza 7 Chome	N	11,520	11,400	12,300	13,900	12,500	3.5	12,000	3.3	3.7	
Sotetsu Fresa Inn Tokyo-Roppongi			N	5,000	4,890	5,000	4,945	5,100	3.7	4,925	3.5	3.9		
Hulic Tsukiji 3 Chome Building		N	6,972	6,960	7,290	6,950	7,430	3.6	7,150	3.4	3.8			
Subtotal		–	23,492	23,250	24,590	25,795	25,030	–	24,075	–	–			
Others	Hulic Hachioji Building	N	4,900	4,907	5,229	4,671	5,301	4.6	5,157	4.4	4.8			
	Subtotal	–	4,900	4,907	5,229	4,671	5,301	–	5,157	–	–			
Total		–	73,114	72,005	80,511	74,415	81,414	–	79,442	–	–			
Total		–	350,398	347,144	404,945	–	411,430	–	399,736	–	–			

(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 February 28, 2021, rounded down to the nearest million yen.

(Note 4) *Appraisal value* represents the appraisal value as of the valuation date of February 28, 2021.

(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, 3.7% for the 2nd fiscal year to the 7th fiscal year, and 3.8% for the 8th fiscal year to the 11th fiscal year. The table shows the 8th 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 February 28, 2021, the main capital expenditures for renovation work, etc. scheduled as of February 28, 2021 (the end of the 14th 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 Higashi Nihonbashi Building	Chuo-ku, Tokyo	Renovation work for mechanical parking lot	From May 2021 to August 2021	120
Hulic Takadanobaba Building	Toshima-ku, Tokyo	Renewal work for elevator	From May 2021 to February 2022	54
Hulic Jimbocho Building	Chiyoda-ku, Tokyo	Renewal work for elevator	From December 2021 to January 2022	15
Oimachi Redevelopment Building (#1)	Shinagawa-ku, Tokyo	Renewal work for escalator control system	From March 2021 to September 2022	93

(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 ¥325,772 thousand and repair expenses were ¥126,776 thousand. In aggregate, construction work in the amount of ¥452,549 thousand was carried out during the period.

Property name	Location	Purpose	Period	Capital expenditure for work (Millions of yen)
Oimachi Redevelopment Building (#2)	Shinagawa-ku, Tokyo	Renewal work for cooling tower	From February 2021 to February 2021	36
Other				289
Total				325

(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 February 28, 2021.

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	2,772	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 February 28, 2021) as indicated in the relevant lease agreements for the building of the asset held in effect as of February 28, 2021 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 February 28, 2021. 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 February 28, 2021.

(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 February 28, 2021, 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 February 28, 2021 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	2,772	2,670	February 6, 2023	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, 2023	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	645	586		
		Hulic Takadanobaba Building	5,369.71	314	194		
		Hulic Kanda Building	3,728.36	272	235		
		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	183	145		
		Tokyo Nishi Ikebukuro Building (Note 8)	1,429.74	111	195	March 30, 2022	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Toranomon Building	8,574.65	921	654	December 24, 2022	
		Hulic Shibuya 1 chome Building	2,817.65	245	188	March 30, 2022	
		Hulic Higashi Nihonbashi Building	3,456.22	175	121		
		Hulic Jimbocho Building	1,561.38	78	56	April 27, 2022	
		Hulic Ginza 7 Chome Building (Note 9)	11,405.68	1,022	572	March 28, 2023	
		Hulic Gotanda Yamate-dori Building	2,815.68	181	131	September 30, 2021	
		Bancho House	1,949.01	(Note 20)	128	October 31, 2021	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Ebisu Minami Building	1,629.09	(Note 20)	(Note 20)	December 26, 2021	
		Hulic Iidabashi Building	1,266.58	72	50	June 27, 2022	
		Hulic Asakusabashi Building (Note 10)	5,280.72	354	193	December 31, 2064	Terminated due to the expiry of the agreement
		Hulic Ebisu Building	1,059.22	71	56	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 11)	4,569.34	286	203	March 25, 2023	
		Hulic Asakusabashi Edo-dori (Note 12)	3,956.73	270	130	March 25, 2023	
Hulic Nakano Building (Note 13)	2,616.83	166	129	October 15, 2023			
Oimachi Redevelopment Building (#2)	14,485.66	624	656	February 6, 2023			

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 21)	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 20)	(Note 20)	February 6, 2023	Automatically renewed for 2 years unless notified in writing at least 6 months before the expiry of the agreement
		Hulic Jingu-Mae Building	1,546.11	154	82	October 15, 2021	
		Hulic Shinjuku 3 Chome Building	1,351.15	346	208		
		Yokohama Yamashitacho Building	8,958.70	(Note 20)	(Note 20)		
		Orchid Square (Note 15)	434.34	58	25	March 29, 2023	
		Hulic Todoroki Building	1,676.02	94	69	December 26, 2021	
		HULIC &New SHIBUYA (Note 16)	898.62	128	130	June 29, 2022	
		HULIC &New SHINBASHI	1,725.35	154	135	October 31, 2022	
		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 20)	(Note 20)	February 6, 2023	
		Trust Garden Yoganomori	5,977.75	(Note 20)	(Note 20)		
		Trust Garden Sakurashinmachi	3,700.26	(Note 20)	(Note 20)		
		Trust Garden Suginami Miyamae	3,975.99	(Note 20)	(Note 20)		
		Trust Garden Tokiwamatsu	2,893.82	(Note 20)	(Note 20)	August 31, 2021	
		SOMPO Care La vie Re Kita-Kamakura	4,912.57	(Note 20)	(Note 20)	June 29, 2022	
		Charm Suite Shinjukutoyama	4,065.62	(Note 20)	(Note 20)	September 26, 2022	
		Charm Suite Shakujiko	4,241.68	(Note 20)	(Note 20)	September 11, 2022	
		Sotetsu Fresa Inn Ginza 7 Chome (Note 17)	6,984.32	480	480	October 31, 2022	
		Sotetsu Fresa Inn Tokyo-Roppongi (Note 18)	2,408.45	216	54		
		Hulic Tsukiji 3 Chome Building	4,740.31	(Note 20)	(Note 20)	March 25, 2023	
		Hulic Hachioji Building (Note 19)	3,768.00	285	193	October 15, 2023	
Total		232,623.07	15,902	12,278	-	-	
SoftBank Corp.	Telecommunications 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	Terminated due to the expiry of the agreement
		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 February 28, 2021. 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 February 28, 2021) indicated in the relevant lease agreements for buildings of each property in effect as of February 28, 2021 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 February 28, 2021 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 February 28, 2021, 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 February 28, 2021, rounded to the nearest million yen.

(Note 4) *Expiration date* is the date provided in the lease agreements for each asset in effect on February 28, 2021 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 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 11) 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 12) 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 13) For Hulic Nakano 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 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 Orchid Square, 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 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 17) 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 18) 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 19) For HULIC Hachioji 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 20) The Investment Corporation has not obtained permission from the end-tenant or other relevant party of these properties to disclose the relevant information.
- (Note 21) 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 22) In the above table, *Total contracted rent*, *Leasehold/guarantee deposits* and *Leased area* 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 February 28, 2021, if the lease agreement was valid as of February 28, 2021.

(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 February 28, 2021. 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	22.2	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)	28,449.40	8.9	February 6, 2063 February 6, 2023 (Note 6)	Fixed-term business-use land 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	5.2	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 Shinjuku Toyama Charm Suite Shakujiko-en	8,307.30	2.6	October 31, 2045 October 31, 2044	Ordinary building lease agreement
(Note 7)	Hulic Ryogoku Building Hulic Asakusabashi Edo-dori Hulic Nakano Building Hulic Hachioji Building	6,693.68	2.1	(Note 7)	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

(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 February 28, 2021. 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%).
- For Hulic Ryogoku Building, Hulic Asakusabashi Edo-dori, Hulic Nakano Building and Hulic Hachioji Building, the figures are equivalent to the quasi co-ownership interest of property held by the Investment Corporation (90.0%).

(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 February 28, 2021.
- (Note 4) *Form of agreement* is the form of agreement described in the lease agreement with the end-tenants as of February 28, 2021.
- (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 September 1, 2020 to February 28, 2021)

(Unit: thousands of yen)

Property name	Hulic Kamiyacho Building	Hulic Kudan Building (Land)	Toranomon First Garden	Rapiros Roppongi	Hulic Takadanobaba Building	Hulic Kanda Building	Hulic Kandabashi Building
Days under management	181	181	181	181	181	181	181
Leasing business revenues	1,465,341	265,002	310,212	341,741	174,107	147,461	88,166
Leasing business revenue	1,372,568	265,002	287,929	323,458	156,884	136,021	82,190
Other leasing business revenues	92,772	–	22,282	18,283	17,223	11,439	5,976
Expenses related to leasing business	349,177	35,225	126,354	142,942	60,285	71,637	32,294
Taxes and public dues	76,547	33,359	38,565	45,279	13,099	4,096	9,532
Utilities expenses	50,547	–	13,615	16,270	8,302	6,171	3,847
Insurance expenses	960	34	209	731	191	99	82
Repair expenses	32,196	–	–	910	2,087	5,553	1,604
Property management fees	102,650	1,325	5,242	6,503	14,828	7,700	5,829
Other expenses related to leasing business	9,781	507	26,317	54,828	1,332	28,915	967
Depreciation and amortization	76,492	–	42,403	18,418	20,444	19,100	10,432
Income (loss) from leasing business	1,116,164	229,776	183,857	198,799	113,821	75,823	55,871
NOI	1,192,657	229,776	226,261	217,217	134,266	94,924	66,303

(Unit: thousands of yen)

Property name	Hulic Kakigaracho Building	Ochanomizu Sola City	Hulic Higashi Ueno 1 Chome Building	Tokyo Nishi Ikebukuro Building	Hulic Toranomom Building	Hulic Shibuya 1 chome Building	Hulic Higashi Nihonbashi Building
Days under management	181	181	181	181	181	181	181
Leasing business revenues	105,696	(Note 2)	97,850	56,888	480,592	133,983	98,708
Leasing business revenue	95,375	(Note 2)	87,028	56,030	460,518	122,040	88,478
Other leasing business revenues	10,321	(Note 2)	10,821	858	20,073	11,943	10,230
Expenses related to leasing business	35,997	(Note 2)	38,570	20,640	174,769	45,823	35,643
Taxes and public dues	9,563	(Note 2)	7,614	2,455	61,657	9,567	8,670
Utilities expenses	4,673	(Note 2)	4,561	–	14,744	5,941	5,697
Insurance expenses	94	(Note 2)	98	151	281	110	107
Repair expenses	631	(Note 2)	613	–	1,881	8,668	2,229
Property management fees	11,061	(Note 2)	10,243	9,789	41,294	7,876	6,590
Other expenses related to leasing business	1,438	(Note 2)	2,605	3,524	1,319	1,304	1,106
Depreciation and amortization	8,535	(Note 2)	12,834	4,719	53,591	12,355	11,242
Income (loss) from leasing business	69,699	(Note 2)	59,279	36,247	305,822	88,160	63,065
NOI	78,235	727,848	72,114	40,967	359,414	100,515	74,307

(Unit: thousands of yen)

Property name	Hulic Jimbocho Building	Hulic Ginza 7 Chome Building	Shinagawa Season Terrace	Hulic Gotanda Yamate-dori Building	Hulic Nihonbashi Honcho 1 Chome Building (Note 1)	Bancho House	Ebisu Minami Building
Days under management	181	181	181	181	44	181	181
Leasing business revenues	47,228	553,945	(Note 2)	113,592	27,557	(Note 2)	(Note 2)
Leasing business revenue	39,058	526,040	(Note 2)	100,226	22,689	(Note 2)	(Note 2)
Other leasing business revenues	8,170	27,905	(Note 2)	13,365	4,868	(Note 2)	(Note 2)
Expenses related to leasing business	15,294	182,257	(Note 2)	57,027	4,517	(Note 2)	(Note 2)
Taxes and public dues	3,438	78,444	(Note 2)	5,812	–	(Note 2)	(Note 2)
Utilities expenses	1,886	25,811	(Note 2)	7,246	1,637	(Note 2)	(Note 2)
Insurance expenses	48	423	(Note 2)	122	52	(Note 2)	(Note 2)
Repair expenses	600	11,086	(Note 2)	5,853	248	(Note 2)	(Note 2)
Property management fees	4,010	38,850	(Note 2)	5,893	1,097	(Note 2)	(Note 2)
Other expenses related to leasing business	585	2,349	(Note 2)	23,726	307	(Note 2)	(Note 2)
Depreciation and amortization	4,724	25,291	(Note 2)	8,373	1,174	(Note 2)	(Note 2)
Income (loss) from leasing business	31,934	371,688	(Note 2)	56,564	23,040	(Note 2)	(Note 2)
NOI	36,658	396,979	112,253	64,938	24,215	65,593	45,492

(Unit: thousands of yen)

Property name	Hulic Iidabashi Building	Hulic Asakusa-bashi Building	Hulic Ebisu Building	Hulic Ryogoku Building	Hulic Asakusa-bashi Edo-dori	Hulic Nakano Building	Oimachi Redevelopment Building (#2)
Days under management	181	181	181	181	181	136	181
Leasing business revenues	41,705	234,090	38,072	154,796	143,673	68,298	312,000
Leasing business revenue	37,624	224,508	35,382	143,065	135,688	62,694	312,000
Other leasing business revenues	4,081	9,581	2,690	11,730	7,985	5,604	–
Expenses related to leasing business	14,372	170,385	10,324	59,306	46,403	17,626	72,656
Taxes and public dues	3,807	12,892	2,706	–	–	–	32,838
Utilities expenses	3,002	15,089	1,728	9,963	6,011	3,161	–
Insurance expenses	18	117	14	186	167	107	344
Repair expenses	–	1,099	210	2,996	1,517	879	–
Property management fees	3,988	37,617	2,927	11,869	9,750	6,815	6,240
Other expenses related to leasing business	912	13,599	1,421	944	1,030	576	505
Depreciation and amortization	2,642	89,969	1,315	33,347	27,926	6,086	32,728
Income (loss) from leasing business	27,333	63,704	27,748	95,489	97,269	50,672	239,343
NOI	29,976	153,674	29,063	128,836	125,196	56,758	272,072

(Unit: thousands of yen)

Property name	Oimachi Redevelopment Building (#1)	Dining Square Akihabara Building	Hulic Jingu-Mae Building	Hulic Shinjuku 3 Chome Building	Yokohama Yamashitacho Building	Orchid Square (Note 1)	Hulic Todoroki Building
Days under management	181	181	181	181	181	181	181
Leasing business revenues	218,931	(Note 2)	85,912	179,625	(Note 2)	40,653	52,498
Leasing business revenue	218,931	(Note 2)	79,027	172,828	(Note 2)	35,957	47,159
Other leasing business revenues	–	(Note 2)	6,884	6,796	(Note 2)	4,695	5,339
Expenses related to leasing business	69,425	(Note 2)	19,917	20,779	(Note 2)	12,071	21,331
Taxes and public dues	35,103	(Note 2)	6,209	588	(Note 2)	2,283	4,192
Utilities expenses	–	(Note 2)	3,525	3,230	(Note 2)	2,170	4,381
Insurance expenses	1,704	(Note 2)	44	48	(Note 2)	48	56
Repair expenses	1,586	(Note 2)	1,540	1,682	(Note 2)	1,406	1,414
Property management fees	4,378	(Note 2)	3,166	5,579	(Note 2)	2,046	4,536
Other expenses related to leasing business	7,927	(Note 2)	474	6,910	(Note 2)	304	1,203
Depreciation and amortization	18,723	(Note 2)	4,956	2,739	(Note 2)	3,810	5,547
Income (loss) from leasing business	149,505	(Note 2)	65,994	158,846	(Note 2)	28,581	31,167
NOI	168,229	72,201	70,950	161,585	128,192	32,392	36,714

(Unit: thousands of yen)

Property name	Hulic Omori Building (Note 1)	HULIC &New SHIBUYA	HULIC &New SHINBASHI	Hulic Shimura-sakaue	Hulic Mejiro	Aria Matsubara	Trust Garden Yoganomori
Days under management	45	181	181	181	181	181	181
Leasing business revenues	29,223	84,260	84,715	256,470	148,168	(Note 2)	(Note 2)
Leasing business revenue	23,680	62,816	77,066	234,547	140,646	(Note 2)	(Note 2)
Other leasing business revenues	5,543	21,443	7,649	21,922	7,522	(Note 2)	(Note 2)
Expenses related to leasing business	9,387	21,463	30,226	128,412	41,194	(Note 2)	(Note 2)
Taxes and public dues	–	3,878	5,128	21,817	–	(Note 2)	(Note 2)
Utilities expenses	3,537	3,246	3,802	18,941	5,718	(Note 2)	(Note 2)
Insurance expenses	25	41	71	260	157	(Note 2)	(Note 2)
Repair expenses	–	481	1,244	2,099	543	(Note 2)	(Note 2)
Property management fees	1,506	2,973	5,901	31,568	10,673	(Note 2)	(Note 2)
Other expenses related to leasing business	528	2,168	1,124	1,918	724	(Note 2)	(Note 2)
Depreciation and amortization	3,788	8,674	12,953	51,806	23,377	(Note 2)	(Note 2)
Income (loss) from leasing business	19,836	62,796	54,489	128,057	106,973	(Note 2)	(Note 2)
NOI	23,625	71,470	67,442	179,864	130,351	97,177	156,335

(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 Shakujiko	Ikebukuro Network Center
Days under management	181	181	181	181	181	181	181
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)	27,982
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)	151
Repair expenses	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	–
Property management fees	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	960
Other expenses related to leasing business	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	505
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)	102,193
NOI	85,142	79,846	71,623	49,527	73,249	73,719	112,849

(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	181	181	181	181	181	181	181
Leasing business revenues	43,285	42,091	35,273	16,708	214,687	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	–	–	–	–	–	–	–
Expenses related to leasing business	8,990	13,530	11,011	6,151	86,766	23,540	17,805
Taxes and public dues	4,763	5,814	4,768	2,350	30,505	13,099	8,498
Utilities expenses	–	–	–	–	–	–	–
Insurance expenses	48	66	57	34	285	113	98
Repair expenses	–	440	–	–	5,810	–	1,022
Property management fees	720	1,320	960	840	1,886	780	1,214
Other expenses related to leasing business	505	504	504	504	504	504	504
Depreciation and amortization	2,954	5,383	4,721	2,422	47,774	9,042	6,467
Income (loss) from leasing business	34,294	28,561	24,261	10,556	127,921	56,817	27,360
NOI	37,248	33,944	28,983	12,979	175,696	65,860	33,827

(Unit: thousands of yen)

Property name	Sotetsu Fresa Inn Ginza 7 Chome	Sotetsu Fresa Inn Tokyo-Roppongi	Hulic Tsukiji 3 Chome Building	Hulic Hachioji Building
Days under management	181	181	181	136
Leasing business revenues	240,000	108,000	(Note 2)	113,788
Leasing business revenue	240,000	108,000	(Note 2)	107,116
Other leasing business revenues	–	–	(Note 2)	6,672
Expenses related to leasing business	56,507	33,068	(Note 2)	31,402
Taxes and public dues	25,511	11,399	(Note 2)	–
Utilities expenses	–	–	(Note 2)	4,996
Insurance expenses	199	85	(Note 2)	145
Repair expenses	–	–	(Note 2)	248
Property management fees	2,400	1,080	(Note 2)	6,204
Other expenses related to leasing business	605	263	(Note 2)	668
Depreciation and amortization	27,790	20,240	(Note 2)	19,139
Income (loss) from leasing business	183,492	74,931	(Note 2)	82,386
NOI	211,283	95,171	(Note 2)	101,525

(Note 1) The Investment Corporation transferred Hulic Nihonbashi Honcho 1 Chome Building on October 15, 2020, as well as Hulic Omori Building and 50% quasi co-ownership interest of Orchid Square on October 16, 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.