



Steady Growth and Sustainable Profit

The 37<sup>th</sup>

Material for  
Analyst Meeting

6 month ended May 2020

[www.heiwa-re.co.jp](http://www.heiwa-re.co.jp)

July 16, 2020

8966



HEIWA REAL ESTATE REIT, Inc.



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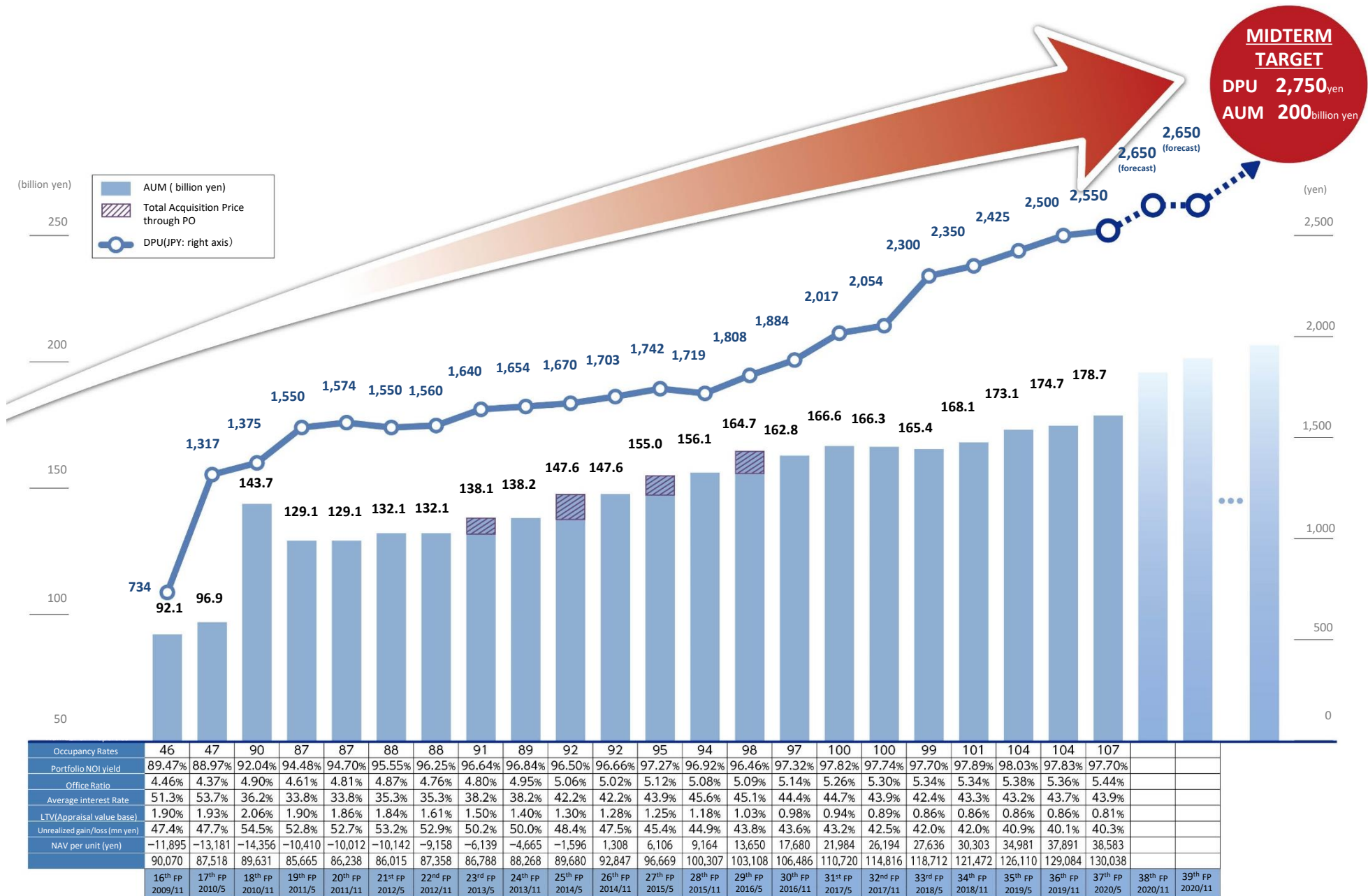


## **I Overview of the 37<sup>th</sup> Fiscal Period (ended in May 2020)**

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# I-1 Trajectory for Stable Growth of HEIWA REAL ESTATE REIT Inc.





## External Growth

- **Replacement of portfolio promoted** : Acquired three residential properties and portfolio replacement. Achieved a realized gain exceeding unrealized gain through the transfer of HF AZABUJUBAN RESIDENCE, generated a new unrealized gain through the acquisition of KABUTO-CHO UNI-SQUARE and improved share in the Kabuto-cho area where this Investment Corporation had proven strong. The total number of properties acquired after the change of sponsors was 38. The number of properties transferred stood at 21.
- **Achieved record high of unrealized gain ratio** : NAV per unit expanded with timely portfolio replacement and rises in the appraisal values of existing properties. As a result, NAV per unit reached a record high after the change of sponsors for the 12th consecutive fiscal period. NAV per unit grew a substantial 44.4% after the change of sponsors.

|                       | 36 <sup>th</sup> Fiscal Period | 37 <sup>th</sup> Fiscal Period |
|-----------------------|--------------------------------|--------------------------------|
| Unrealized Gain       | 37.9 billion yen               | 38.5 billion yen               |
| Unrealized Gain Ratio | 22.6%                          | 22.5%                          |

## Internal Growth

- **Occupancy rate** : The average occupancy rate of the offices reached a record high of 99.70%. The occupancy rate for residences came to 97.94%, the highest level ever, at the end of March in spite of the effects of the novel coronavirus disease (COVID-19) in the period from April.
- **NOI yield** : Operating revenue increased, reflecting factors such as stable, high occupancy rates, progress made in upward rent revisions and multiple property acquisitions and dispositions. As a result, NOI yield reached its highest level ever. Meanwhile, the rent gap widened with an improvement in the market environment.

|                     | 36 <sup>th</sup> Fiscal Period | 37 <sup>th</sup> Fiscal Period |
|---------------------|--------------------------------|--------------------------------|
| Avg. Occupancy Rate | 97.83 %                        | 97.70 %                        |
| NOI Yield           | 5.36 %                         | 5.44 %                         |

|                      | 36 <sup>th</sup> Fiscal Period | 37 <sup>th</sup> Fiscal Period |
|----------------------|--------------------------------|--------------------------------|
| Office Rent Index    | 104.6                          | 105.1                          |
| Residence Rent Index | 101.7                          | 102.1                          |

## Financial Operation

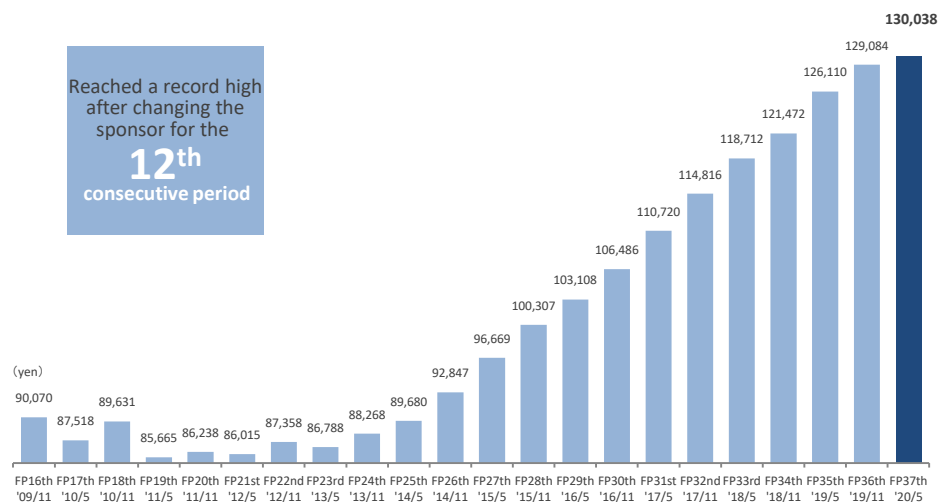
- **Reduction in financing costs** : Interest rates on loans fell due to the favorable financial environment and financing costs reached an all-time low.
- **Improvement in appraisal values**: The effects of COVID-19 were limited to a property that has relatively strong commercial characteristics. Appraisal values rose overall with portfolio replacement and cash flow improvement for the existing portfolio, causing unrealized gain to expand.
- **Expansion of internal reserves**: Expanded the source for paying future distributions by internally reserving part of the gain on transfers. With this step, the maintenance and improvement of a distribution standard became more certain.

|                    | 36 <sup>th</sup> Fiscal Period | 37 <sup>th</sup> Fiscal Period |
|--------------------|--------------------------------|--------------------------------|
| Avg. Interest Rate | 0.856%                         | 0.806%                         |
| Avg. Loan Term     | 7.09 years                     | 6.94 years                     |

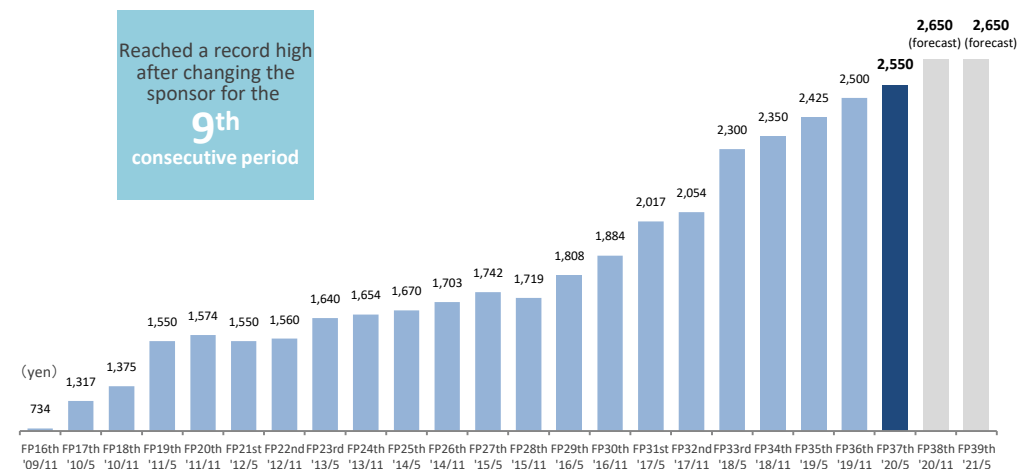
  

|                  | 36 <sup>th</sup> Fiscal Period | 37 <sup>th</sup> Fiscal Period |
|------------------|--------------------------------|--------------------------------|
| Internal Reserve | 4.58 billion yen               | 4.78 billion yen               |
| Free Cash        | 10.8 billion yen               | 9.3 billion yen                |

## Changes in NAV(after deduction of distribution) per unit



## Changes in Distribution per Unit (DPU)

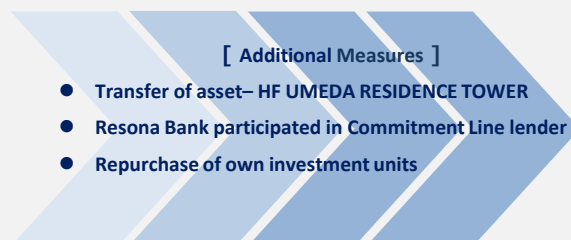




## [Risk tolerance]

– At the end of 37<sup>th</sup> FP –

|                                |                  |
|--------------------------------|------------------|
| ■ Well-Diversified Portfolio : | 107              |
| Office 43.9% Residence 56.1%   |                  |
| ■ A Lot of Free Cash:          | 9.37 billion yen |
| ■ Sufficient Internal Reserve: | 4.78 billion yen |
| ■ Low Appraisal LTV:           | 40.3%            |
| ■ Commitment Line:             | 6.00 billion yen |



|   |                  |
|---|------------------|
| ■ Well-Diversified Portfolio:           | 106              |
| Office 44.3%, Residence 55.7%           |                  |
| ■ A Lot of Free Cash:                   | 12.0 billion yen |
| Before buy back of the investment units |                  |
| ■ Sufficient Internal Reserve:          | 5.43 billion yen |
| ■ Low Appraisal LTV:                    | 40.3%            |
| ■ Commitment Line:                      | 7.00 billion yen |
| ■ Buy Back of Own Investment Units:     | 1.70 billion yen |

## [Effects from COVID-19 on performance]

Minor effects resulted, but initiatives taken in the previous fiscal period (external growth and upward rent revisions) surpassed them significantly.

### Office: Minor effects on rental business profit

- **Occupancy rate:** No effect was visible. Maintained an occupancy rate exceeding the past average. No need to worry about occupancy for some time to come, judging from cancellation notices and other conditions.
- **Rent reduction requests:** Received rent reduction requests from certain commercial tenants and office tenants affiliated with travel agencies and the like. Plans to help tenants strongly affected by COVID-19 include security deposit allocation to rents and rent cutbacks. Communicate carefully with tenants to understand the value of the effects on them and discuss the sizes of rent reductions.
- **Outlook for upward rent revisions:** Upward rent revisions implemented surpassed their level in previous years. The contracted rent level is predicted to rise continuously..

### Office rent income period-over-period Change

|         | COVID-19 | Decrease revision | Move-outs | Increase revision | Total(vs. previous Period) | Accumulated revision amount |
|---------|----------|-------------------|-----------|-------------------|----------------------------|-----------------------------|
| 37th FP | -0       | -0                | -         | 13                | 13                         | 13                          |
| 38th FP | -11      | -9                | -2        | 8                 | -2                         | 10                          |
| 39th FP | 3        | 9                 | -5        | 0                 | 4                          | 14                          |

(million yen)

### Assumptions and impact on financial forecasts

- A total of 9 reduction revisions, all for a limited time
- 4 cancellations in total, reflecting the rent gap and expected downtime

### Residences: Upward rent revisions accelerated in spite of delays in corporate demand.

- **Occupancy rate:** The occupancy rate stayed above the highest level ever recorded at the beginning of the 37th fiscal period, from December to the end of March. However, the occupancy rate fell in the period from April, due to a decrease in the number of new tenants with the number of departed tenants unchanged from other years. Delays in corporate demand were particularly clear. A recovery trend became visible around the end of June. With additional leasing measures and the like, the occupancy rate is expected to recover in the period toward a peak in 2021.
- **Rent reduction requests:** No effect was visible.
- **Outlook for upward rent revisions:** Upward rent revisions implemented surpassed their level in previous years. The contracted rent level is predicted to rise continuously.



# I-4 Financial Performance for the 37<sup>th</sup> Fiscal Period

- ▶ A gain on the sale of HF AZABUJUBAN RESIDENCE of 331 million yen (up 129 million yen from the previous fiscal period) was a factor behind operating income growth of 238 million yen, in addition to a rent income increase.
- ▶ EPU on a leasing business revenue basis rose 150 yen from the previous fiscal period. High occupancy rates for existing properties, upward unit rent revisions and the reduction of interest expenses were driving forces behind the revenue expansion.
- ▶ Part of the gain on sale was allocated to distribution payments, and the remaining amount was internally reserved with the use of loss carried forward and other items. Plan to use the reserve for stabilizing and expanding distribution payments in this fiscal period and beyond.

(Unit: million yen)

|   | 36 <sup>th</sup> FP<br>Actual<br>Performance | 37 <sup>th</sup> FP<br>Actual<br>Performance | Variance | 37 <sup>th</sup> FP<br>Forecasts | Variance |
|---|--|--|----------|----------------------------------|----------|
| Operating revenue                       | 6,328  | <b>6,588</b>                                 | 260      | 6,233                            | 354      |
| Operating expenses                      | 3,360  | <b>3,381</b>                                 | 21       | 3,411                            | -29      |
| Operating income                        | 2,967  | <b>3,206</b>                                 | 238      | 2,822                            | 384      |
| Non-operating income                    | 5  | <b>13</b>                                    | 8        | 1                                | 12       |
| Non-operating expenses                  | 465  | <b>431</b>                                   | -34      | 435                              | -4       |
| Ordinary income                         | 2,507  | <b>2,788</b>                                 | 281      | 2,388                            | 400      |
| Net income                              | 2,506  | <b>2,788</b>                                 | 281      | 2,387                            | 400      |
| EPU<br>(Net income per unit)<br>(yen)   | 2,469  | <b>2,747</b>                                 | 278      | 2,352                            | 395      |
| Reversal of RTA                         | 40   | <b>40</b>                                    | 0        | 175                              | -135     |
| Internal Reserve                        | 9  | <b>241</b>                                   | 231      | 0                                | 241      |
| DPU<br>(Distribution per unit)<br>(yen) | 2,500  | <b>2,550</b>                                 | 50       | 2,525                            | 25       |

 (Note) Forecasts for the 36<sup>th</sup> Fiscal Period are forecast figures announced on January 16, 2020

| Major Factors of Variance (37 <sup>th</sup> FP Actual vs 36 <sup>th</sup> FP Actual) |  |        |
|--|--|--------|
| Major Factors  |  | Amount |
| Operating revenue  | Changes in operating revenues of existing properties                                 |        |
|  | - Office<br>(rent income increase due to the rise of occupancy rate, rent revision ) | 10     |
|  | - Residence<br>(rent income decrease due to the peak period)                         | 61     |
|  | Assets Replacement and Acquisition of new properties                                 |        |
|  | - Increase in operating revenues due to property acquisition                         | 91     |
| Operating expenses   | - Decrease in operating revenues due to property sale                                | -32    |
|  | Increase of gain on sale   | 129    |
|  | Changes in operating expenses of existing properties                                 |        |
| Operating expenses   | - Office (decrease)  | -43    |
|  | - Residence (increase)   | 25     |
|  | Assets Replacement and Acquisition of new properties                                 |        |
|  | - Increase in operating expenses due to property acquisition                         | 33     |
|  | - Decrease in operating expenses due to property sale                                | -16    |
|  | SGA (non-deductible consumption tax, etc.)   | 21     |

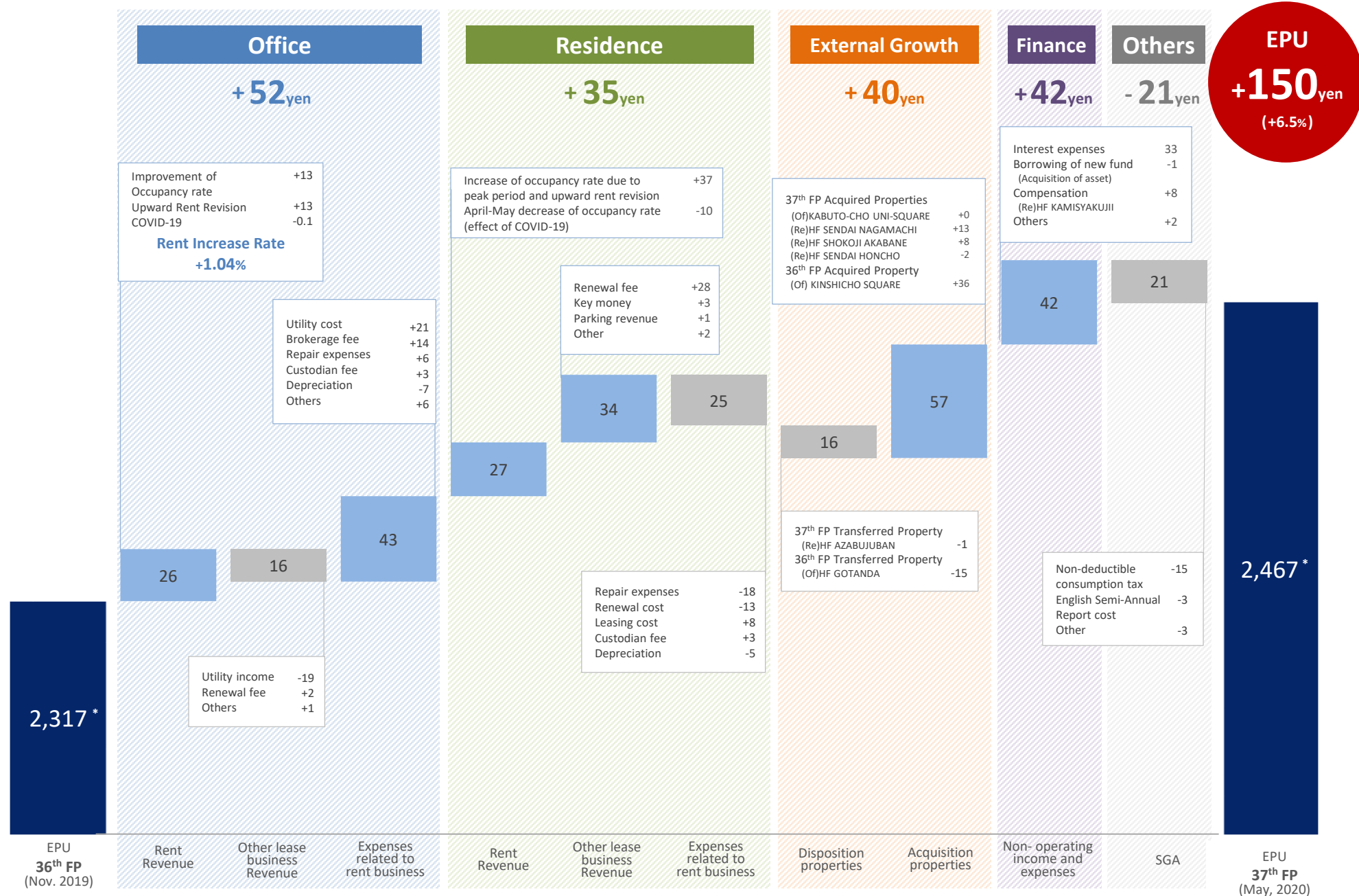
 ※ Property sale: Refer to HF GOTANDA BUILDING sold in the 36<sup>th</sup> fiscal period and HF AZABUJUBAN RESIDENCE sold in the 37<sup>th</sup> fiscal period.

 ※ Property acquisition: Refer to KINSHICHO SQUARE BUILDING was acquired in the 36<sup>th</sup> fiscal Period and HF SENDAI NAGAMACHI RESIDENCE, HF SHOKOJI AKABANE RESIDENCE, HF SENDAI HONCHO RESIDENCE and KABUTO-CHO UNI-SQUARE were acquired in the 37<sup>th</sup> fiscal period.

| Major Factors of Variance (37 <sup>th</sup> FP Actual vs 37 <sup>th</sup> FP Forecasts) |  |        |
|---|--|--------|
| Major Factors   |  | Amount |
| Operating revenue   | Increase of rent income etc.<br>(of which, increase due to asset replacement: ¥26 million) | 24     |
|   | Increase of other income etc.  | -1     |
|   | Gain of sale – HF AZABUJUBAN RESIDENCE   | 331    |
| Operating expenses  | Decrease of rent expenses<br>(of which, decrease due to asset replacement: ¥14 million)    | -47    |
|   | Increase in performance-linked asset management fees and non-deductible consumption tax    | 18     |
| Non-operating Revenue   | Compensation associated with the establishment of surface rights                           | 12     |
| Non-operating Cost  | Reduction in financial costs, etc.   | -4     |



# I-5 Causes of variation of after-tax earnings per unit (EPU) on a leasing business revenue basis (excluding gain on sales)





# I-6 Forecasts for the 38<sup>th</sup> Fiscal Period and 39<sup>th</sup> Fiscal Period

- Sustained revenue and expenditure improvement is anticipated by considering the effects of COVID-19. Distributions for the 37<sup>th</sup> and 38<sup>th</sup> fiscal periods are forecasted to come to 2,650 yen per unit, up 100 yen from the 36<sup>th</sup> fiscal period.
- External growth: A revenue decline associated with the transfer of properties is expected in the 38<sup>th</sup> FP. However, contributions made by four properties acquired in the 37<sup>th</sup> FP and a forecast gain on property transfers (878 million yen) are expected to contribute to operating revenue expansion.
  - Internal growth: No upward office rent revision other than pre-decided revisions is expected, taking the effects of COVID-19 into consideration. The occupancy rate for residences is set conservatively. EPU on a leasing business revenue basis is anticipated to come to 2,423 yen in the 38<sup>th</sup> FP (down 44 yen from the 37<sup>th</sup> fiscal period) and 2,480 yen in the 39<sup>th</sup> FP (up 57 yen from the 38<sup>th</sup> FP).
  - Financial strategies: Loan bearing the highest interest rates will reach maturity. The reduction of interest expenses is expected to progress with refinancing in a favorable financial environment.

(Unit : million yen)

(Unit : million yen)

|                                  | 37 <sup>th</sup> FP<br>Actual (a) | 38 <sup>th</sup> FP<br>Forecasts(b) | 39 <sup>th</sup> FP<br>Forecasts(c) | Variance<br>(b-a) | Variance<br>(c-b) |
|----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------|-------------------|
| Operating revenue                | 6,588                             | 7,098                               | 6,259                               | 510               | -839              |
| Operating expenses               | 3,381                             | 3,392                               | 3,393                               | 10                | 0                 |
| Operating income                 | 3,206                             | 3,706                               | 2,865                               | 499               | -840              |
| Non-operating income             | 13                                | 1                                   | 1                                   | -12               | 0                 |
| Non-operating expenses           | 431                               | 410                                 | 389                                 | -21               | -20               |
| Ordinary income                  | 2,788                             | 3,297                               | 2,477                               | 508               | -819              |
| Net income                       | 2,788                             | 3,296                               | 2,477                               | 508               | -819              |
| EPU(net income per unit) (yen)   | 2,747                             | 3,248                               | 2,440                               | 501               | -808              |
| Reversal of Internal reserve     | 40                                | 40                                  | 213                                 | 0                 | 172               |
| Internal Reserve                 | 240                               | 647                                 | 0                                   | 406               | -647              |
| DPU(Distribution per unit) (yen) | 2,550                             | 2,650                               | 2,650                               | 100               | 0                 |

| Key Assumption for forecasts |           | 37 <sup>th</sup> FP<br>(Actual) | 38 <sup>th</sup> FP<br>(Forecast) | 39 <sup>th</sup> FP<br>(Forecast) |
|------------------------------|-----------|---------------------------------|-----------------------------------|-----------------------------------|
| Occupancy Rate               | Portfolio | 97.70%                          | 96.25%                            | 97.11%                            |
|                              | Office    | 99.70%                          | 98.90%                            | 98.72%                            |
|                              | Residence | 96.58%                          | 94.72%                            | 96.17%                            |
| NOI Yield                    | Portfolio | 5.44%                           | 5.14%                             | 5.20%                             |
|                              | Office    | 5.52%                           | 5.39%                             | 5.37%                             |
|                              | Residence | 5.38%                           | 4.96%                             | 5.05%                             |

(Note) Forecasted figures were announced on July 15, 2020.

These forecasted figures are calculated based on certain assumptions made as of this date, and actual net income and dividends may vary in accordance with changes in conditions.

This forecast should not be construed as a guarantee of the dividend amount.

## Forecast Dividend per Unit

38<sup>th</sup> Fiscal Period (November 2020)

39<sup>th</sup> Fiscal Period (May 2021)

**2,650 yen**

**2,650 yen**

## Major Factors of Variance

| Major Factors                  |   | Variance<br>(b-a) | Variance<br>(c-b) |
|--------------------------------|---|-------------------|-------------------|
| Operating Revenue              | Office  |                   |                   |
|                                | • Existing properties   | 6                 | -11               |
|                                | • Increase in operating revenues due to acquired Properties           | 62                | -                 |
|                                | Residence   |                   |                   |
| Operating Expenses             | • Existing properties ( fluctuation with seasonal factors)            | -69               | 58                |
|                                | • Increase or Decrease in operating revenues due to asset replacement | -34               | -8                |
|                                | Increase or Decrease of gain on sale                                  | 546               | -878              |
|                                | SGA   |                   |                   |
| Non-operating income /expenses | Office  |                   |                   |
|                                | • Existing properties   | 32                | -2                |
|                                | • Increase in operating expenses due to acquired Properties           | 15                | -                 |
|                                | Residence   |                   |                   |
| Internal Reserve               | • Existing properties   | -3                | 28                |
|                                | • Increase or Decrease in operating expenses due to asset replacement | -28               | -23               |
|                                | Other   | -4                | -1                |
|                                | Financial cost  | -23               | -18               |

## Dividend Stabilization Tools (the end of 37<sup>th</sup> FP: After payment of dividend)

**Internal Reserve**

(Reserve Temporary Difference Adjustment Amount etc.)

**4,777 million yen**



## Midterm Target DPU 2,750<sub>yen</sub>

37<sup>th</sup> FP DPU  
**2,550**  
yen

EPU  
(leasing business  
revenue basis)

**2,467**<sub>yen</sub>  
(Excluding gain on  
transfer, includes RTA  
fixed amount reversal)

### Internal Growth

**197<sub>yen</sub> ~ 245<sub>yen</sub>**

- **Upward rent revisions:** Efforts to tap into very large rent gaps
- **Impact of passing years:** Reduction in depreciation and amortization that exceeds repair expenses
- **Energy-saving construction work:** Reduction of utilities through installation of LED lighting, upgrading of air-conditioning, etc.
- **Continuous revenue expansion/expense reduction**

### Cost Reduction

**50<sub>yen</sub>**

- **Reduction of interest expenses:** Over the coming 1.5 years, loans with highest interest rates in loan portfolio will reach maturity. Reduction in interest expenses is expected.
- **Continuous expense reduction:** Continuous efforts to reduce SGA expenses

### External Growth **24<sub>yen</sub> ~**

(4 properties acquired in 37<sup>th</sup> FP Full-year contribution)  
(Properties disposition in the 37<sup>th</sup> FP and 38<sup>th</sup> FP  
contribution to revenue decrease)

- **Acquisition of sponsor pipeline:** Expansion of pipeline through continuous development of properties for REIT
- **Continued portfolio replacement:** Expansion and stabilization of future distributions through enhancement of earning capacity and retention of realized gains within internal reserves

**Midterm  
Target  
DPU  
**2,750**  
yen**

- **Growth supported by internal growth, expense reduction and external growth**
- **Steady growth in EPU and distributions through steadfast efforts to tap into earning capacity**
- **Enhancement of earning capacity through portfolio replacement coupled with maintenance and expansion of internal reserves through realized gains**
- **Bolstering of unitholder returns through utilization of abundant internal reserves**

## Effects from COVID-19 on the achievement of midterm targets

COVID-19 had some effect on internal growth. However, external growth large enough to offset the effects, scope for interest rate reduction, and the positive effects of the acquisition of own investment units are anticipated.

### • Internal growth

**Offices:** Rent is set to continue rising until the 39th fiscal period, given upward rent revisions of about 8.9 million yen to which tenants agreed in the 36th and 37th fiscal periods, but which have yet to make contribution. Substantial rent gaps remain.

**Residences:** The occupancy rate for residences declined somewhat under the adverse effects of corporate demand delays caused by the emergency declaration. However, the occupancy rate is expected to return to its previous level in the 39th fiscal period (expected to occur in March 2021) given signs of a recovery. The lower occupancy rate is likely to affect rents, but stable revenue can be anticipated because the progress of upward rent revisions, the acquisition rate for one-time fees, such as key money and renewal fees, the free rent grant ratio and other factors will remain at favorable levels, unchanged from the figures before the COVID-19 pandemic.

### • Reduction of expenses

Room for interest rate reduction is anticipated with results before the spread of COVID-19 as a base.

### • External growth

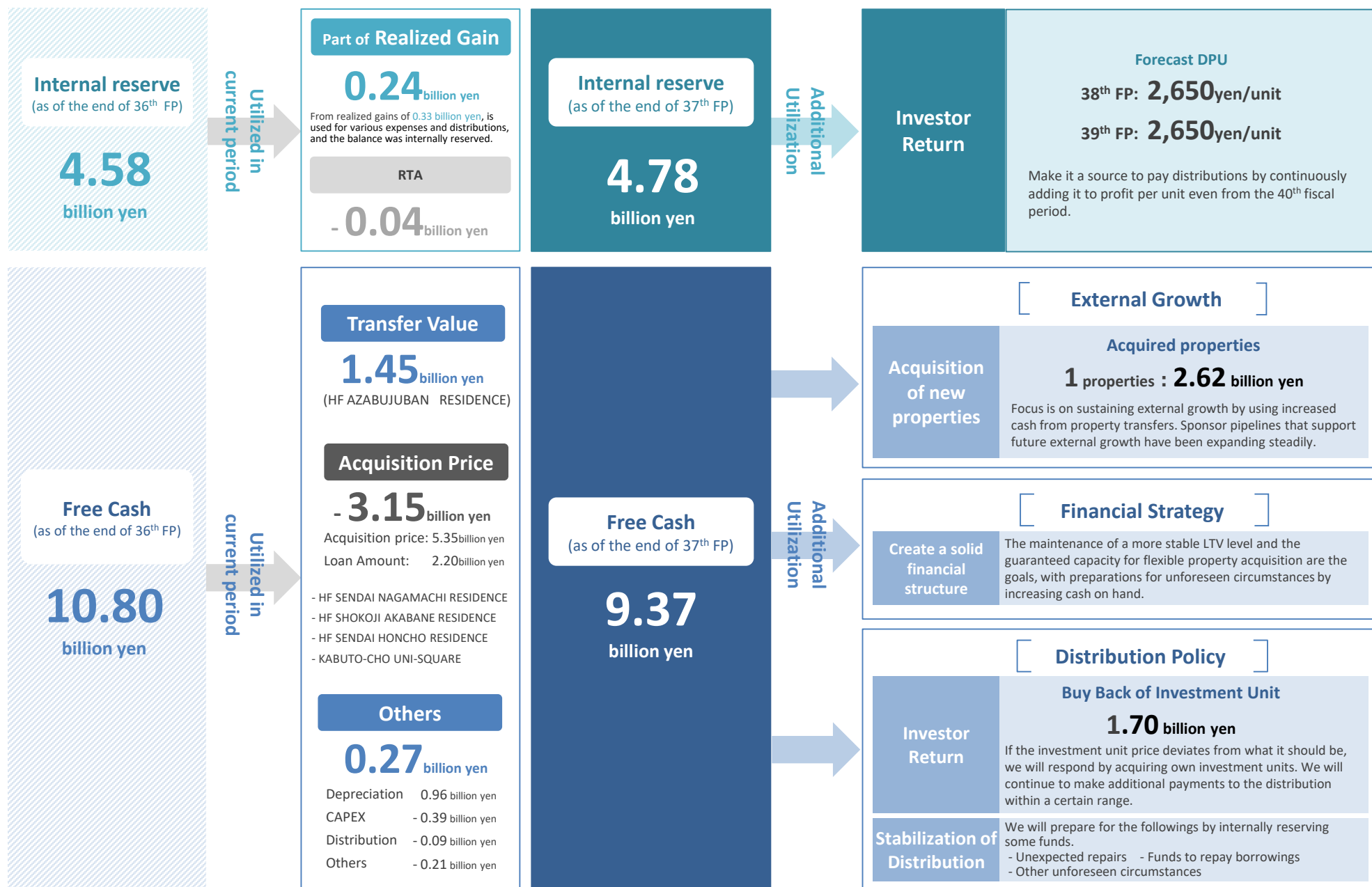
Previously, contributions made by external growth to distribution payments did not include effects produced by the acquisition of properties. Twenty-four yen stated above is calculated based on acquired properties and periods without contributions only. Scope for contributions made by external growth is expanding because revenue from four properties acquired in the 37th fiscal period will make contributions in stages from the 37th fiscal period to the 40th fiscal period as some of these properties were acquired simultaneously with their completion, and the number of pipeline properties is increasing. Additional contributions to distribution payments are expected with the acquisition of new properties.

### • Buy Back of Investment Unit

The effects of the acquisition of own investment units on and after July 15, 2020, are not taken into consideration.



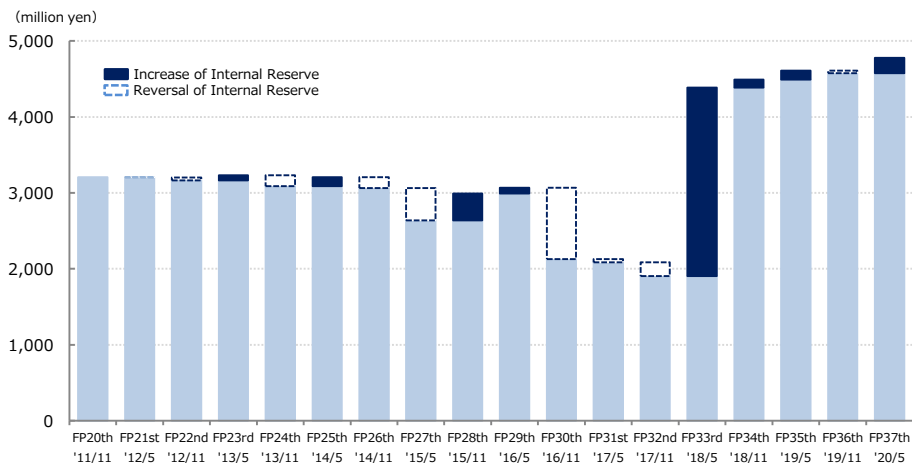
# I-8 Investor Return by using internal reserve and utilization of Free Cash





## Change in Internal Reserve

Utilize all kinds of tools, including the reserve for temporary difference adjustments which arose as a result of the merger, reduction entry due to the purchase/sale of property, and loss brought forward for tax purposes, to expand internal reserves. Establish a distributable surplus over the long term by continuously increasing internal reserves whilst making such returns through distributions.



## Scope left for expansion of internal reserves

### Considerable scope left for expansion of internal reserves

REITs generally do not have internal reserves because they pay almost all of their profits as distributions. However, the Investment Corporation has the tools to accumulate these due to the history of past mergers.

Mismatch between amount of portfolio assets for tax purposes and amount of portfolio assets for accounting purposes

7.36 billion yen

Source of funds for future distributions

Maximum  
12.1 billion yen

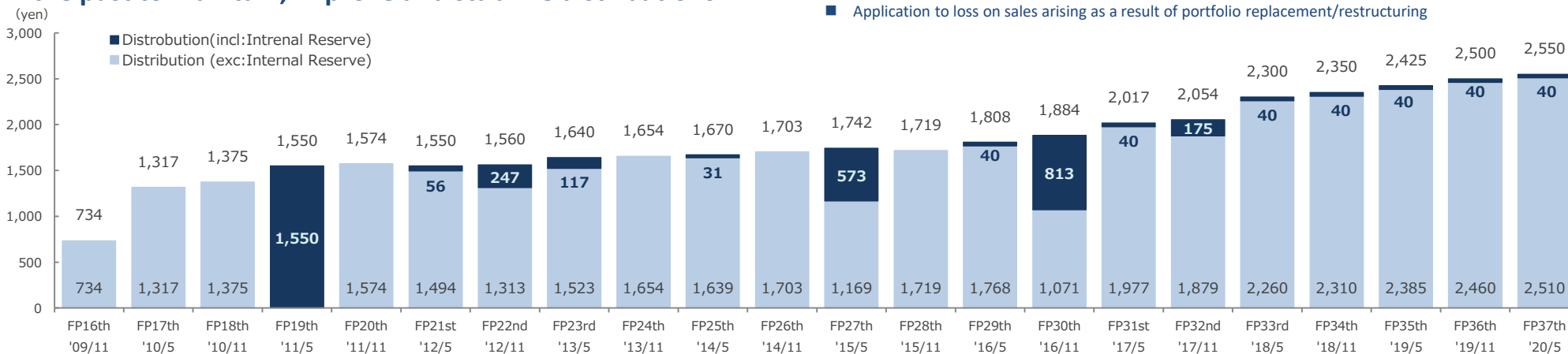
Internal reserve  
(as of the end of 37<sup>th</sup> FP)  
4.78 billion yen

There is a mismatch between the amount of assets received as a result of the merger with JSR for tax purposes and the amount of assets received as a result of said merger for accounting purposes. With respect to capital gains arising as a result of the property sales, it is possible to utilize the mismatch in the amounts for tax purposes and accounting purposes to generate internal reserves of up to 7.36 billion yen.

In the 37<sup>th</sup> fiscal period, internal reserves were expanded by 241 million yen using the loss brought forward and the mismatch in the amounts for tax and accounting purposes.

## Utilization of internal reserves for unitholder returns in the past

### Have systematically and actively utilized internal reserves in the past to maintain, improve and stabilize distributions



### Policy on utilization of internal reserves

- Application to distributions to accelerate return of EPU that is reachable in the future
- Application to temporary expenses for emergency response to disaster, etc., large-scale repair work, etc.
- Application to loss on sales arising as a result of portfolio replacement/restructuring





## **Status of Operations**

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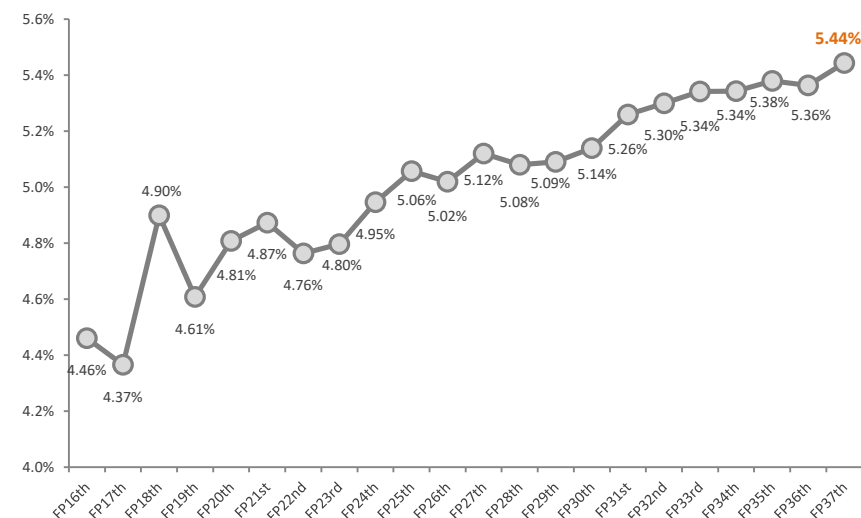
## Summary of Portfolio

|   |                   | 36th Fiscal Period ('19/11) |        |           | 37th Fiscal Period ('20/5) |        |           |
|---|-------------------|-----------------------------|--------|-----------|----------------------------|--------|-----------|
|   |                   | Overall                     | Office | Residence | Overall                    | Office | Residence |
| Asset size at the end of period (million yen)             |                   | 174,706                     | 76,321 | 98,385    | 178,796                    | 78,421 | 100,375   |
| Number of properties (buildings) at the end of the period |                   | 104                         | 31     | 73        | 107                        | 32     | 75        |
| Occupancy rates: (%)                                      | End of the period | 98.06                       | 99.81  | 97.06     | 96.55                      | 99.67  | 94.80     |
|   | Period average    | 97.83                       | 99.67  | 96.79     | 97.70                      | 99.70  | 96.58     |
| Portfolio NOI yield (%) (Note 1)                          |                   | 5.36                        | 5.37   | 5.35      | 5.44                       | 5.52   | 5.38      |
| NOI yield after depreciation (%) (Note 2)                 |                   | 4.24                        | 4.46   | 4.05      | 4.29                       | 4.57   | 4.05      |

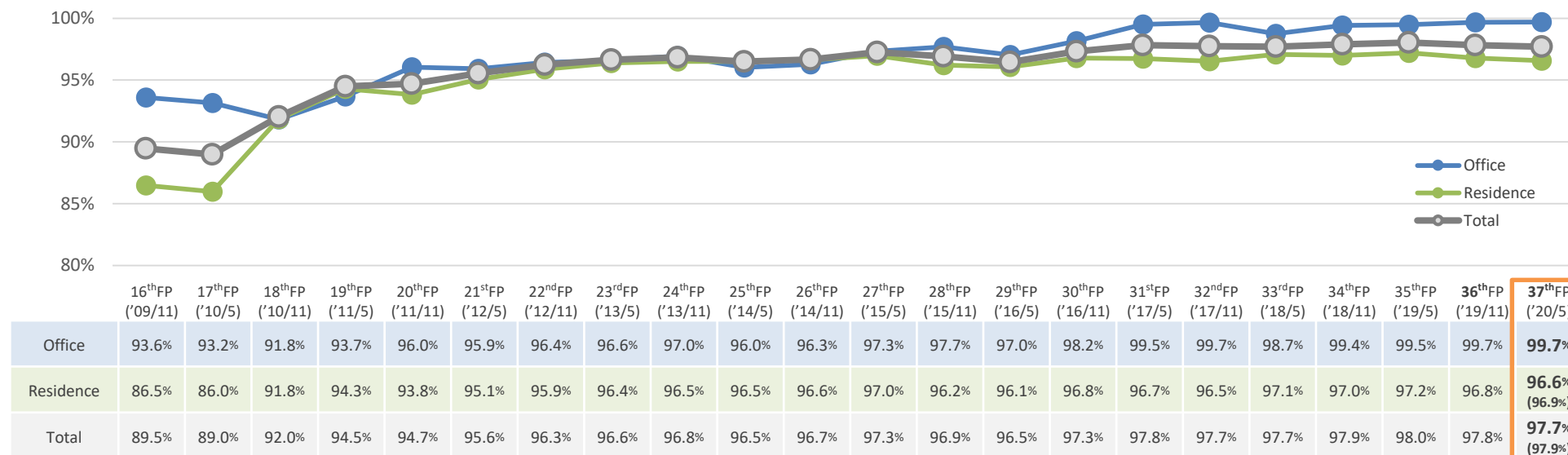
(Note 1) NOI Yield = Actual NOI (Annualized) ÷ ((beginning of BV + end of BV) ÷ 2)

(Note 2) Yield after depreciation = Actual Rental business profit (annualized) / ((beginning of BV + end of BV) ÷ 2)

## History of NOI Yield



## Overall Average Occupancy Rate During the Period



Figures stated in brackets are occupancy rates for properties, excluding HF SENDAI HONCHO RESIDENCE. (This property has not reached the level of ordinary operation due to its simultaneous acquisition and completion.)

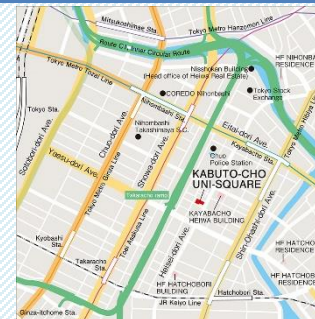


## Objectives

- 1 Acquisition of office property in the Nihonbashi Kabuto-cho area**  
Nihonbashi Kabuto-cho is a base area for Heiwa Real Estate Co., Ltd., where it is at its strongest.
- 2 Improvement of EPU**  
Contribution for full fiscal period, estimate after expensing taxes and other public dues  
**+ 21 yen/unit**
- 3 Improvement of NOI**  
Contribution for full fiscal period, estimate after expensing taxes and other public dues  
Annually **+ 28 million yen**
- 4 Improvement of AUM**  
AUM total 178,796 million yen  
**+ 840 million yen**
- 5 Improvement of NAV**  
Unrealized gain for the acquired property and increasing internal reserve  
**+ 363 yen/unit**
- 6 Book the gain on sale**  
Transfer value exceeding the appraisal value  
**+ 331 million yen**
- 7 Increase of Internal Reserve**  
Part of the gain from the transfer was allocated to the distribution, and the remaining amount was internal reserve  
**+ 239 million yen**

## Overview of Asset Replacement

### Acquisition : KABUTO-CHO UNI-SQUARE



|   |  |
|---|--|
| Location  | Chuo-ku, Tokyo                                     |
| Total Floor Space<br>(proprietary area / total floor space) | 1,828.48m <sup>2</sup> /<br>4,229.47m <sup>2</sup> |
| Construction Date   | March 31, 1993                                     |
| Acquisition Price   | 2,100 million yen                                  |
| Appraisal Value (As of July 2019)                           | 2,260 million yen                                  |
| NOI yield (note)  | 4.4%   |
| NOI Yield After Depreciation(note)                          | 4.2%   |



Replacement

### Disposition



HF AZABUJUBAN  
RESIDENCE

**Book Value : 1,099**  
**Appraisal Value : 1,300**  
**Transfer Value : 1,450**  
**Gain on Sale : 331**  
(million yen)

\* Book Value and Appraisal Value are as of the end of 36<sup>th</sup> FP

## Overview of the New Properties excluding Asset Replacement

### HF SHOKOJI AKABANE RESIDENCE



Sponsor Pipeline

|                                    |                        |
|------------------------------------|------------------------|
| Location                           | Kita-ku, Tokyo         |
| Total Floor Space                  | 1,879.61m <sup>2</sup> |
| Construction Date                  | February 25, 2020      |
| Acquisition Price                  | 1,150 million yen      |
| Appraisal Value                    | 1,290 million yen      |
| NOI yield(note)                    | 5.2%                   |
| NOI Yield After Depreciation(note) | 4.0%                   |

### HF SENDAI NAGAMACHI RESIDENCE



|                                    |                        |
|------------------------------------|------------------------|
| Location                           | Sendai-City ,Miyagi    |
| Total Floor Space                  | 2,854.19m <sup>2</sup> |
| Construction Date                  | November 10, 2008      |
| Acquisition Price                  | 1,030 million yen      |
| Appraisal Value                    | 1,110 million yen      |
| NOI yield(note)                    | 5.5%                   |
| NOI Yield After Depreciation(note) | 4.1%                   |

### HF SENDAI HONCHO RESIDENCE



|                                    |                        |
|------------------------------------|------------------------|
| Location                           | Sendai-City ,Miyagi    |
| Total Floor Space                  | 1,654.38m <sup>2</sup> |
| Construction Date                  | April 8, 2020          |
| Acquisition Price                  | 1,070 million yen      |
| Appraisal Value                    | 1,140 million yen      |
| NOI yield(note)                    | 5.0%                   |
| NOI Yield After Depreciation(note) | 3.8%                   |

(Note) NOI Yield = NOI ÷ Acquisition price NOI Yield After Depreciation = (NOI - Depreciation) ÷ Acquisition price NOI is NOI for 12 months, which serves as the assumption for the value indicated by the income approach under the direct capitalization method shown in the appraisal report of each acquired asset. Depreciation is depreciation for 12 months, which we estimated by the depreciation ratio in the straight-line method corresponding to the service life, in the same way as for our existing assets under management



## -37thFP - (May, 2020)

Acquired  
3 Residence  
properties



### - Objectives -

|   |                              |                     |
|---|------------------------------|---------------------|
| 1 | Guarantee of stable revenue  |                     |
| 2 | utilizing sponsor support    |                     |
| 3 | Improvement of EPU           | + 38 yen/unit       |
| 4 | Improvement of NOI           | + 168 million yen   |
| 5 | Improvement of AUM           | + 3,250 million yen |
| 6 | Improvement of NAV           | + 111 yen/unit      |
| 7 | Rejuvenation of building age | 4.2 years           |

## - 37th FP - (May, 2020)

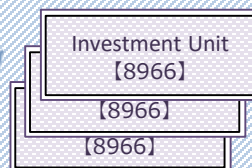
Asset  
Replacement



|   |  |                   |
|---|--|-------------------|
| 1 | Acquisition of office property in the Nihonbashi Kabuto-cho area |                   |
| 2 | Improvement of EPU   | + 21 yen/unit     |
| 3 | Improvement of NOI   | + 28 million yen  |
| 4 | Improvement of AUM   | + 840 million yen |
| 5 | Improvement of NAV   | + 363 yen/unit    |
| 6 | Book the gain on sale  | 331 million yen   |
| 7 | Increase of Internal Reserve                                     | + 241 million yen |

## - 38th FP - (November, 2020)

Transfer of asset



|   |  |                   |
|---|--|-------------------|
| 1 | Reduction of revenue fluctuation risks                     |                   |
| 2 | Improvement of EPU   | + 19 yen/unit     |
| 3 | Improvement of NAV (assumption)*                           | + 675 yen/unit    |
| 4 | Book the gain on sale                                      | + 878 million yen |
| 5 | Expansion of cash on hand                                  | + 642 million yen |
| 6 | Increase of Internal Reserve (estimated amount)            | + 647 million yen |
| 7 | Diminution rate in the number of issued investment units * | - 1.68 %          |

\* Calculated assuming the acquisition price of own investment units is 100,000yen

### Effects produced by the series of initiatives

|   |  |                     |
|---|--|---------------------|
| 1 | Guarantee of stable revenue and reduction of revenue fluctuation risks |                     |
| 2 | Improvement of EPU (Assumed level)                                     | + 78 yen/unit       |
| 3 | Improvement of NOI (Assumed level)                                     | + 95 million yen    |
| 4 | Improvement of AUM   | + 2,170 million yen |
| 5 | Improvement of NAV   | + 1,149 yen/unit    |
| 6 | Book the gain on sale  | 1,209 million yen   |
| 7 | Increase of Internal Reserve   | 887 million yen     |
| 8 | Decrease in the number of investment units                             | - 1.68 %            |

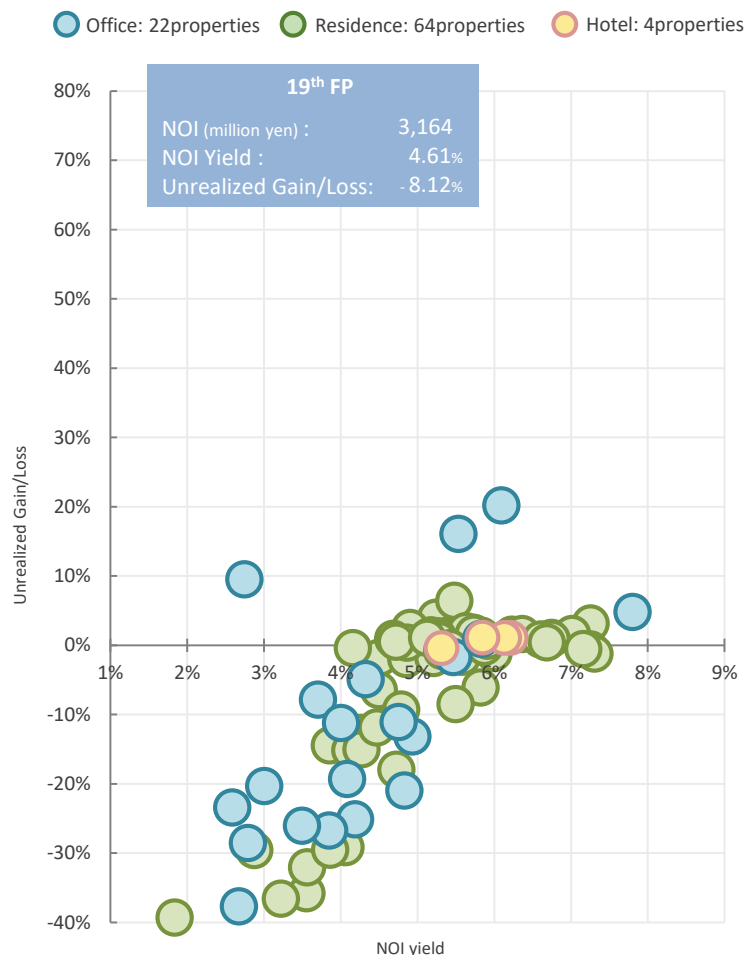
Initiatives are continued for achieving  
the mid-term distribution target of

**2,750** yen per unit



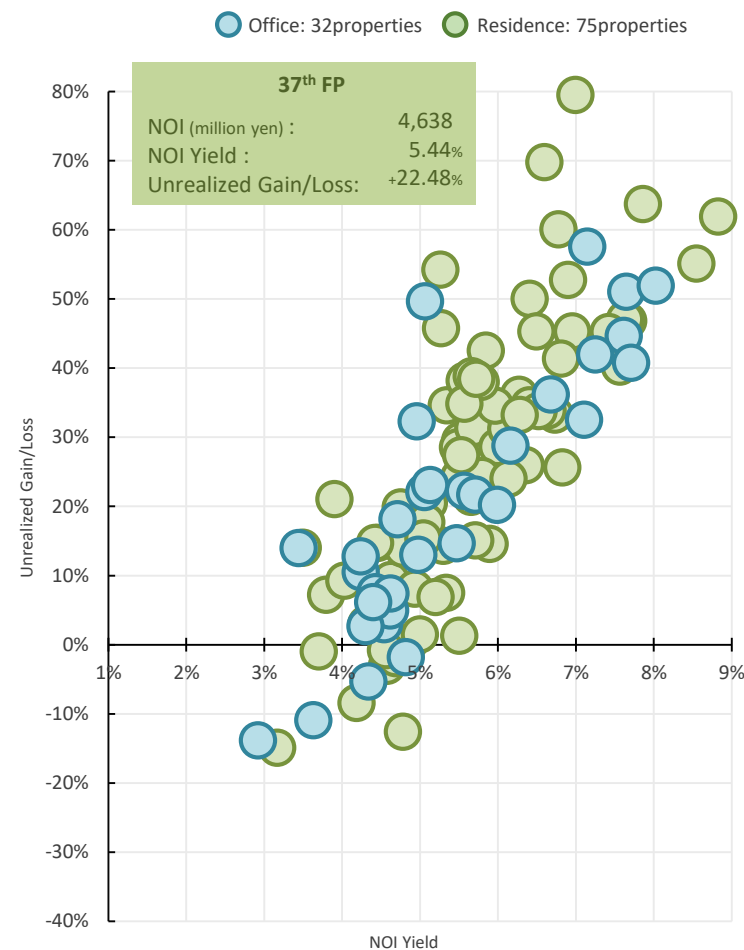
# II-4 Portfolio quality has been significantly improved

## Performance in the 19<sup>th</sup> FP (after merger with JSR, 31 May, 2011)



- **Reconstruction of Portfolio**  
 Utilization of sponsor pipeline,  
 continuous property acquisition  
 and active portfolio replacement  
 - Acquired Properties: 38  
 - Transferred properties: 21
- **Improved earning power**  
 Rise of occupancy rate  
 Upward rent revisions  
 Cost reductions
- **Improvement of real estate market conditions**  
 Decreased Cap Rate  
 Improved appraisal value

## Performance in the 37<sup>th</sup> FP










(Note) This investment corporation absorbed Japan Single-residence REIT Inc. (JSR) on October 1, 2010, in the 18<sup>th</sup> period (Fiscal Period Nov. 2010). As the figure on the left shows, profitability on the ordinary base, including the taxes and public dues of properties succeeded from JSR, NOI interest yield and unrealized profit and loss rate were calculated using the data of the 19<sup>th</sup> period (Fiscal Period May 2011).

(Note) For KINSHICHO SQUARE BUILDING, which is acquired in the 36<sup>th</sup> fiscal period, HF SENDAI NAGAMACHI RESIDENCE, HF SHOKOJI AKABANE Residence and HF SENDAI HONCHO RESIDENCE, which are acquired in the 37<sup>th</sup> fiscal period, the present operation results by the investment corporation cannot be calculated accurately because of the short period of operation, and the taxes and public dues have not yet been recorded. Accordingly, the values calculated by dividing the appraisal NOI as of the time when a decision on acquisition was made by the acquisition price are presented to show the NOI interest yield on an ordinary basis in the above graph.



## Establishment of pipeline utilizing sponsor support

The Investment Corporation and its sponsor Heiwa Real Estate are actively conducting the development of residences for the Investment Corporation. Starting with HF TABATA RESIDENCE completed in 2015, a total of eight projects have been started. As of today, four of these properties have been completed and the Investment Corporation has acquired three properties. The remaining four projects are also progressing steadily and will support the Investment Corporation's future pipeline.

|                                     | HF TABATA RESIDENCE   | HF RYOGOKU RESIDENCE  | HF SHOKOJI AKABANE RESIDENCE  | HF SHOKOJI AKABANE RESIDENCE II  | Setagaya PJ<br>(temporary name)   | Sumida-ku Yahiro PJ<br>(temporary name)   | Kawaguchi Sakaecho PJ<br>(temporary name)   | Higashi Ogu PJ<br>(temporary name)  |
|-------------------------------------|---|---|---|--|---|---|---|-------------------------------------|
| Appearance                          |  |  |  |  |  |  |  | Under Planning                      |
| Location                            | Tabata<br>Shinmachi<br>Kita-ku<br>Tokyo   | Midori<br>Sumida-ku<br>Tokyo  | Akabane<br>Iwabuchi,<br>Kita-ku<br>Tokyo  | Akabane<br>Iwabuchi,<br>Kita-ku<br>Tokyo   | Setagaya<br>Setagaya-ku<br>Tokyo  | Yahiro<br>Sumida-ku<br>Tokyo  | Sakaecho<br>Kawaguchi City<br>Saitama   | Higashi-Ogu<br>Arakawa-ku<br>Tokyo  |
| Total Floor Space<br>(No. of units) | 2,457.71㎡<br>(56)   | 2,705.78㎡<br>(66)   | 2,036.03㎡<br>(49)   | 3,086.28㎡<br>(70)  | 1,082.20㎡<br>(30)   | 2,346.02㎡<br>(64)   | 2,990.44㎡<br>(91)   | 2,696.67㎡<br>(49)                   |
| Construction Date                   | December, 2015  | March, 2017   | February, 2019  | January, 2020  | Scheduled for<br>November, 2020   | Scheduled for<br>December, 2020   | Scheduled for<br>September,<br>2021   | Scheduled for<br>September,<br>2021 |

Acquired on  
August 25, 2017

Acquired on  
December 15, 2017

Acquired on  
March 19, 2020

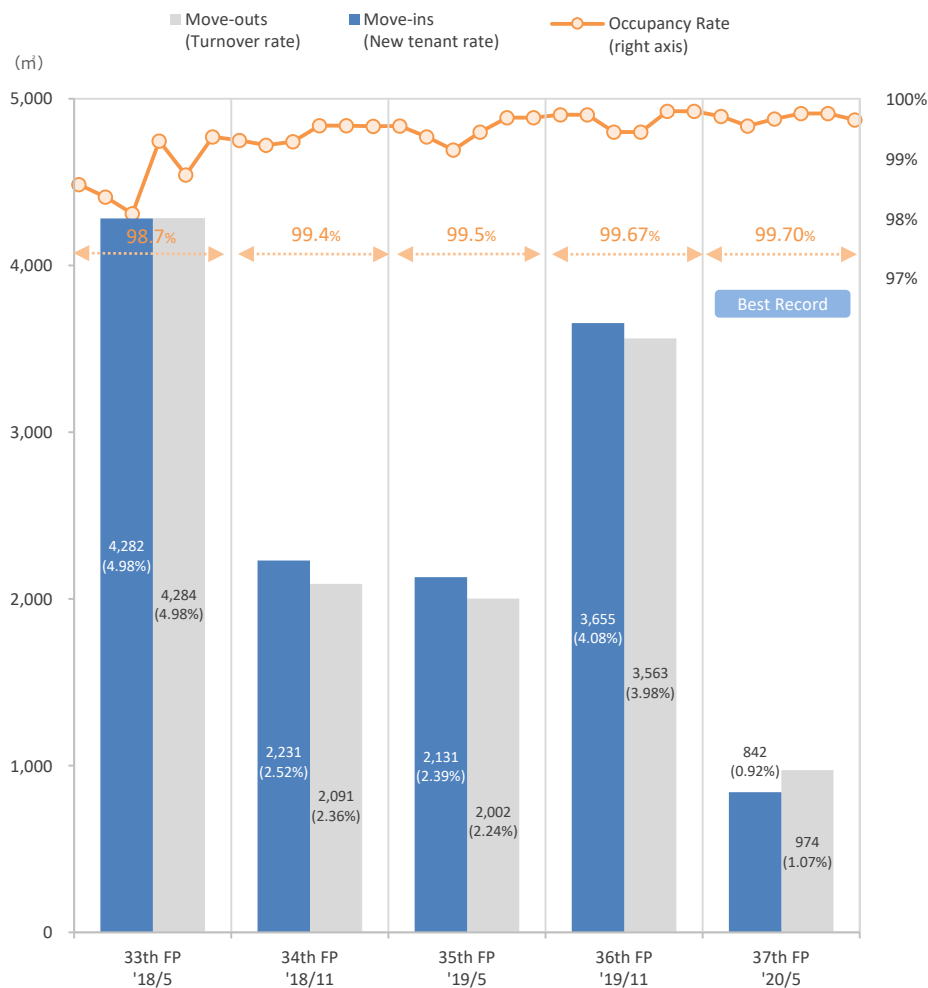
(Note) Floor space (number of units) is based on initial design and may fluctuate prior to acquisition.



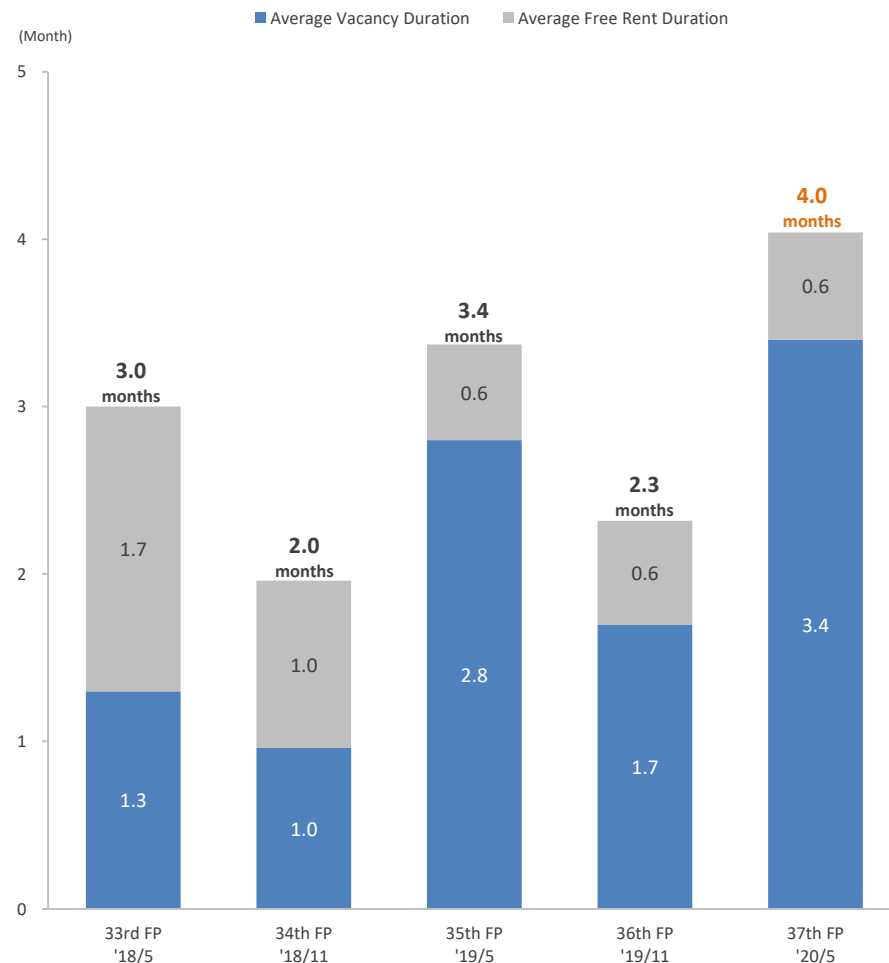
## II-6 Internal Growth: Status of Office Operations(1)

- ▶ The average occupancy rate in the fiscal period under review was **99.70%**, a **record high for the second consecutive fiscal period**. **Tenant turnover rates became the lowest on record** due to tenant movements on an extremely small scale.
- ▶ The free rent remained at **0.6 months**, the **shortest** period since the change of the sponsor.
- ▶ The level of the vacant duration was raised due to the conclusion of a contract for long vacancy in a regional area (small-scale one lot). Excluding this factor, however, it was shortened to **0.5 months**, **also recording a new shortest period**.

### Status of monthly occupancy rates and office moving in/out



### Vacancy duration and Free rent



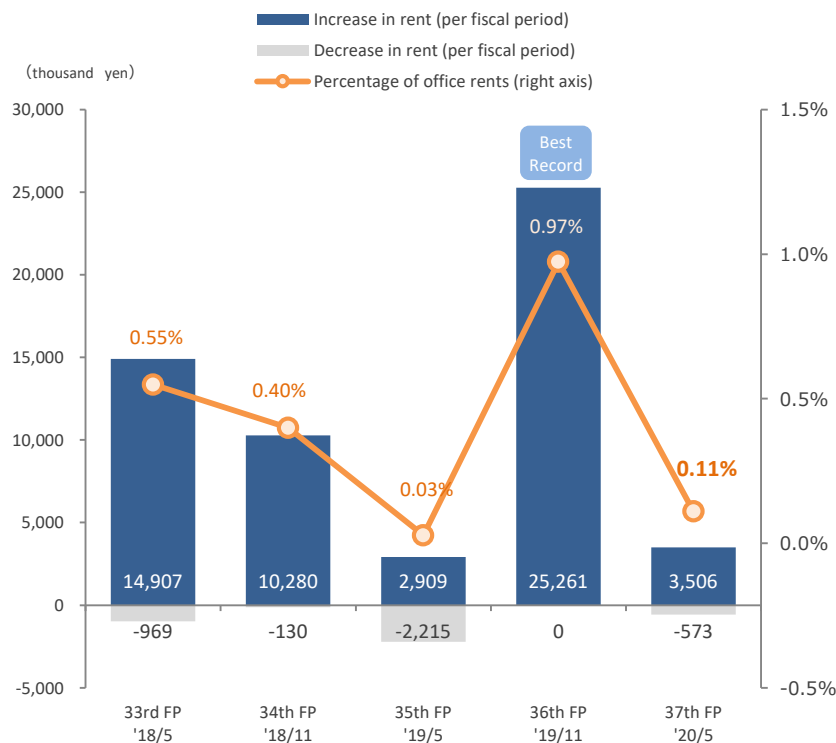
(Note) Excluding vacancy period of warehouse



## II-7 Internal Growth: Status of Office Operations(2)

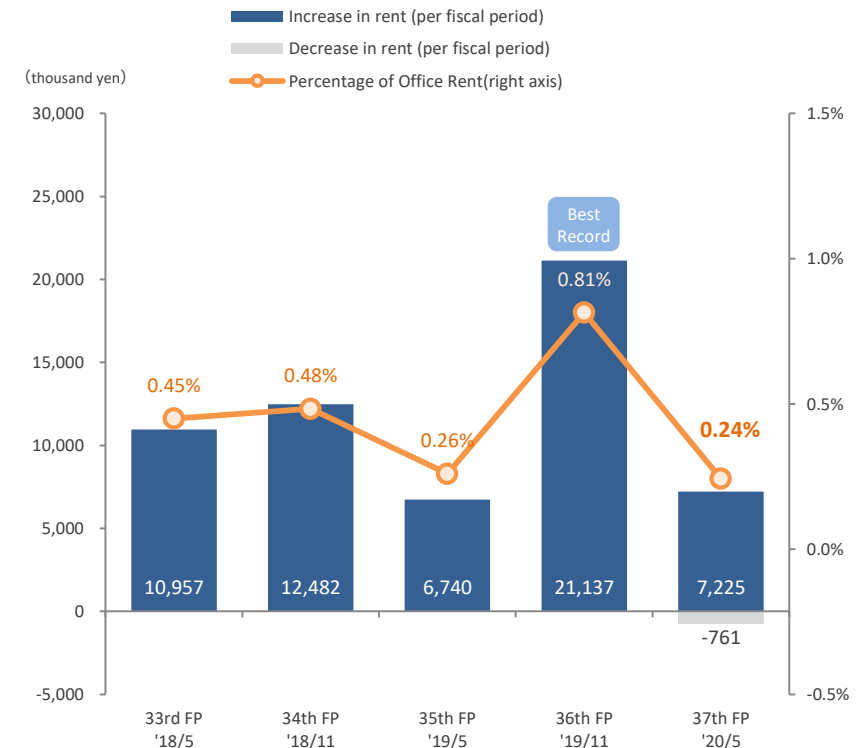
- ▶ Rent negotiations were suspended temporarily due to the COVID-19 pandemic. However, the total amount of office rents, including new and revised rents, increased **0.35%**.
- ▶ The rate of rent revision due to tenant replacement was **+14.4%**, which remained at a high level, but the amount of its contribution fell with a decrease in the space of tenant replacement, because vacated space shrank substantially.
- ▶ The rate of rent revision due to contract renewal was **+4.4%**. Rents were revised downward in two cases under the adverse effects of the COVID-19 pandemic, but the rent reductions were both small in scale and limited in duration.

### Status of newly leased office tenants' rent



| # of tenant                      | 17        | 13        | 8        | 12        | 9        |
|----------------------------------|-----------|-----------|----------|-----------|----------|
| Tenants with increased rent      | 12        | 9         | 4        | 11        | 6        |
| % of tenants with increased rent | 60.6%     | 75.7%     | 34.0%    | 98.7%     | 82.8%    |
| Total change rate                | 12.78%    | 15.03%    | 1.16%    | 26.17%    | 14.40%   |
| Increase revision rate           | 19.73%    | 20.55%    | 14.77%   | 26.44%    | 20.86%   |
| Decrease revision rate           | 6.67%     | 7.69%     | 5.51%    | 0.02%     | 16.12%   |
| Impact on DPU                    | + 13.7yen | + 10.0yen | + 0.7yen | + 24.9yen | + 2.9yen |

### Status of rent revisions



| # of tenant                      | 65        | 79        | 53       | 61        | 72       |
|----------------------------------|-----------|-----------|----------|-----------|----------|
| Tenants with increased rent      | 21        | 23        | 23       | 29        | 20       |
| % of tenants with increased rent | 32.6%     | 42.8%     | 40.1%    | 52.0%     | 27.2%    |
| Total change rate                | 6.29%     | 5.02%     | 5.19%    | 10.18%    | 4.44%    |
| Increase revision rate           | 6.29%     | 5.02%     | 5.19%    | 10.18%    | 5.13%    |
| Decrease revision rate           | -         | -         | -        | -         | 16.25%   |
| Impact on DPU                    | + 10.8yen | + 12.3yen | + 6.6yen | + 20.8yen | + 6.4yen |



## Rent gaps expanded

- The area of market rent improvement narrowed from the previous fiscal period under the effects of COVID-19.

However, market rents continued to improve in Central Tokyo. **Rent gaps also expanded.**

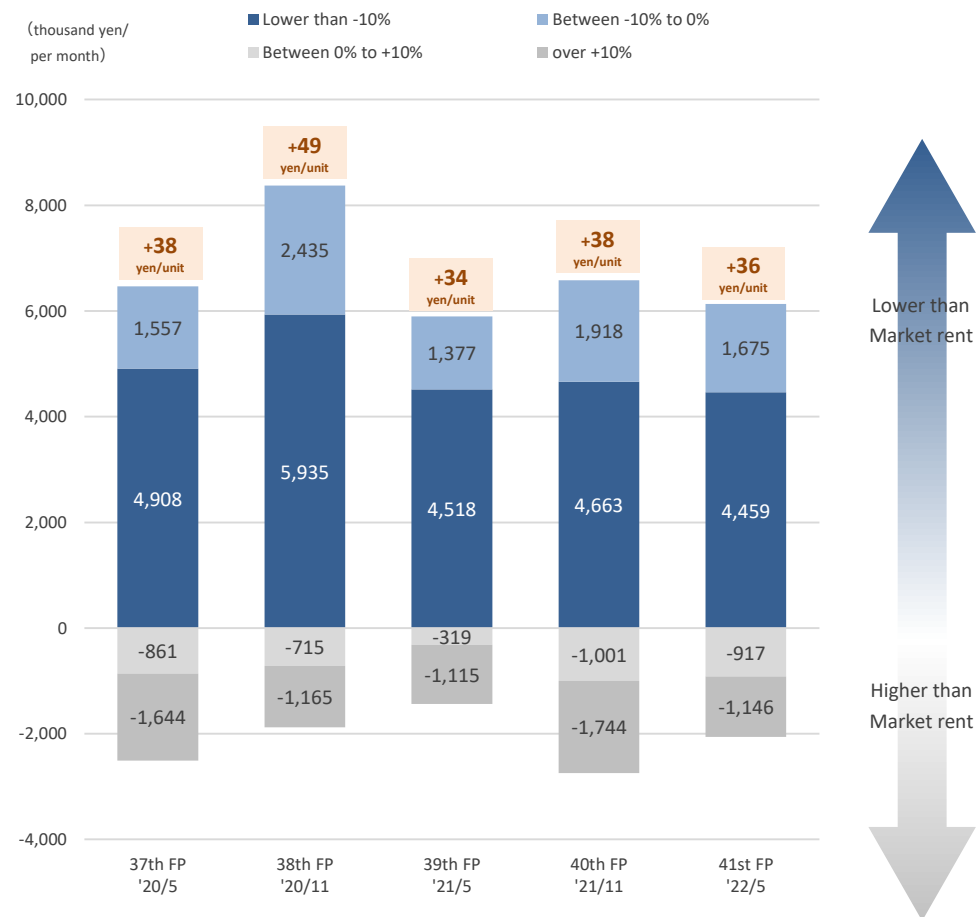
- At **-12.9%**, the rent gap for newly acquired KABUTO-CHO UNI-SQUARE is wide. Upward rent revisions are expected there in the future.

## Rent Gap Trends



(Note) Excludes KAYABACHO HEIWA bldg.

## Schedule for Renewal of Agreement and Rent Gap



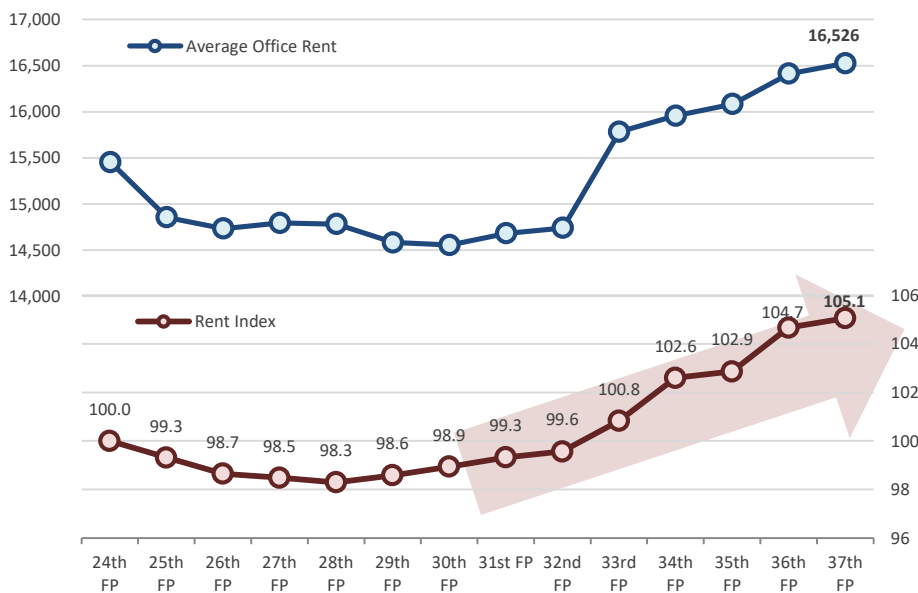
(Note) Excludes KAYABACHO HEIWA bldg.

(Note) Rent gaps are the differences between contracted rents and market rents at the end of the 37th fiscal period; rent gaps for the 37th fiscal period, however, are calculated based on contracted rents and market rents at the end of the 36th fiscal period



- ▶ The portfolio rent (contracted rent index) continued to recover due to concurrent upward revisions of new rents and existing rents.
- ▶ Autonomous expansion of rent revenue associated with the elimination of free rents is expected to be equivalent to the distributions per unit of **+10 yen** per period for the next five periods.

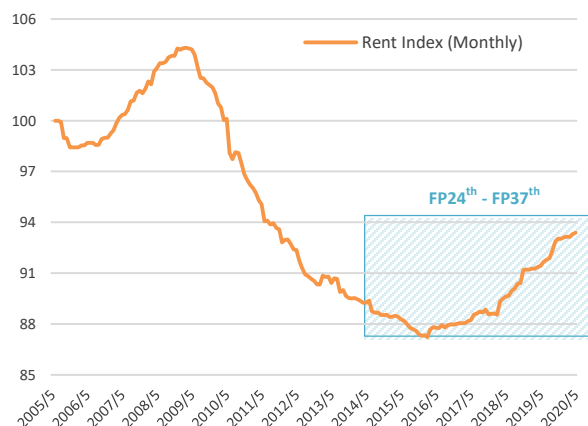
## Transition of Contracted Average Rent unit price and Contracted Rent Index



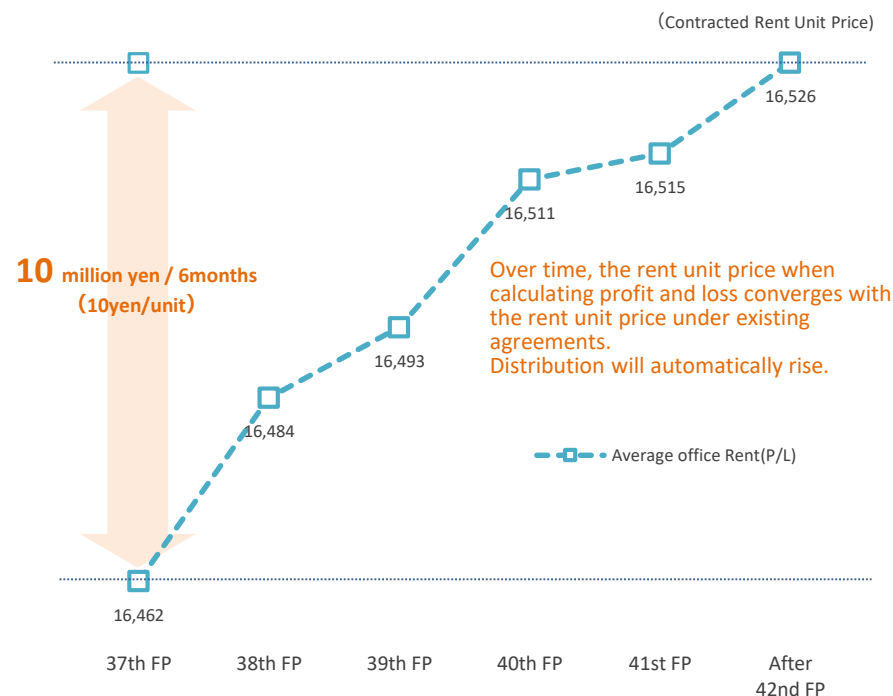
Rent Index: It shows the size and direction of portfolio rent fluctuations, excluding the influence of the sale and purchase of properties.

The rent index in this chart also shows the stable improvement of the rent unit price of the portfolio from the bottom in the 28th fiscal period, despite movements in the period-end rent unit price.

The index from the 24th fiscal period exceeded 100, but if it is set at 100 at the time of listing, the current level is 93.4. From a historical point of view, it appears that there is still ample room for raising the rents.



## Average rent unit price at the end of the 36th fiscal period and prospects for P/L rent unit price



## Average rent unit price at the end of the 37<sup>th</sup> FP and prospects for P/L rent unit price

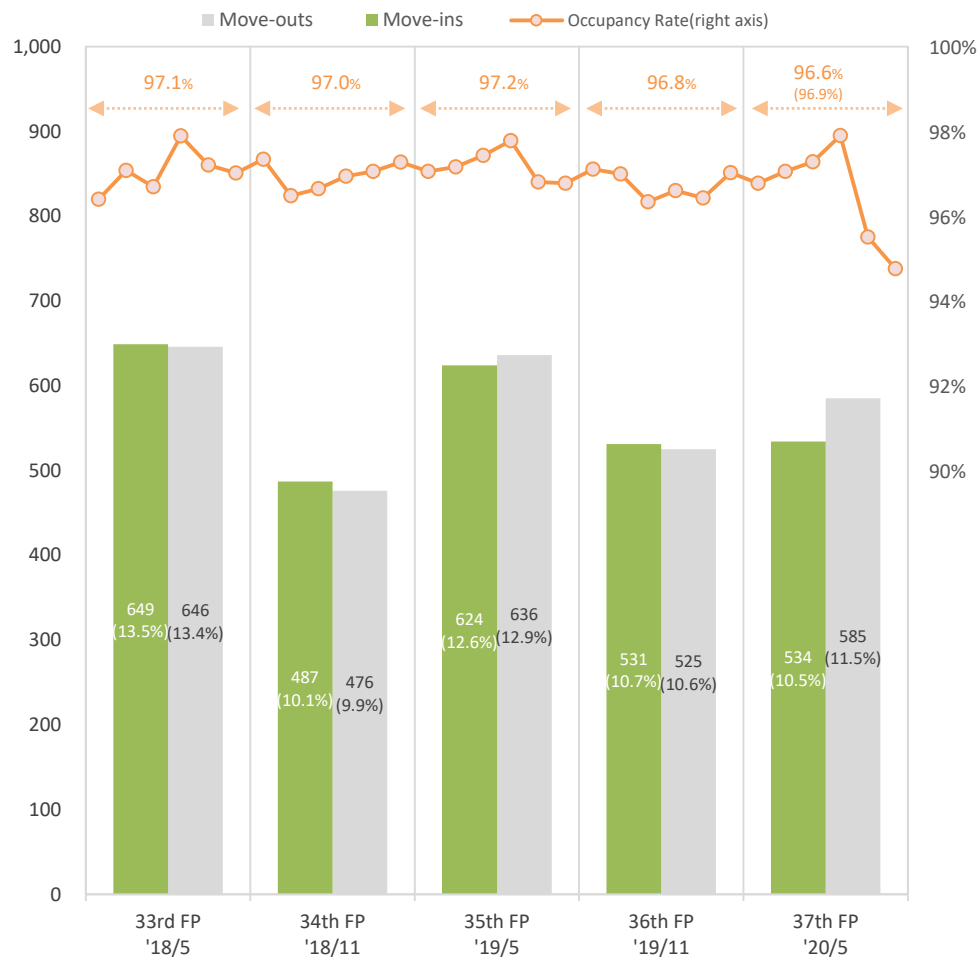
- Profit and loss on our free rent is calculated by obtaining the average values throughout the initial lease contract period. Therefore, there is a deviation equivalent to the free rent between the rent unit price under existing agreements and the rent unit price when calculating profit and loss (PL rent unit price). The deviation will be closed at the time of renewal of the agreement for the tenant. This table shows the range of deviation and the schedule for closing as PL rent unit price.
- This table also suggests that an autonomous improvement in distributions can be expected in the future because the rent unit price for the calculation of distributions will also rise together with this recovery in the rent unit price.



# II-10 Internal Growth : Status of Residential Operations (1)

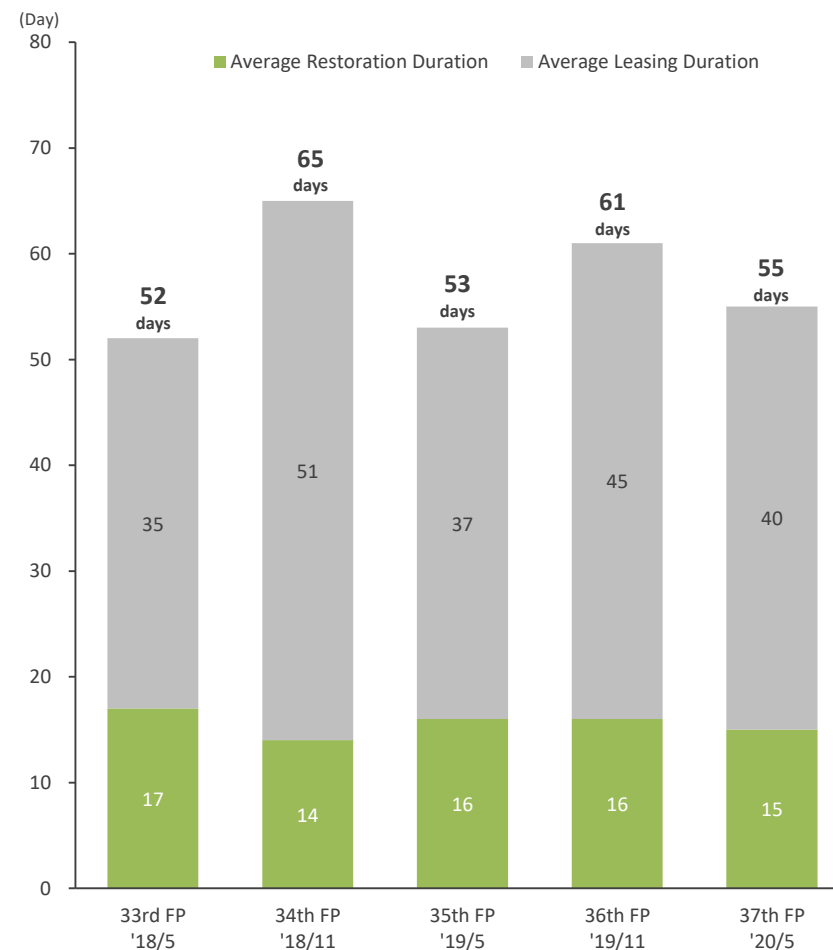
- ▶ The occupancy rate at the end of March was **97.94%, a record high**.
- ▶ Delays in corporate demand occurred in April and May under the adverse effects of the state of emergency, causing the operation of properties with high corporate contract rates to decline. Their operation is expected to return to ordinary levels in the period through March 2021, based on signs of recovery observed at the end of June.

## Monthly Occupancy Rates and Trends of Tenants Turnover



(note) Figures stated in brackets are occupancy rates for properties, excluding HF SENDAI HONCHO RESIDENCE.

## Vacancy duration



(Note) Average restoration duration is measured from the day of lease termination to the day of restoration work completion.



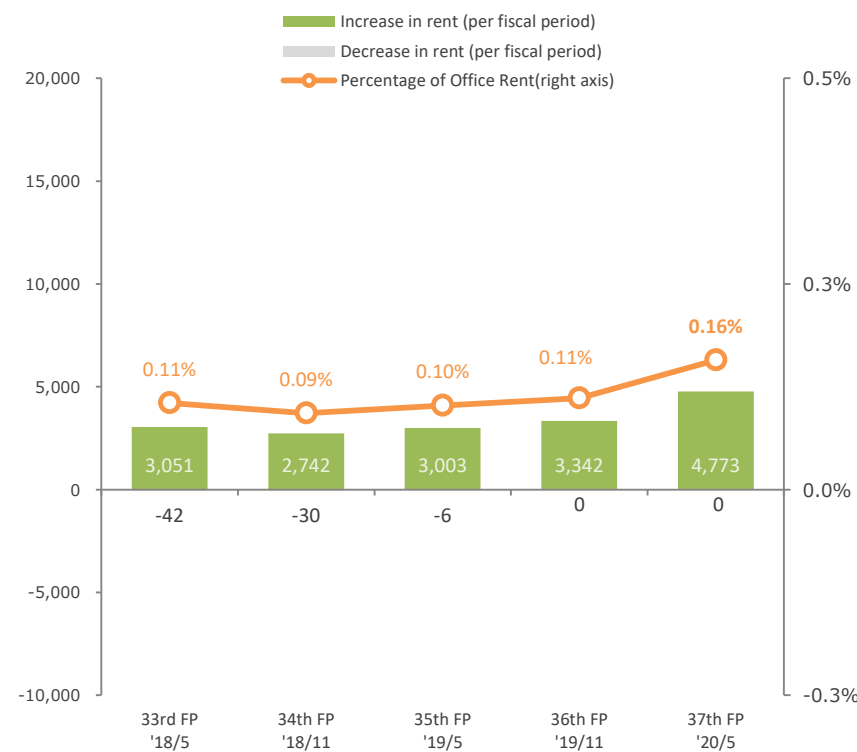
## II-11 Internal Growth : Status of Residential Operations (2)

- ▶ The rate of rent revision at the time of new contract conclusion was **+4.38%** and the rate of rent revision at the time of contract renewal was **+0.74%**. Both figures improved from the previous fiscal period. Total residential rents increased **0.62%**, **achieving a record high**.
- ▶ Both the number of units with revised rents and revision rates reached record-high levels. **No effect of COVID-19 is visible**.
- ▶ The average rent gap at the end of the 37th fiscal period was **-4.03%**, totaling **+123 million yen per period (+121 yen per property unit)**. For that reason, revenue growth from rent revisions is expected in the future.

### Rent Trends at Units replacements (excluding non-residential properties)



### Rent Trends at Units renewals (excluding non-residential properties)



| # of units                     | 649     | 487     | 624     | 531      | 534                                     |
|--------------------------------|---------|---------|---------|----------|---|
| Units with increased rent      | 408     | 304     | 402     | 354      | 398                                     |
| % of units with increased rent | 62.9%   | 62.4%   | 64.4%   | 66.7%    | <b>74.5%</b> <small>Best Record</small> |
| Total Change rate              | 1.66%   | 1.81%   | 2.02%   | 3.54%    | <b>4.38%</b> <small>Best Record</small> |
| Increase revision rate         | 3.94%   | 4.39%   | 4.40%   | 6.35%    | 6.30%                                   |
| Decrease revision rate         | 4.31%   | 5.41%   | 5.21%   | 5.58%    | 4.39%                                   |
| Impact on DPU                  | +6.4yen | +5.3yen | +7.4yen | +11.8yen | +14.0yen                                |

| # of units                     | 1,044   | 669     | 894     | 731     | 1,003                                   |
|--------------------------------|---------|---------|---------|---------|---|
| Units with increased rent      | 136     | 113     | 127     | 152     | <b>222</b> <small>Best Record</small>   |
| % of units with increased rent | 13.0%   | 16.9%   | 14.2%   | 20.8%   | <b>22.1%</b> <small>Best Record</small> |
| Total Change rate              | 0.46%   | 0.65%   | 0.54%   | 0.71%   | <b>0.74%</b> <small>Best Record</small> |
| Increase revision rate         | 3.26%   | 3.52%   | 3.17%   | 2.93%   | 2.82%                                   |
| Decrease revision rate         | 1.83%   | 3.38%   | 1.18%   | -       | -                                       |
| Impact on DPU                  | +3.0yen | +2.7yen | +3.0yen | +3.3yen | +4.7yen                                 |



## II-12 Internal Growth : Status of Residential Operations (3)

- ▶ Rents for the residence portfolio (the contract rent index) rose more than in the previous fiscal period, reflecting upward rent revisions both for new contract rents and renewed contract rents.
- ▶ The number of tenant units from which key money were acquired was 333, which was a **record high**, and revenue from one-time fees also remained in an expansionary trend.

### Change in Residence Average Rents and Rent Index



### Trends in Key money, Renewal Fees and Credit loss rate

|  | 33 <sup>rd</sup> FP '18/5 | 34 <sup>th</sup> FP '18/11 | 35 <sup>th</sup> FP '19/5 | 36 <sup>th</sup> FP '19/11 | 37 <sup>th</sup> FP '20/5 |
|--|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| No. of tenant for which key money received (Receiving ratios)        | 288<br>(44.4%)            | 209<br>(42.9%)             | 310<br>(49.7%)            | 257<br>(48.4%)             | 333<br>(62.4%)            |
| Key Money (Number of months)   | 1.05                      | 1.02                       | 1.05                      | 1.02                       | 1.02                      |
| No. of tenant for which rental contract was renewed (Renewal ratios) | 1,044<br>(82.0%)          | 669<br>(76.7%)             | 894<br>(79.3%)            | 731<br>(79.2%)             | 1,003<br>(81.5%)          |
| Renewal fees (Number of months)                                      | 0.84                      | 0.84                       | 0.84                      | 0.87                       | 0.84                      |
| Credit loss rate   | 0.026%                    | 0.004%                     | 0.011%                    | 0.052%                     | 0.004%                    |

(Note) The credit loss ratio is calculated by dividing the amount of credit losses in residence by the rental business income in residences.  
There is no credit loss in offices.

(Note) Excluding shops and office areas.

### Average Occupancy Rates by Investment Area

|                         | No. of properties at the end of 37 <sup>th</sup> FP / Ratio of Total floor space | 33 <sup>rd</sup> FP '18/5 | 34 <sup>th</sup> FP '18/11 | 35 <sup>th</sup> FP '19/5 | 36 <sup>th</sup> FP '19/11 | 37 <sup>th</sup> FP '20/5 |
|-------------------------|--|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| Sapporo                 | 1 3.4%   | 97.06%                    | 93.46%                     | 94.54%                    | 96.60%                     | 97.02%                    |
| Sendai                  | 9 13.0%  | 94.93%                    | 94.63%                     | 96.07%                    | 96.14%                     | 90.83%                    |
| Tokyo Central 5 Wards   | 21 25.2%   | 97.80%                    | 97.21%                     | 97.56%                    | 96.83%                     | 97.16%                    |
| Tokyo 23 Wards          | 25 29.2%   | 98.24%                    | 98.05%                     | 97.51%                    | 97.24%                     | 97.75%                    |
| Tokyo Metropolitan Area | 6 8.2%   | 94.51%                    | 97.94%                     | 97.66%                    | 96.92%                     | 97.40%                    |
| Nagoya                  | 3 5.4%   | 95.64%                    | 95.29%                     | 95.82%                    | 94.55%                     | 96.29%                    |
| Kyoto                   | 3 4.0%   | 97.56%                    | 98.36%                     | 98.71%                    | 99.05%                     | 98.34%                    |
| Osaka                   | 4 5.3%   | 95.72%                    | 96.38%                     | 96.89%                    | 96.11%                     | 96.74%                    |
| Fukuoka                 | 3 6.3%   | 98.19%                    | 97.34%                     | 97.58%                    | 96.63%                     | 98.08%                    |

### Occupancy Rates by Room Type (at the end of period)

| Room Type (Floor space)                                      | Ownership Ratio at the end of 37 <sup>th</sup> FP | 33 <sup>rd</sup> FP Occupancy Rate | 34 <sup>th</sup> FP Occupancy Rate | 35 <sup>th</sup> FP Occupancy Rate | 36 <sup>th</sup> FP Occupancy Rate | 37 <sup>th</sup> FP Occupancy Rate |
|--|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Single Type (Under 40m <sup>2</sup> )                        | 83.21%  | 96.36%                             | 96.54%                             | 96.61%                             | 96.53%                             | 94.21%                             |
| Compact Type (Between 40m <sup>2</sup> to 60m <sup>2</sup> ) | 13.13%  | 98.10%                             | 98.46%                             | 97.59%                             | 98.77%                             | 95.62%                             |
| Family Type (Above 60m <sup>2</sup> )                        | 3.66%   | 99.39%                             | 100%                               | 95.98%                             | 96.81%                             | 96.74%                             |
| <b>Total</b>   | <b>100%</b>                                       | <b>97.01%</b>                      | <b>97.27%</b>                      | <b>96.76%</b>                      | <b>97.02%</b>                      | <b>94.72%</b>                      |

(Note) Ownership ratio is calculated based on the number of rentable units

(Note) Excluding shops and office areas.

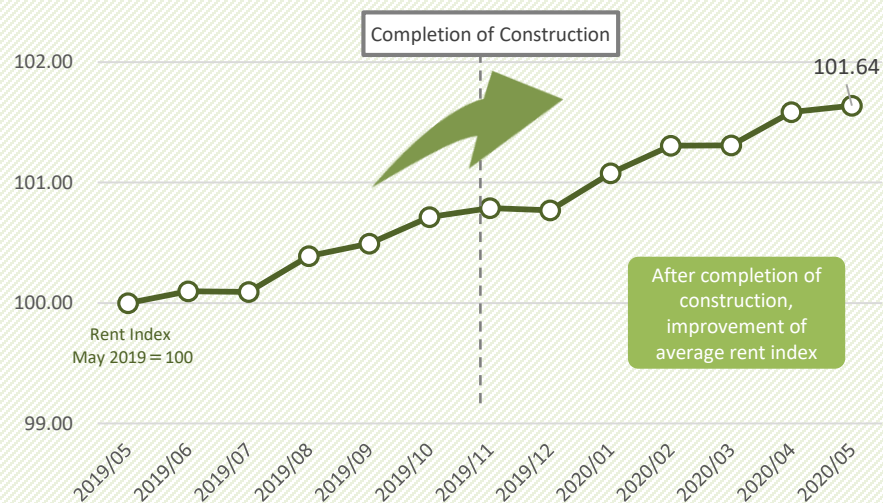


- ▶ Renovation Works: To strengthen the market competitiveness and to improve the asset value of properties
- ▶ Facilitated efforts such as the installation of LED lighting, conversion to highly efficient air-conditioning equipment and the repair of bathrooms and other water fixtures to reduce the environmental loads.

## HF GINZA RESIDENCE EAST (Renovation of outward walls and common areas)



After

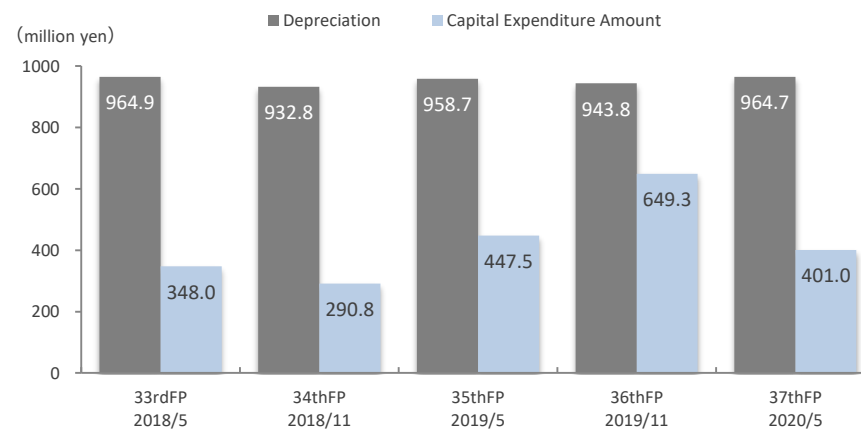


## HF KOMAZAWA-KOEN RESIDENCE (Renovation of outward walls and common areas)



After

## History of Capital Expenditure





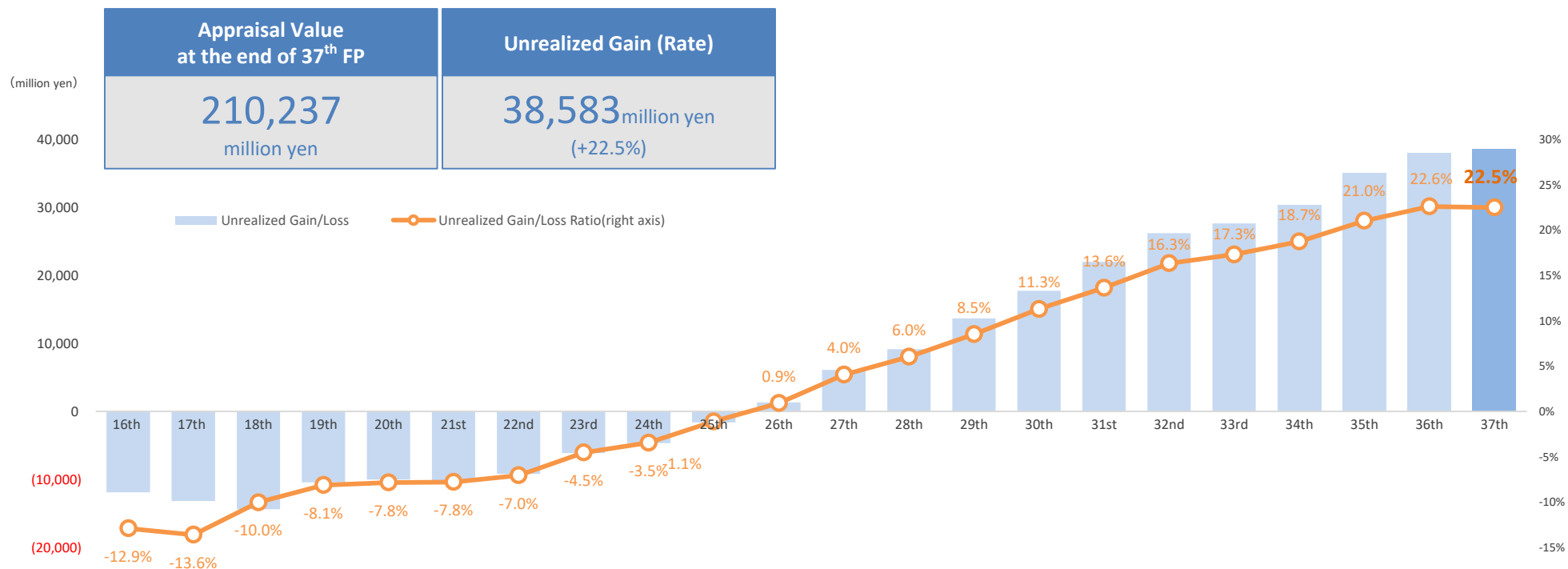
# II-14 Historical Unrealized Gain/Loss

**Unrealized gain grew** with earning power improvement. The rate of unrealized gain was 22.5% due to **the overlapping acquisition of new properties**. The rate of unrealized gain from existing properties improved to **23.9%**.

**Portfolio replacement:** Unrealized gain on transferred property decreased due to the portfolio replacement, unrealized gain from newly acquired properties contributed to the expansion of unrealized gain.

**Improved earning power:** No cap rate decline was observed. The earning power of properties increased with upward rent revisions contributed to the appraisal amount improvement.

**Effects of COVID-19:** The appraisal amount dropped for one property with a high rate of commercial tenants. However, the effects of the decline were minor because the ratio of this property to all properties in the portfolio was low.



(unit: million yen)

|                           | 16 <sup>th</sup> FP<br>'09/11 | 17 <sup>th</sup> FP<br>'10/5 | 18 <sup>th</sup> FP<br>'10/11 | 19 <sup>th</sup> FP<br>'11/5 | 20 <sup>th</sup> FP<br>'11/11 | 21 <sup>st</sup> FP<br>'12/5 | 22 <sup>nd</sup> FP<br>'12/11 | 23 <sup>rd</sup> FP<br>'13/5 | 24 <sup>th</sup> FP<br>'13/11 | 25 <sup>th</sup> FP<br>'14/5 | 26 <sup>th</sup> FP<br>'14/11 | 27 <sup>th</sup> FP<br>'15/5 | 28 <sup>th</sup> FP<br>'15/11 | 29 <sup>th</sup> FP<br>'16/5 | 30 <sup>th</sup> FP<br>'16/11 | 31 <sup>st</sup> FP<br>'17/5 | 32 <sup>nd</sup> FP<br>'17/11 | 33 <sup>rd</sup> FP<br>'18/5 | 34 <sup>th</sup> FP<br>'18/11 | 35 <sup>th</sup> FP<br>'19/5 | 36 <sup>th</sup> FP<br>'19/11 | 37 <sup>th</sup> FP<br>'20/5 |
|---------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
| Book Value                | 92,304                        | 96,933                       | 143,311                       | 128,223                      | 127,834                       | 130,369                      | 129,916                       | 135,608                      | 135,157                       | 144,197                      | 143,868                       | 150,804                      | 152,014                       | 160,332                      | 157,211                       | 161,305                      | 160,415                       | 159,787                      | 161,853                       | 166,465                      | 167,747                       | 171,654                      |
| Appraisal Value           | 80,409                        | 83,752                       | 128,955                       | 117,813                      | 117,822                       | 120,228                      | 120,759                       | 129,469                      | 130,493                       | 142,602                      | 145,176                       | 156,910                      | 161,179                       | 173,983                      | 174,957                       | 183,290                      | 186,609                       | 187,424                      | 192,157                       | 201,446                      | 205,638                       | 210,237                      |
| Unrealized Gain/Loss      | -11,895                       | -13,181                      | -14,356                       | -10,410                      | -10,012                       | -10,142                      | -9,158                        | -6,139                       | -4,665                        | -1,596                       | 1,308                         | 6,106                        | 9,164                         | 13,650                       | 17,680                        | 21,984                       | 26,194                        | 27,636                       | 30,303                        | 34,981                       | 37,891                        | 38,583                       |
| Unrealized Gain/Loss Rate | -12.9%                        | -13.6%                       | -10.0%                        | -8.1%                        | -7.8%                         | -7.8%                        | -7.0%                         | -4.5%                        | -3.5%                         | -1.1%                        | 0.9%                          | 4.0%                         | 6.0%                          | 8.5%                         | 11.3%                         | 16.3%                        | 17.3%                         | 18.7%                        | 18.7%                         | 21.0%                        | 22.6%                         | 22.5%                        |
| Appraisal NCF*            | 4,227                         | 4,453                        | 7,077                         | 6,481                        | 6,395                         | 6,509                        | 6,481                         | 6,813                        | 6,755                         | 7,278                        | 7,270                         | 7,657                        | 7,669                         | 8,119                        | 7,951                         | 8,279                        | 8,231                         | 8,513                        | 8,299                         | 8,605                        | 8,690                         | 8,896                        |
| Cap Rate*                 | 5.12%                         | 5.17%                        | 5.34%                         | 5.36%                        | 5.31%                         | 5.29%                        | 5.24%                         | 5.14%                        | 5.07%                         | 5.01%                        | 4.91%                         | 4.79%                        | 4.67%                         | 4.58%                        | 4.52%                         | 4.43%                        | 4.35%                         | 4.27%                        | 4.27%                         | 4.20%                        | 4.15%                         | 4.16%                        |

\*Based on NCF and Cap Rate used to calculate value by the direct capitalization method; NCF used in the table is not the same as actual NCF.



- ▶ **Resona Bank** joined lenders with a credit commitment line, bringing total loan commitments to **7,000 million yen** (up 1,000 million yen from the previous fiscal period). The expansion of liquidity on hand is attempted to prepare for unforeseen circumstances feared to arise due to the COVID-19 pandemic.
- ▶ Financing costs in the fiscal period under review were **0.529%** (average term of 5.38 years), which is much lower than cost of existing financing.

## Summary of Interest-bearing Liabilities(end of 37<sup>th</sup> FP)

| Average Interest Rate     | Long-term Loan Ratio  | LTV <sup>(note1)</sup>             | Appraisal-based LTV <sup>(note2)</sup> |
|---------------------------|-----------------------|------------------------------------|--|
| 0.805%                    | 100%                  | 44.9%                              | 40.2%                                  |
| Fixed interest Rate Ratio | Average Loan Term     | Average Remaining Term to Maturity | Issuer Rating <sup>(note3)</sup>       |
| 95.0%                     | 6.94 <sub>years</sub> | 3.91 <sub>years</sub>              | A+(stable)                             |

(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

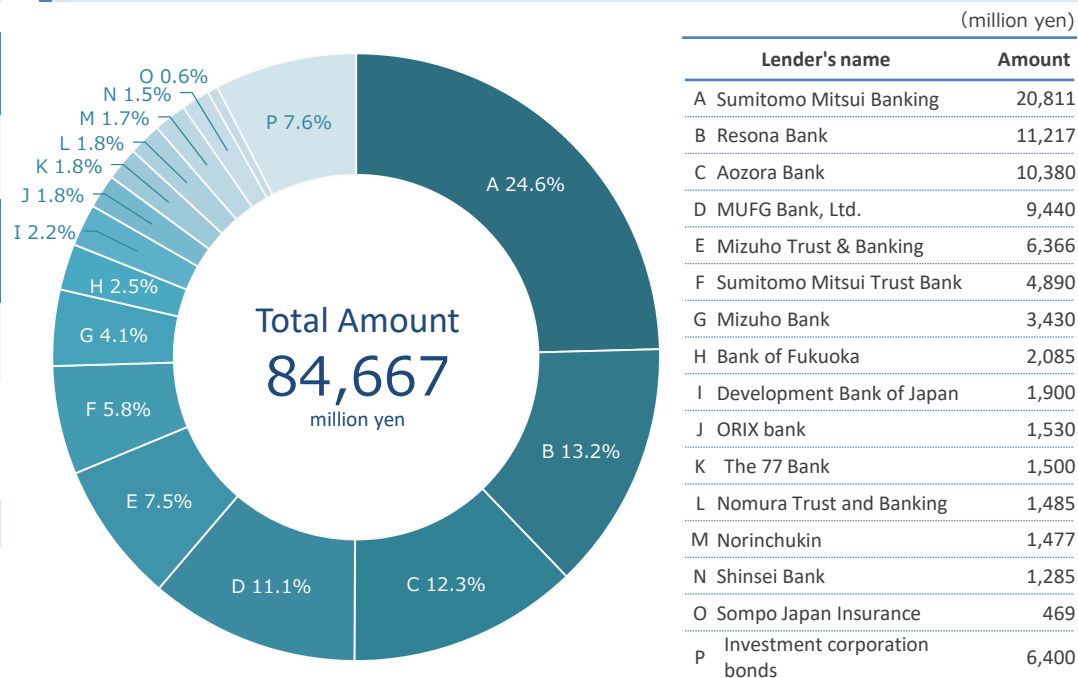
(Note 2) Appraisal-based LTV = Interest-bearing liabilities as of FP End / Appraised Value as of FP End

(Note 3) Issuer rating by Japan Credit Rating Agency, Ltd.

## Financing status of 37<sup>th</sup> FP

| Term Loan                 | Loan Amount (million yen) | Interest Rate       | Borrowing Date | Maturity Date | Term (year) |
|---------------------------|---------------------------|---------------------|----------------|---------------|-------------|
| 45                        | 1,100                     | 1M Tibor+0.200%     | 2020/3/19      | 2021/5/31     | 1.2         |
| 46A                       | 1,000                     | 3M Tibor+0.285%     | 2020/3/31      | 2022/10/31    | 2.6         |
| 46B                       | 1,000                     | 3M Tibor+0.415%     | 2020/3/31      | 2024/10/31    | 4.6         |
| 46C                       | 3,520                     | 3M Tibor+0.600%     | 2020/3/31      | 2027/5/31     | 7.2         |
| 47                        | 1,100                     | 3M Tibor+0.500%     | 2020/4/24      | 2027/5/31     | 7.1         |
| <b>Total/<br/>Average</b> | <b>7,720</b>              | <b>Tibor+0.464%</b> | -              | -             | <b>5.4</b>  |

## Lender Formation and Borrowing Amounts



## Credit Commitment Lines

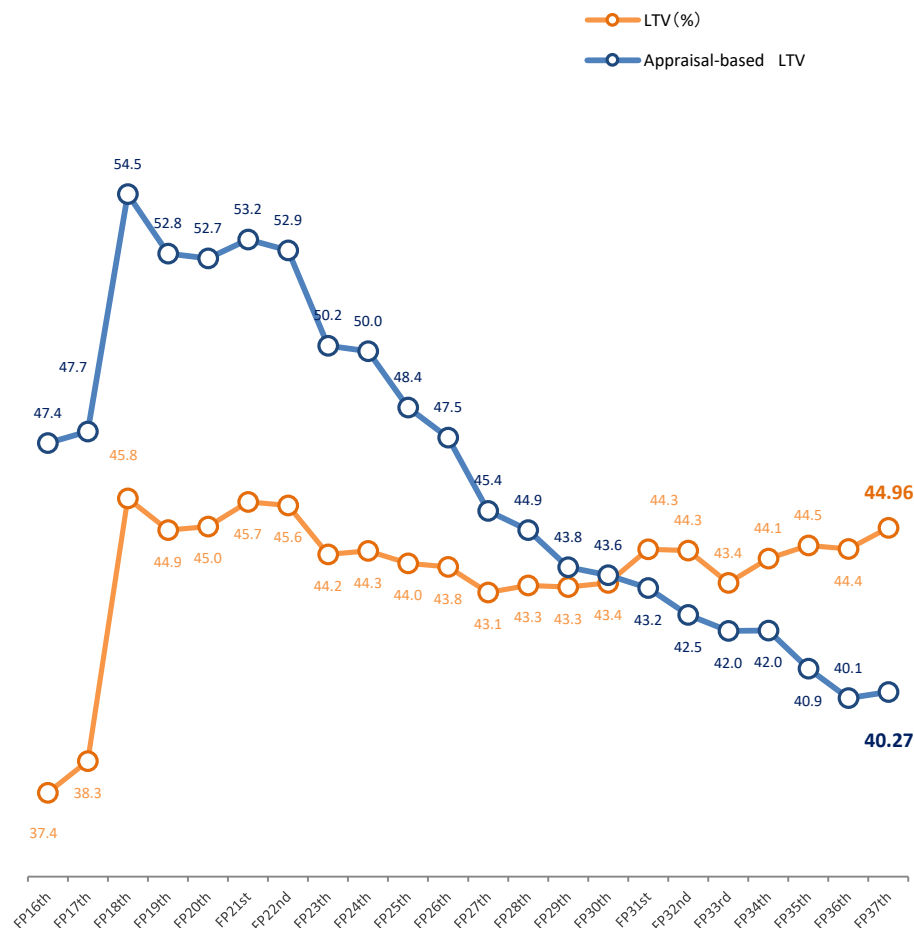
| Bank   | Loan Commitment   | Commitment Period                      | Remarks                    |
|--|-------------------|--|----------------------------|
| Sumitomo Mitsui Banking<br>MUFG Bank, Ltd.<br>Mizuho Bank<br>Resona Bank | 7,000 million yen | From: June 1, 2020<br>To: May 31, 2021 | Unsecured,<br>Unguaranteed |

(note) The lender name is described by omitting a part of the official name of each company.

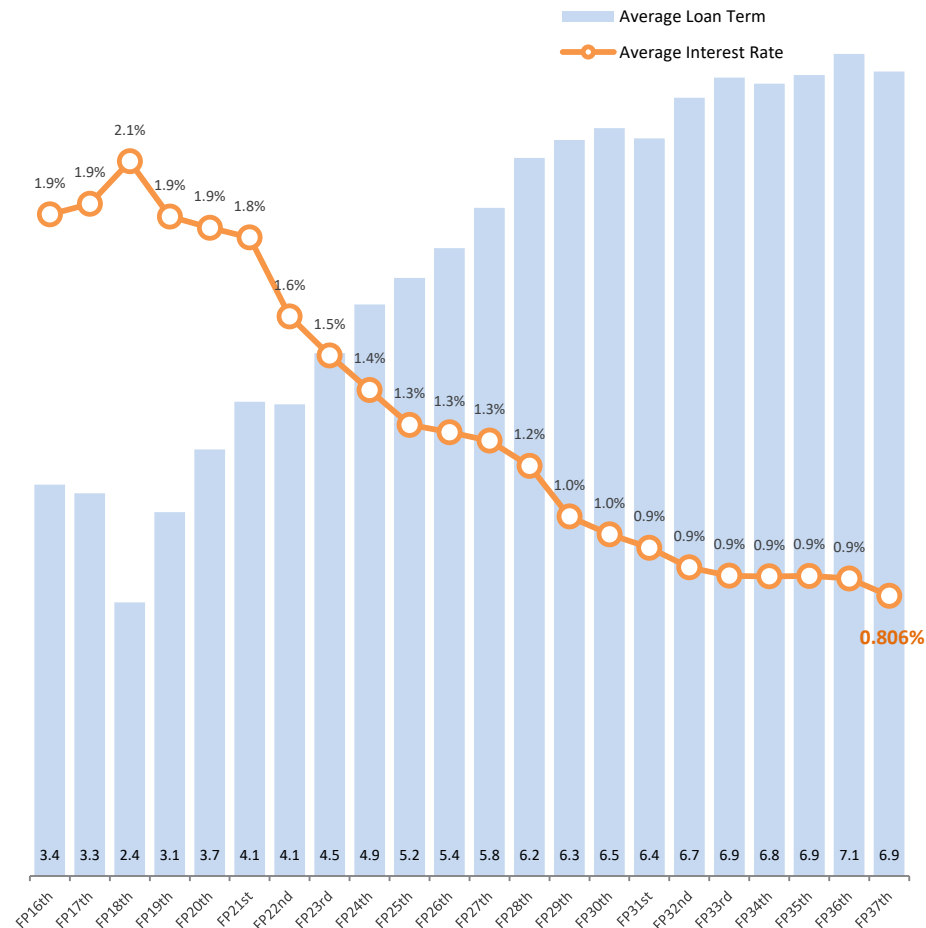


- ▶ Finance costs were **0.806%**, the **lowest ever**, falling from 0.855% recorded at the end of the previous fiscal period. The interest rate reduction will make greater contributions in the next fiscal period than in the current fiscal period because revisions were made at the end of March.
- ▶ Appraisal LTV rose slightly due to new borrowings for property acquisition. However, appraisal LTV remained low at **40.3%**. Borrowing capacity was **18,000 million yen** (LTV = 45%).

Change in Loan to Value(LTV) and Appraisal-based LTV



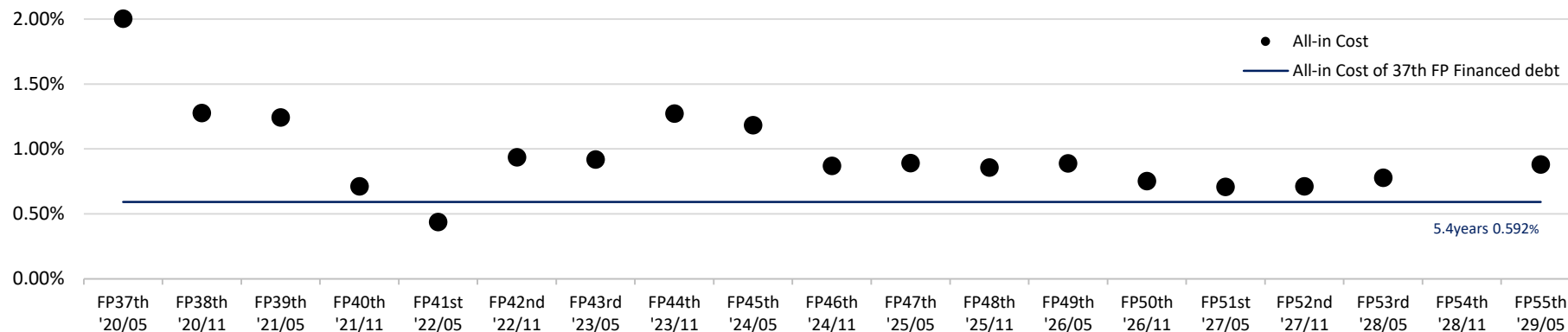
Change in Average Loan Maturity and Average Interest Rate



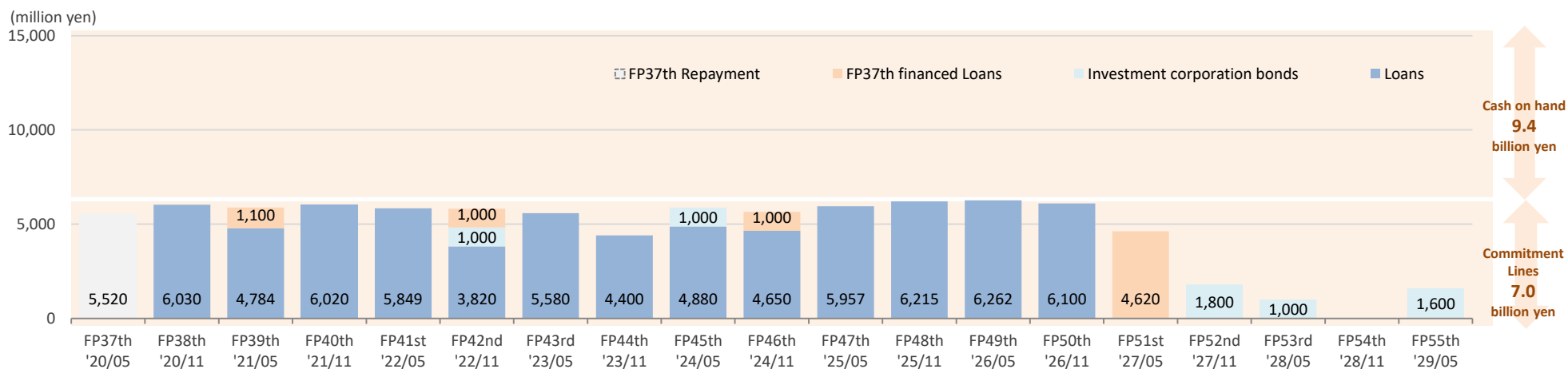


- Loans with the highest interest rates in the Investment Corporation's loan portfolio will gradually reach maturity from March 2020 (37th FP) to May 2021 (39th FP). **The average all-in interest rate** for loans totaling 17,400 million yen is **1.50%**. Further interest rate expense reduction is anticipated with refinancing in a favorable financial environment.
- An extremely stable loan repayment schedule is set (with the average repayment of 5,410 million yen per fiscal period). The Investment Corporation prepares for unforeseen circumstances with sufficient credit commitment lines and cash on hand (**total 16,400 million yen**).

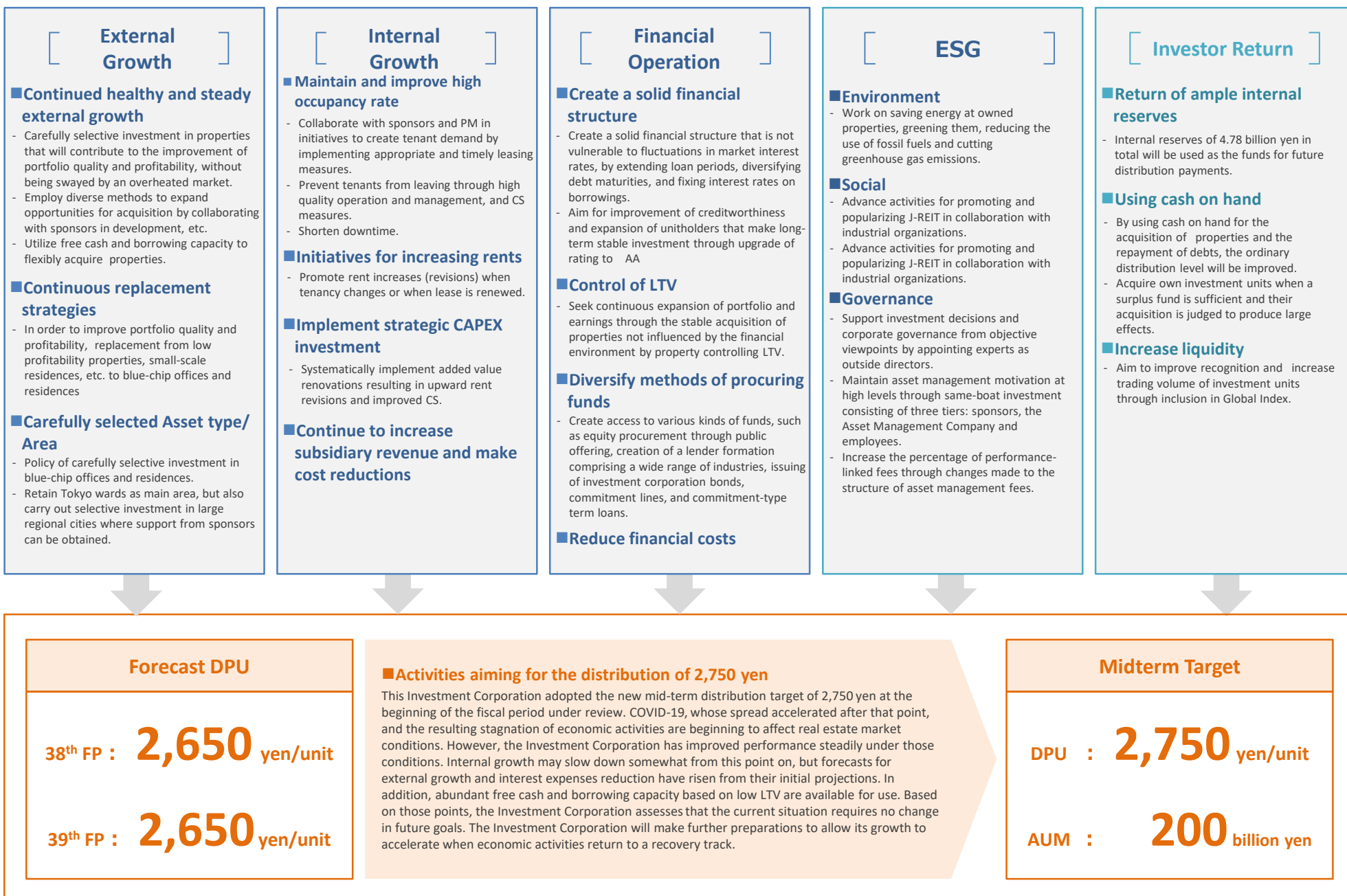
## Most recent finance costs and loans that reached maturity dates (all-in interest rates)



## Loan maturity diversification, cash on hand and credit commitment lines





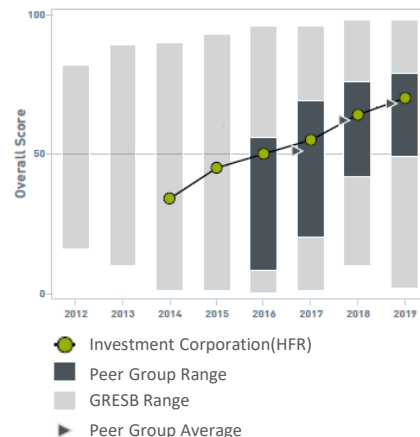




## Participate in GRESB Assessment

## Sustainability

GRESB (Global Real Estate Sustainability Benchmark) is a benchmark that measures the sustainability of real estate companies and funds from the perspective of environmental, social and governance (ESG) criteria. The Investment Corporation's score improves every year, we received for the third consecutive year "Green Star", which is awarded to participants who are highly rated for their actions to address environmental consideration and sustainability in terms of both "Management & Policy" and "Implementation & Measurement" in the GRESB Real Estate Assessment in 2019.



## Publication in the Nihon Keizai Shimbun

## Sustainability

The morning edition of the Nihon Keizai Shimbun (September 24, 2019) included a feature on ESG. A great deal of space was given to the initiatives of the Investment Corporation and the Asset Management Company.



## Measures for coping with COVID-19

## Social/COVID-19

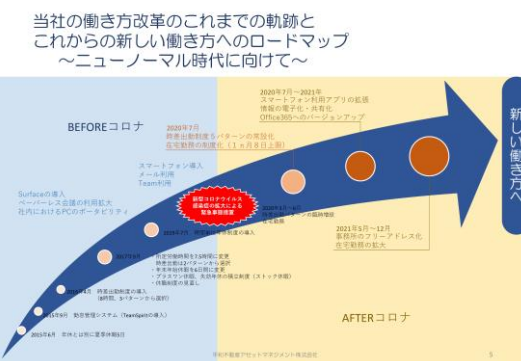


A notice titled "How to prevent COVID-19" was put up in the elevator halls of respective residential properties. It alerted occupants of information including contact points for inquiries when infection is suspected.

Disinfection operations were incorporated into the cleaning of common spaces in office/residence properties. Alcohol-based hand sanitizers are installed at the office entrance of those properties.

## Measures for coping with COVID-19

## Social/COVID-19



Workstyle reforms were implemented in response to the spread of COVID-19 and the state of emergency declaration. Working from home, staggered commuting hours and shorter working hours were introduced. The Investment Corporation adopted a remote working system, and advanced thoroughgoing initiatives for avoiding movement, commuting and external operations in time zones when the risk of infection is high. The Investment Corporation will proceed with a switchover to new workstyles in line with the transition from working with COVID-19 and after the pandemic.



## Eco-friendly initiatives: Glassine

## Environment

This Investment Corporation has been sending distribution payment statements and the asset management report to investors after the settlement of accounts for each fiscal period. Glassine is used for the window section of an envelope used for mailing those documents. It is a semitransparent paper material. Unlike conventional plastic envelope windows, the glassine window does not require separate processing. The envelope using glassine is eco-friendly and can be entirely recycled.



## Eco-friendly initiatives: Reduction of fossil fuel use

## Environment

Efforts are being made to reduce the volume of fossil fuel used. A switchover to LED lamps is in progress for curbing the use of electricity in rooms for rent, common space at office properties and common space at residential properties. The switchover was completed at 89 of 107 properties owned at present. Equipment that consumes less energy will be introduced during air-conditioner replacement.



HF HAKUSAN RESIDENCE

## Environmental Certificates

## Environment

|                | DBJ Green Building Certification  |  |   |   |   | CASBEE              |                        |                           |                                |                     | BELS  |  |
|----------------|---|--|---|---|---|---------------------|------------------------|---------------------------|--------------------------------|---------------------|---|--|
| Property Name  | HF SAKURADORI BUILDING  | HF KOMAZAWA-KOEN RESIDENCE TOWER                               | HF SHIROKANE TAKANAWA RESIDENCE                           | KAYABACHO HEIWA BUILDING  | HF SENDAI HONCHO BUILDING   | ARK Mori Building   | HF SAKURADORI BUILDING | HF SENDAI HONCHO BUILDING | HF NIHONBASHI HAMACHO BUILDING | HF UENO BUILDING    | KOBE KYUKYORYUCHI HEIWA BUILDING                      | HF TABATA RESIDENCE                                  |
| Location       | Nagoya- city Aichi  | Setagaya-ku Tokyo  | Minato-ku Tokyo   | Chuo-ku Tokyo   | Sendai-City Miyagi  | Minato-ku Tokyo     | Nagoya- city Aichi     | Sendai-City Miyagi        | Chuo-ku Tokyo                  | Taito-ku Tokyo      | Kobe City Hyogo                                       | Kita-ku Tokyo  |
| Property Photo |   |  |   |   |   |                     |                        |                           |                                |                     |   |  |
| Certifications | <br>Properties with exceptionally high environmental & social awareness | <br>Properties with excellent environmental & social awareness | <br>Properties with high environmental & social awareness | <br>Properties with satisfactory environmental & social awareness | <br>Properties with satisfactory environmental & social awareness | <br>S rank<br>★★★★★ | <br>S rank<br>★★★★★    | <br>S rank<br>★★★★★       | <br>A rank<br>★★★★★            | <br>A rank<br>★★★★★ | <br>この建物のエネルギー消費量は14年連続<br>2020年5月14日付 国土交通省発表に基づく表示値 | <br>この建物のエネルギー消費量は4年連続<br>2020年5月17日付 国土交通省発表に基づく表示値 |



Community Involvement Social

■ Participation in the Sanno Festival

In cooperation and coordination with the local neighborhood association, our sponsor company, Heiwa Real Estate Co., Ltd., and other companies located in the neighboring area, the executives and employees of the Asset Management Company endeavor to contribute to, and revitalize the local community by participating in the carrying of miniature shrines in the Sanno Festival.



■ Cleaning around Kabuto-cho district



As a member of the local community, the executives and employees of the Asset Management Company engage in cleaning activities in the Kabuto-cho district, home to our sponsor company, Heiwa Real Estate Co., Ltd. We will cooperate with the local neighborhood association and other companies in the area to contribute to the local community.

Activities to promote and popularize REIT Social

■ Participation in JITA J-REIT Seminars



The Investment Corporation is actively participating in various seminars to raise awareness of REIT as an investment product in cooperation with the Investment Trusts Association, Japan. Staff members from the Investment Corporation visited various places nationwide, including Kumamoto in January 2018, Fukui in September 2018, Tokyo in February 2019 and Nagasaki in August 2019. The photo on the left shows an article about an investment trust forum held in Nagasaki on August 24, 2019, which appeared in the Nagasaki Shimbun, a local newspaper.

Framework for employee motivation Social

■ Health Support



Asset Management Company develops working environments that will enable its employees to work with security and peace of mind in the long term. Asset Management Company has been recognized as a 2020 Certified Health and Productivity Management Outstanding Organization under the Certified Health & Productivity Management Organization Recognition Program, under which the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi recognize outstanding organizations engaged in health management initiatives. This is the second consecutive certification since FY2019. Moving forward, we will continue working to promote health management as we pursue further operational achievements.

■ Development of human resources and support for qualification acquisition

With the goal of providing customers with high quality services and implementing operations in a fair and integrated manner, the Asset Management Company has been working to raise employees' awareness of compliance by implementing compliance-oriented training periodically. In addition, the Company includes compliance-related items in its remuneration program as one of its personnel evaluation points. To increase employees' expertise, the Company also supports their efforts to participate in external training programs and acquire a range of qualifications related to their operations.

Promotion of diversity Social Governance

■ Diversity

Directors of the Investment Corporation and outside committee members and officers of the Asset Management Company are not appointed from Group companies and investment decisions are made from an objective standpoint. Diversity in terms of gender, ethnicity, career history, academic background and qualifications is promoted among officers and employees, and efforts are made to incorporate expertise from all walks of life into asset management and to translate multi-faceted perspectives into corporate competitiveness.

| Investment Corporation                                  |    |
|---|----|
| Lawyer  | 2  |
| Certified public accountant                             | 1  |
| Asset Management Company                                |    |
| Real estate notary                                      | 23 |
| ARES Certified Master                                   | 18 |
| Certified Building Administrator                        | 15 |
| CMA   | 4  |
| Certified real estate consulting master                 | 3  |
| Class-1 Architect                                       | 2  |
| Tax accountant  | 1  |
| Real estate appraiser (incl. external committee member) | 2  |
| Lawyer (incl. external committee member)                | 1  |

(incl. duplication)

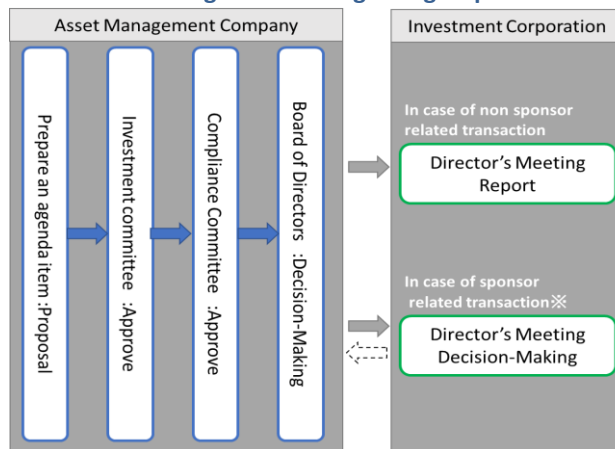


## Corporate Governance

## Governance

The organization of this investment corporation consists of one executive officer with no conflicted interest in Investment Corporation and Asset Management company, two auditors, a board of officers comprising all the executive officers and auditors and the accounting auditor in addition to the general meeting of investors comprising the investors.

### Process for making decisions regarding acquisition or sale of assets



\*For certain transactions with interested parties as set forth in the regulations of the Investment Corporation, it is necessary for the board of directors to make a resolution followed by a discussion and a final decision by the director's meeting of the Investment Corporation. However, in the case of transactions with interested parties that are larger than a certain scale, it is necessary to obtain the prior agreement of the director's meeting of the Investment Corporation before a resolution is passed by the board of directors.

## Three-tiered same-boat investment

## Governance

### Same-boat investment by the Sponsor

The Sponsor Heiwa Real Estate holds 135,845 units (13.4%) of the Investment Corporation's investment units. The Investment Corporation has one of the highest same-boat investment ratios in the REIT industry and the Sponsor responsibly supports the Investment Corporation's operations

### Same-boat investment by the Asset Management Company

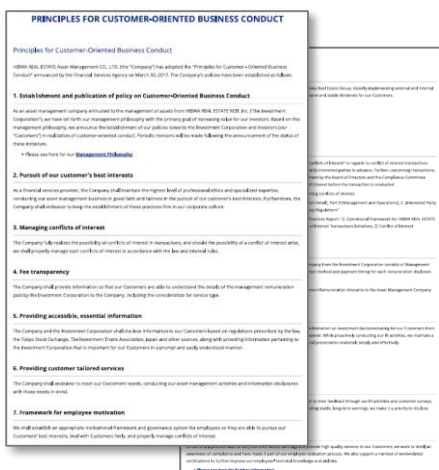
Heiwa Real Estate Asset Management holds 3,334 units (0.33%) of the Investment Corporation's investment units and is committed to operation of the Investment Corporation from the same perspective as unitholders.

### Same-boat investment by employees

A system for the purchase of investment units through a cumulative investment system has been introduced for employees of the Asset Management Company. This means that an employee of the Asset Management Company is also a unitholder and will manage assets under management from the same perspective as a unitholder because the interests of unitholders are the same as the interests of individual employees.

## Principles For Customer-Oriented Business Conduct

## Governance



HEIWA REAL ESTATE Asset Management CO., LTD. adopted "the Principles for Customer-Oriented Business Conduct" announced on March 30, 2017 by the Financial Services Agency. Positioning the Investment Corporation and its unitholders as customers, the Company prepared and announced the policy for implementing customer-oriented operations in its asset management. It has been disclosing the implementation of the policy as necessary.

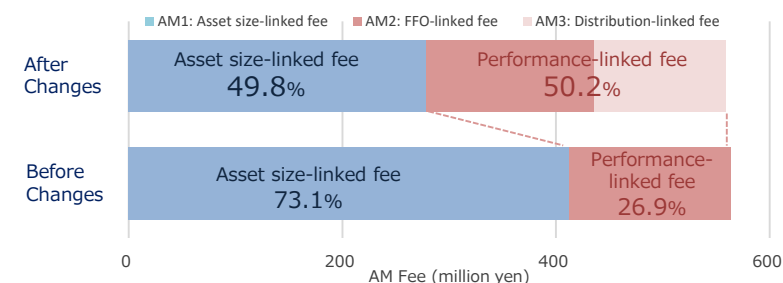
For details, please refer to the following URL.  
<https://www.heiwa-am.co.jp/en/policy/>

## Change in AM fee structure

## Governance

At the General Meeting of Unitholders held in August 2019, changes to the asset management fee structure were approved.

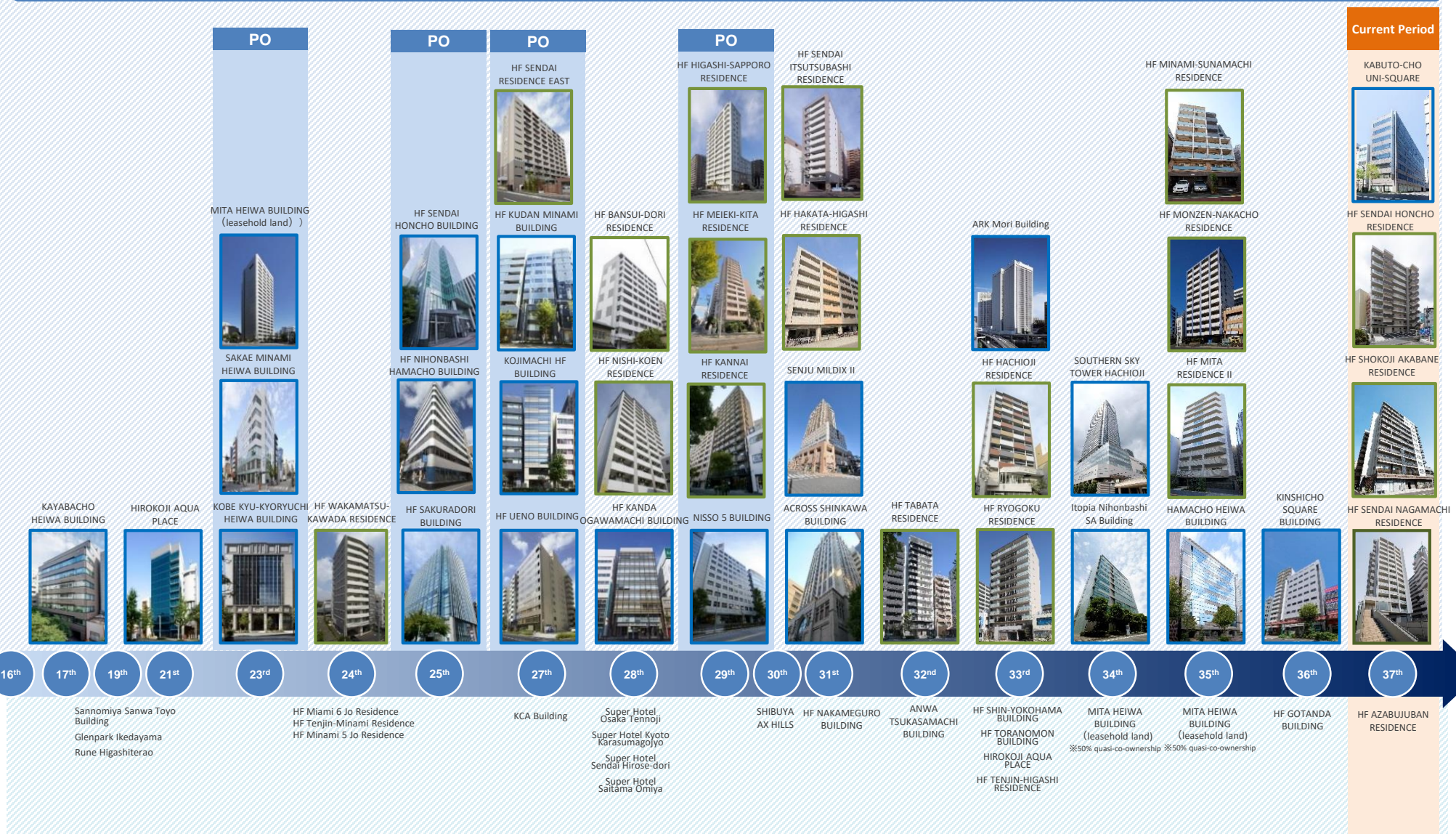
The percentage of the AUM-linked fee has been lowered and the percentage of fees linked to performance has been significantly increased, with the establishment of a distribution-linked fee. The aim of these changes is to further align the interests of the Asset Management Company with those of Unitholders.



\* Calculation of these fees is based on estimates at the time the General Meeting of Unitholders was held and is not based on actual amount.



## Acquisition



## Disposition

(Note) Excluding the properties that succeeded by the merger with Japan Shingle-Residence REIT Inc. on October 2,2010



## Direct Acquisition from Third parties

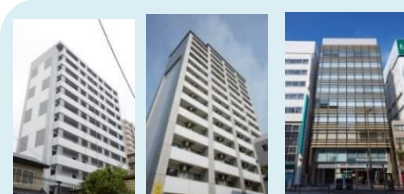
**11** Properties **18,263** million yen



HF WAKAMATSU KAWADA RESIDENCE HF HAKATA-HIGASHI RESIDENCE HF SENDAI ITSUTSUBASHI RESIDENCE ARK Mori Building



HF SENDAI NAGAMACHI RESIDENCE HF SENDAI HONCHO RESIDENCE KABUTO-CHO UNI-SQUARE KINSHICHO SQUARE BUILDING



HF BANSUIDORI RESIDENCE HF NISHIKOEN RESIDENCE HF KANDA OGAWAMACHI BUILDING

## Bridge Fund

**2** properties  
**4,750** million yen



HF UENO BUILDING KOJIMACHI HF BUILDING

## Sponsor's support

Direct acquisitions from sponsor **12** properties **22,863** million yen



KAYABACHO HEIWA BUILDING KOBE KYUKYORYUCHI BUILDING SAKAE MINAMI BUILDING HF TABATA RESIDENCE HF RYOGOKU RESIDENCE Itopia Nihonbashi SA Building



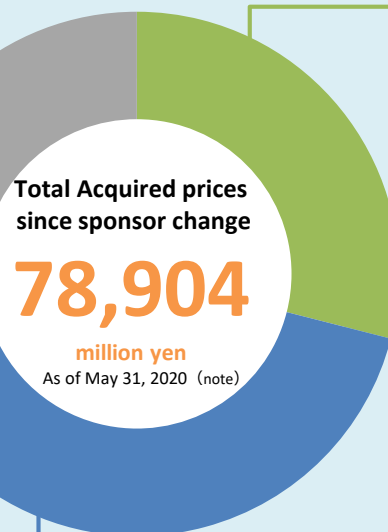
HAMACHO HEIWA BUILDING/J HF MITA RESIDENCE II HF MONZEN-NAKACHO RESIDENCE HF MINAMI-SUNAMACHI RESIDENCE HF SHOKOJI AKABANE RESIDENCE



HF SAKURADORI BUILDING HF NIHONBASHI HAMACHO BUILDING HF SENDAI HONCHO BUILDING HF KUDAN MINAMI BUILDING



HF SENDAI RESIDENCE EAST NISSO 5 BUILDING HF KANNAI RESIDENCE HF MEIEKI-KITA RESIDENCE HF HIGASHI-SAPPORO RESIDENCE ACROSS SHINKAWA BUILDING SENJU MILDIX II HF HACHIOJI RESIDENCE SOUTHERN SKY TOWER HACHIOJI



## Warehousing and Succession of status

**14** properties **33,028** million yen

(Note) HIROKOJI AQUO PLACE and MITA HEIWA BUILDING (leasehold land) have already been transferred as of today's date. However, a photograph of these properties that are included in the total amount is not presented because they were acquired after the change of the sponsor.





## **Appendix**

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# III-1 Balance Sheet

## ■ Assets

| Period  |        | 36th Fiscal Period<br>November 30, 2019 |              | 37th Fiscal Period<br>May 31, 2020 |              | Variation  |               |
|---|--------|---|--------------|------------------------------------|--------------|------------|---------------|
|   |        | Amount                                  | Share<br>(%) | Amount                             | Share<br>(%) | Amount     | Change<br>(%) |
| (Assets)                                      |        |   |              |                                    |              |            |               |
| I   |        |   |              |                                    |              |            |               |
| Cash and deposits                             |        | 13,956,919                              |              | 12,276,641                         |              | -1,680,278 |               |
| Cash and deposits in trust                    |        | 3,356,732                               |              | 3,476,218                          |              | 119,486    |               |
| Accounts receivable-trade                     |        | 47,450                                  |              | 60,832                             |              | 13,382     |               |
| Prepaid expenses                              |        | 141,194                                 |              | 129,710                            |              | -11,484    |               |
| Other   |        | 4,376                                   |              | 2,216                              |              | -2,160     |               |
| Allowance for doubtful accounts               |        | -77                                     |              | -99                                |              | -22        |               |
| Current assets                                |        | 17,506,595                              | 9.3          | 15,945,520                         | 8.5          | -1,561,075 | (8.9)         |
| II  |        |   |              |                                    |              |            |               |
| 1. Property, plant and equipment              | Note 1 |   |              |                                    |              |            |               |
| Buildings                                     |        | 9,646,018                               |              | 10,961,843                         |              | 1,315,825  |               |
| Structures                                    |        | 30,342                                  |              | 36,284                             |              | 5,942      |               |
| Machinery and equipment                       |        | 73,255                                  |              | 71,952                             |              | -1,303     |               |
| Tools, furniture and fixtures                 |        | 65,387                                  |              | 76,738                             |              | 11,351     |               |
| Land  |        | 29,462,479                              |              | 30,680,398                         |              | 1,217,919  |               |
| Buildings in trust                            |        | 37,353,393                              |              | 36,816,881                         |              | -536,512   |               |
| Structures in trust                           |        | 185,433                                 |              | 180,999                            |              | -4,434     |               |
| Machinery and equipment in trust              |        | 335,098                                 |              | 322,533                            |              | -12,565    |               |
| Tools, furniture and fixtures in trust        |        | 364,437                                 |              | 369,889                            |              | 5,452      |               |
| Land in trust                                 |        | 85,722,111                              |              | 86,910,985                         |              | 1,188,874  |               |
| Total property, plant and equipment           |        | 163,237,957                             | 86.7         | 166,428,505                        | 88.4         | 3,190,548  | 2.0           |
| 2. Intangible assets                          |        |   |              |                                    |              |            |               |
| Leasehold right                               |        | 1,193,875                               |              | 1,910,049                          |              | 716,174    |               |
| Leasehold rights in trust                     |        | 3,315,665                               |              | 3,315,665                          |              | -          |               |
| Software                                      |        | 4,962                                   |              | 4,285                              |              | -677       |               |
| Other   |        | 227                                     |              | 227                                |              | -          |               |
| Total intangible assets                       |        | 4,514,730                               | 2.4          | 5,230,228                          | 2.8          | 715,498    | 16            |
| 3. Investments and other assets               |        |   |              |                                    |              |            |               |
| Guarantee deposits                            |        | 14,617                                  |              | 14,617                             |              | -          |               |
| Long-term prepaid expenses                    |        | 243,445                                 |              | 254,569                            |              | 11,124     |               |
| Derivatives                                   |        | 4,791                                   |              | 65,393                             |              | 60,602     |               |
| Other   |        | 361,785                                 |              | 347,525                            |              | -14,260    |               |
| Total investments and other assets            |        | 624,640                                 | 0.3          | 682,106                            | 0.4          | 57,466     | 9.2           |
| Total noncurrent assets                       |        | 168,377,328                             | 89.4         | 172,340,840                        | 91.5         | 3,963,512  | 2.4           |
| III Deferred assets                           |        |   |              |                                    |              |            |               |
| Investment corporation bonds issuance expense |        | 44,041                                  |              | 40,606                             |              | -3,435     |               |
| Total deferred assets                         |        | 44,041                                  | 0.0          | 40,606                             | 0.0          | -3,435     | (8)           |
| Total assets                                  |        | 185,927,964                             | 100.0        | 188,326,967                        | 100.0        | 2,399,003  | 1.3           |

\* Figures below a thousand yen have been rounded off. Percentages are shown with figures rounded to the tenth place.

## ■ Liabilities and net assets

| Period  |        | 36th Fiscal Period<br>November 30, 2019 |              | 37th Fiscal Period<br>May 31, 2020 |              | Variation |               |
|---|--------|---|--------------|------------------------------------|--------------|-----------|---------------|
|   |        | Amount                                  | Share<br>(%) | Amount                             | Share<br>(%) | Amount    | Change<br>(%) |
| (Liabilities)                                   |        |   |              |                                    |              |           |               |
| I Current liabilities                           |        |   |              |                                    |              |           |               |
| Accounts payable                                |        | 737,128                                 |              | 471,246                            |              | -265,882  |               |
| Current portion of long-term loans payable      |        | 11,550,000                              |              | 11,914,200                         |              | 364,200   |               |
| Accrued expenses                                |        | 709,527                                 |              | 730,698                            |              | 21,171    |               |
| Income taxes payable                            |        | 225                                     |              | 594                                |              | 369       |               |
| Accrued consumption taxes                       |        | 76,507                                  |              | 54,445                             |              | -22,062   |               |
| Advances received                               |        | 1,032,126                               |              | 1,050,248                          |              | 18,122    |               |
| Other   |        | 38,754                                  |              | 41,746                             |              | 2,992     |               |
| Total current liabilities                       |        | 14,144,269                              | 7.5          | 14,263,678                         | 7.6          | 119,409   | 0.8           |
| II Noncurrent liabilities                       |        |   |              |                                    |              |           |               |
| Investment corporation Bonds                    |        | 6,400,000                               |              | 6,400,000                          |              | -         |               |
| Long-term loans payable                         |        | 64,517,200                              |              | 66,353,000                         |              | 1,835,800 |               |
| Tenant leasehold and security deposits          |        | 703,047                                 |              | 712,675                            |              | 9,628     |               |
| Tenant leasehold and security deposits in trust |        | 4,308,792                               |              | 4,420,602                          |              | 111,810   |               |
| Derivatives liabilities                         |        | 206,732                                 |              | 202,353                            |              | -4,379    |               |
| Total noncurrent liabilities                    |        | 76,135,772                              | 40.4         | 78,088,631                         | 41.5         | 1,952,859 | 2.6           |
| Total liabilities                               |        | 90,280,041                              | 47.9         | 92,352,310                         | 49.0         | 2,072,269 | 2.3           |
| (Net assets)                                    |        |   |              |                                    |              |           |               |
| I Unitholders' equity                           |        |   |              |                                    |              |           |               |
| 1. Unitholders' capital                         | Note 2 | 81,370,715                              | 43.2         | 81,370,715                         | 43.2         | -         | 0.0           |
| 2. Surplus                                      |        |   |              |                                    |              |           |               |
| Capital surplus                                 |        | 7,406,652                               | 3.9          | 7,406,652                          | 3.9          | -         | 0.0           |
| Voluntary retained earnings                     |        |   |              |                                    |              |           |               |
| Reserve for reduction entry                     |        | 415,683                                 |              | 415,683                            |              | -         |               |
| Reserve for temporary difference adjustment     |        | 1,785,190                               |              | 1,744,597                          |              | -40,593   |               |
| Total Voluntary retained earnings               |        | 2,200,874                               | 1.2          | 2,160,280                          | 1.1          | -40,594   | (1.8)         |
| Unappropriated retained earnings                |        | 4,913,382                               | 2.6          | 5,205,178                          | 2.8          | 291,796   | 5.9           |
| Total surplus                                   |        | 12,320,034                              | 6.5          | 14,772,110                         | 7.8          | 2,452,076 | 19.9          |
| Total unitholders' equity                       |        | 95,891,623                              | 50.9         | 96,142,826                         | 51.1         | 251,203   | 0.3           |
| II Valuation and translation adjustments        |        |   |              |                                    |              |           |               |
| Deferred gains or losses on hedges              |        | -243,700                                |              | -168,168                           |              | 75,532    |               |
| Total valuation and translation adjustments     |        | -243,700                                | △ 0.1        | -168,168                           | △ 0.1        | 75,532    | (31.0)        |
| Total net assets                                | Note 3 | 95,647,923                              | 50.8         | 95,974,657                         | 51.0         | 326,734   | 0.3           |
| Total liabilities and net assets                |        | 185,927,964                             | 98.7         | 188,326,967                        | 100.0        | 2,399,003 | 1.3           |

Note 1 The cumulated depreciation is directly subtracted from property, plant and equipment cumulated depreciation

36th fiscal period : 17,062,876 thousand yen 37th fiscal period : 17,755,805 thousand yen

Note 2 Total outstanding investment units

36th fiscal period : 1,014,847 units 37th fiscal period : 1,014,847 units

Note 3 Net assets per investment unit

36th fiscal period : 94,248 yen 37th fiscal period : 94,570 yen



# III-2 Profit and Loss Statement / Profits from Rental Business

(Unit : thousand yen)

| Period  |        | 36th Fiscal period           |           | 37th Fiscal period           |           | Variation |           |
|---|--------|------------------------------|-----------|------------------------------|-----------|-----------|-----------|
|   |        | (Jun 1, 2019 - Nov 30, 2019) |           | (Dec 1, 2019 - May 31, 2020) |           |           |           |
|   |        | Amount                       | Share (%) | Amount                       | Share (%) | Amount    | Share (%) |
| Category                                      |        |                              |           |                              |           |           |           |
| Operating revenue                             | Note 1 |                              |           |                              |           |           |           |
| Rent revenue-real estate                      |        | 5,664,093                    |           | 5,769,961                    |           |           |           |
| Other lease business revenue                  |        | 462,252                      | 100.0     | 486,708                      | 100.0     |           |           |
| Gain on sales of real estate properties       |        | 201,840                      | 100.0     | 331,669                      | 100.0     | 260,152   | 4.1       |
| Operating expenses                            | Note 2 |                              |           |                              |           |           |           |
| Expenses related to rent business             |        | 2,584,288                    |           | 2,583,827                    |           |           |           |
| Asset management fee                          |        | 576,282                      |           | 580,720                      |           |           |           |
| Asset custody fee                             |        | 11,080                       |           | 11,247                       |           |           |           |
| Administrative service fees                   |        | 40,444                       |           | 41,293                       |           |           |           |
| Directors' compensations                      |        | 7,122                        |           | 6,289                        |           |           |           |
| Audit fee                                     |        | 9,660                        |           | 13,660                       |           |           |           |
| Other operating expenses                      |        | 131,771                      | 53.1      | 144,868                      | 51.3      | 21,256    | 0.6       |
| Operating income (loss)                       |        | 2,967,536                    | 46.9      | 3,206,432                    | 48.7      | 238,896   | 8.1       |
| Non-operating income                          |        |                              |           |                              |           |           |           |
| Interest income                               |        | 1,249                        |           | 1,118                        |           |           |           |
| Reversal of dividends payable                 |        | 584                          |           | 737                          |           |           |           |
| Insurance income                              |        | 2,804                        |           | 2,680                        |           |           |           |
| Compensation received                         |        | -                            |           | 8,365                        |           |           |           |
| Other   |        | 548                          | 0.1       | 839                          | 0.2       | 8,554     | 164.9     |
| Non-operating expenses                        |        |                              |           |                              |           |           |           |
| Interest expenses                             |        | 379,191                      |           | 351,626                      |           |           |           |
| Borrowing related expenses                    |        | 61,114                       |           | 55,430                       |           |           |           |
| Interest expenses on corporate bonds          |        | 19,271                       |           | 19,460                       |           |           |           |
| Amortization of corporate bonds               |        | 3,434                        |           | 3,434                        |           |           |           |
| Other   |        | 2,623                        | 7.4       | 1,296                        | 6.5       | -34,387   | -7.4      |
| Ordinary income (loss)                        |        | 2,507,087                    | 39.6      | 2,788,925                    | 42.3      | 281,838   | 11.2      |
| Income (Loss) before income taxes             |        | 2,507,087                    | 39.6      | 2,788,925                    | 42.3      | 281,838   | 11.2      |
| Income taxes-current                          |        | 605                          |           | 605                          |           | -         | -         |
| Income taxes                                  |        | 605                          | 0.0       | 605                          | 0.0       | -         | -         |
| Net income (loss)                             |        | 2,506,482                    | 39.6      | 2,788,320                    | 42.3      | 281,838   | 11.2      |
| Retained earnings brought forward             |        | 2,406,900                    |           | 2,416,858                    |           | 9,958     |           |
| Unappropriated retained earnings (undisposed) |        | 4,913,382                    |           | 5,205,178                    |           | 291,796   |           |

\* Figures below a thousand yen have been rounded off. Percentages are shown with figures rounded to the tenth place.

Note 1 The management days of each period are 183 days for the 36th fiscal period and 183 days for the 37th fiscal period.

Note 2 The depreciation costs of this total are 943,822 thousand yen for the 36th fiscal period and 964,743 thousand yen for the 37th fiscal period.

| 37 <sup>th</sup> FP ('20/5)           | Office           | Residence        | Total            |
|---------------------------------------|------------------|------------------|------------------|
| Rents and common expenses             | 2,652,099        | 3,117,861        | 5,769,961        |
| Other income                          | 265,383          | 221,324          | 486,708          |
| <b>Rental business income total</b>   | <b>2,917,482</b> | <b>3,339,186</b> | <b>6,256,669</b> |
| PM fees                               | 302,164          | 338,423          | 640,588          |
| Public charges and taxes              | 216,979          | 181,279          | 398,259          |
| Utilities                             | 149,097          | 40,474           | 189,572          |
| Maintenance and repair fees           | 42,446           | 188,421          | 230,868          |
| Insurance fees                        | 3,411            | 4,657            | 8,068            |
| Trust fees                            | 10,447           | 22,868           | 33,316           |
| Other expenses                        | 95,691           | 22,719           | 118,410          |
| <b>Rental business expenses total</b> | <b>820,239</b>   | <b>798,844</b>   | <b>1,619,084</b> |
| <b>NOI</b>                            | <b>2,097,243</b> | <b>2,540,341</b> | <b>4,637,585</b> |
| Depreciation                          | 345,297          | 619,445          | 964,743          |
| <b>Rental business profit</b>         | <b>1,751,945</b> | <b>1,920,896</b> | <b>3,672,841</b> |

| 36 <sup>th</sup> FP ('19/11)          | Office           | Residence        | Total            |
|---------------------------------------|------------------|------------------|------------------|
| Rents and common expenses             | 2,612,180        | 3,051,912        | 5,664,093        |
| Other income                          | 277,571          | 184,680          | 462,252          |
| <b>Rental business income total</b>   | <b>2,889,752</b> | <b>3,236,593</b> | <b>6,126,346</b> |
| PM fees                               | 318,836          | 331,521          | 650,358          |
| Public charges and taxes              | 218,735          | 179,755          | 398,491          |
| Utilities                             | 168,432          | 38,615           | 207,047          |
| Maintenance and repair fees           | 49,421           | 167,127          | 216,548          |
| Insurance fees                        | 3,313            | 4,443            | 7,757            |
| Trust fees                            | 14,303           | 26,771           | 41,075           |
| Other expenses                        | 99,169           | 20,017           | 119,187          |
| <b>Rental business expenses total</b> | <b>872,212</b>   | <b>768,253</b>   | <b>1,640,465</b> |
| <b>NOI</b>                            | <b>2,017,539</b> | <b>2,468,340</b> | <b>4,485,880</b> |
| Depreciation                          | 341,356          | 602,465          | 943,822          |
| <b>Rental business profit</b>         | <b>1,676,183</b> | <b>1,865,874</b> | <b>3,542,058</b> |



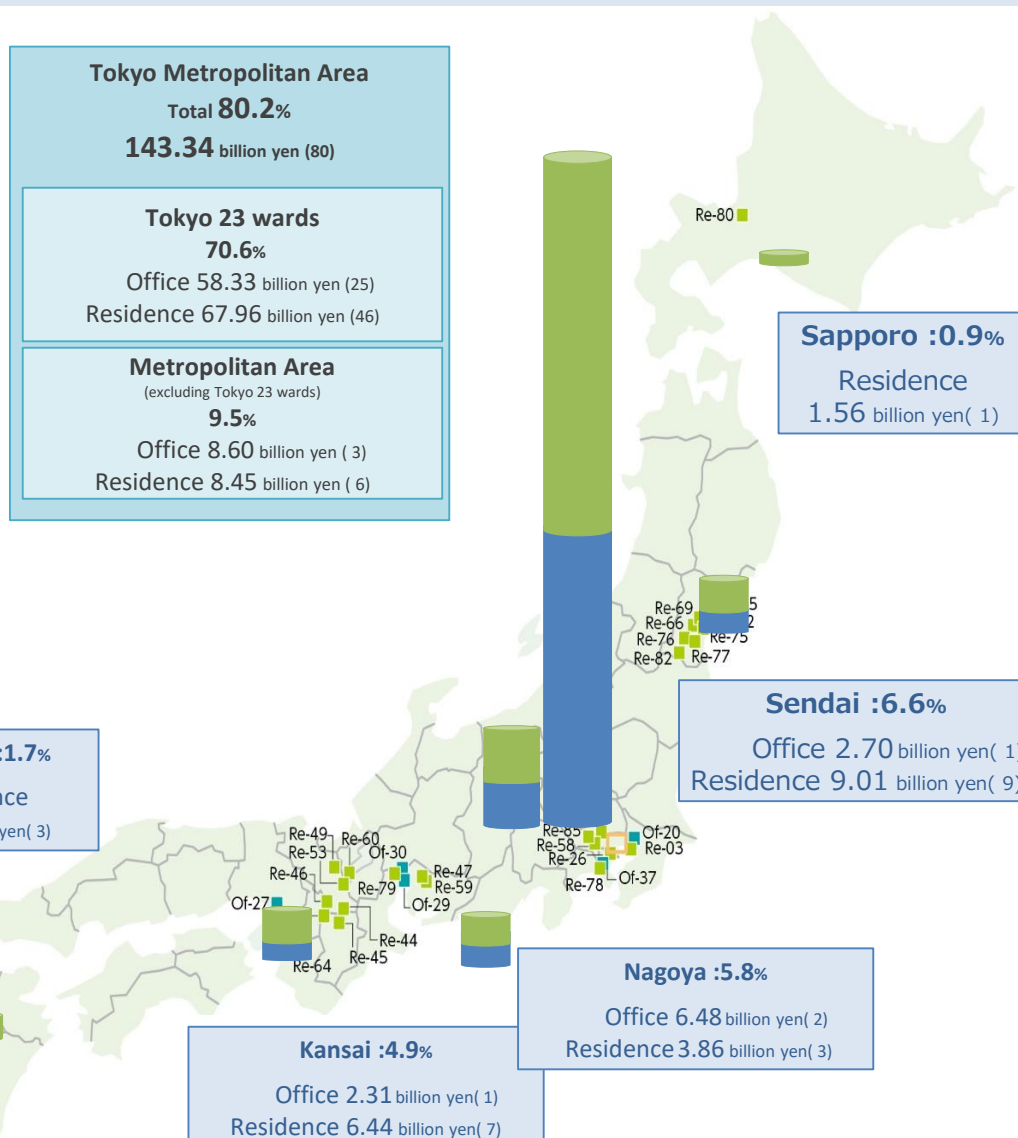
# III-3 Debts

as of May 31, 2020

|   | Breakdown                              | Balance at<br>Period End<br>(million yen) | Interest Rate<br>(%) | Borrowing<br>Date  | Repayment<br>Date | Description                   |  | Breakdown                                | Balance at<br>Period End<br>(million yen) | Interest Rate<br>(%) | Borrowing<br>Date | Repayment<br>Date | Description                   |
|---|--|---|----------------------|--------------------|-------------------|-------------------------------|--|--|---|----------------------|-------------------|-------------------|-------------------------------|
|   | Lender                                 |   |                      |                    |                   |                               |  |  |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable<br>Due within<br>One Year | Mizuho Trust & Banking Co., Ltd.       | 1,230                                     | 1.20000              | September 13, 2013 | October 30, 2020  | Unsecured and<br>Unguaranteed |  | Mizuho Bank, Ltd.                        | 800                                       | 0.68740              | December 15, 2017 | October 31, 2024  |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | Sumitomo Mitsui Banking Corporation      | 900                                       | 0.78630              | March 28, 2018    | May 31, 2025      |                               |
|   | Aozora Bank, Ltd.                      | 3,600                                     | 1.20000              | October 31, 2013   | October 30, 2020  |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Resona Bank, Limited.                    | 4,000                                     | 0.74700              | May 31, 2018      | November 30, 2026 |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | Aozora Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  | 1,200                                     | 0.29250              | May 31, 2018       | October 30, 2020  |                               |  | MUFG Bank, Ltd.                          |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Trust Bank, Limited.   |   |                      |                    |                   |                               |  | The Bank of Fukuoka                      |   |                      |                   |                   |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | The 77 Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | Development Bank of Japan Inc.         | 1,000                                     | 1.46168              | December 20, 2013  | May 31, 2021      |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   | Unsecured and<br>Unguaranteed |  | MUFG Bank, Ltd.                          | 2,400                                     | 0.34800              | October 31, 2018  | October 31, 2021  |                               |
|   | Aozora Bank, Ltd.                      | 3,784                                     | 1.16000              | May 30, 2014       | May 31, 2021      |                               |  | Resona Bank, Limited.                    |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | Mizuho Trust & Banking Co., Ltd.       |   |                      |                    |                   |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Trust Bank, Limited.   |   |                      |                    |                   |                               |  | MUFG Bank, Ltd.                          |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Banking Corporation    | 1,100                                     | 0.24091              | March 19, 2020     | May 31, 2021      |                               |  | The Bank of Fukuoka                      |   |                      |                   |                   |                               |
|   | Subtotal                               | 11,914                                    |                      |                    |                   |                               |  | The 77 Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        | 800                                       | 1.20000              | May 30, 2014       | October 31, 2021  |                               |  | Resona Bank, Limited.                    | 1,750                                     | 0.76850              | October 31, 2018  | November 30, 2025 |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | Aozora Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | Mizuho Trust & Banking Co., Ltd.       | 1,920                                     | 1.17500              | October 31, 2014   | October 31, 2022  |                               |  | Mizuho Trust & Banking Co., Ltd.         |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | The Bank of Fukuoka                    |   |                      |                    |                   | Unsecured and<br>Unguaranteed |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   | Unsecured and<br>Unguaranteed |
|   | Development Bank of Japan Inc.         | 900                                       | 1.24348              | December 04, 2014  | October 31, 2022  |                               |  | Mizuho Bank, Ltd.                        | 1,000                                     | 0.63850              | December 14, 2018 | November 30, 2025 |                               |
|   | ORIX Bank Corporation                  | 480                                       | 0.66700              | May 29, 2015       | October 31, 2021  |                               |  | The Bank of Fukuoka                      | 700                                       | 0.63850              | December 14, 2018 | November 30, 2025 |                               |
|   | Resona Bank, Limited.                  |   |                      |                    |                   |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        | 2,880                                     | 1.18750              | May 29, 2015       | May 31, 2023      |                               |  | MUFG Bank, Ltd.                          |   |                      |                   |                   |                               |
|   | Shinsei Bank, Limited.                 |   |                      |                    |                   |                               |  | The Bank of Fukuoka                      |   |                      |                   |                   |                               |
|   | Mizuho Bank, Ltd.                      |   |                      |                    |                   |                               |  | ORIX Bank Corporation                    | 2,969                                     | 0.26700              | May 31, 2019      | May 31, 2022      |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | The Nomura Trust and Banking Co., Ltd.   |   |                      |                   |                   |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | The Norinchukin Bank                     |   |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  |   |                      |                    |                   |                               |  | Sompo Japan Nipponkoa Insurance          |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | MUFG Bank, Ltd.                        | 4,400                                     | 1.13300              | October 29, 2015   | October 31, 2023  | Unsecured and<br>Unguaranteed |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   | Unsecured and<br>Unguaranteed |
|   | Mizuho Trust & Banking Co., Ltd.       |   |                      |                    |                   |                               |  | Aozora Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Trust Bank, Limited.   |   |                      |                    |                   |                               |  | MUFG Bank, Ltd.                          | 2,562                                     | 0.60000              | May 31, 2019      | May 31, 2026      |                               |
|   | Mizuho Bank, Ltd.                      |   |                      |                    |                   |                               |  | The Bank of Fukuoka                      |   |                      |                   |                   |                               |
|   | Aozora Bank, Ltd.                      | 940                                       | 0.61700              | October 30, 2015   | October 31, 2021  |                               |  | ORIX Bank Corporation                    |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | The Norinchukin Bank                     |   |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  | 4,880                                     | 1.20800              | October 30, 2015   | May 31, 2024      |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Resona Bank, Limited.                    | 2,700                                     | 0.32500              | October 31, 2019  | May 31, 2023      |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | The Nomura Trust and Banking Co., Ltd.   |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | MUFG Bank, Ltd.                        | 1,400                                     | 0.61700              | December 18, 2015  | October 31, 2021  | Unsecured and<br>Unguaranteed |  | Shinsei Bank, Limited.                   |   |                      |                   |                   | Unsecured and<br>Unguaranteed |
|   | Sumitomo Mitsui Trust Bank, Limited.   |   |                      |                    |                   |                               |  | Aozora Bank, Ltd.                        | 1,200                                     | 0.50500              | October 31, 2019  | May 30, 2025      |                               |
|   | Mizuho Bank, Ltd.                      |   |                      |                    |                   |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | The Nomura Trust and Banking Co., Ltd. |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | Shinsei Bank, Limited.                 |   |                      |                    |                   |                               |  | Resona Bank, Limited.                    |   |                      |                   |                   |                               |
|   | Aozora Bank, Ltd.                      | 1,000                                     | 0.65900              | May 31, 2016       | October 31, 2022  |                               |  | Aozora Bank, Ltd.                        |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | MUFG Bank, Ltd.                          | 2,100                                     | 0.69727              | October 31, 2019  | November 30, 2026 |                               |
|   | Resona Bank, Limited.                  | 3,850                                     | 0.91770              | May 31, 2016       | October 31, 2024  |                               |  | Mizuho Trust & Banking Co., Ltd.         |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | Sumitomo Mitsui Trust Bank, Limited.   |   |                      |                    |                   |                               |  | Shinsei Bank, Limited.                   |   |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   | Unsecured and<br>Unguaranteed |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   | Unsecured and<br>Unguaranteed |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | Mizuho Trust & Banking Co., Ltd.         | 1,000                                     | 0.35409              | March 31, 2020    | October 31, 2022  |                               |
|   | Resona Bank, Limited.                  | 3,857                                     | 0.93670              | October 31, 2016   | May 31, 2025      |                               |  | Sumitomo Mitsui Banking Corporation      |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Resona Bank, Limited.                    | 1,000                                     | 0.48409              | March 31, 2020    | October 31, 2024  |                               |
|   | ORIX Bank Corporation                  |   |                      |                    |                   |                               |  | Sumitomo Mitsui Trust Bank, Limited.     |   |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  |   |                      |                    |                   |                               |  | Sumitomo Mitsui Banking Corporation      | 3,520                                     | 0.66909              | March 31, 2020    | May 31, 2027      |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | Resona Bank, Limited.                    |   |                      |                   |                   |                               |
|   | Shinsei Bank, Limited.                 | 2,765                                     | 0.90850              | May 31, 2017       | November 28, 2025 |                               |  | Mizuho Trust & Banking Co., Ltd.         |   |                      |                   |                   |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | The 77 Bank, Ltd.                        | 1,100                                     | 0.57161              | April 24, 2020    | May 31, 2027      |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | Subtotal                                 | 66,353                                    |                      |                   |                   |                               |
| Long-term<br>loans<br>payable                           | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   | Unsecured and<br>Unguaranteed |  | Unsecured Investment Corporation Bond #1 | 1,000                                     | 0.30000              | June 30, 2017     | June 30, 2022     | Unsecured and<br>Unguaranteed |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | Unsecured Investment Corporation Bond #2 | 1,800                                     | 0.65000              | June 30, 2017     | June 30, 2027     |                               |
|   | Resona Bank, Limited.                  |   |                      |                    |                   |                               |  | Unsecured Investment Corporation Bond #3 | 1,000                                     | 0.70000              | May 07, 2018      | May 02, 2028      |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  | Unsecured Investment Corporation Bond #4 | 1,000                                     | 0.41000              | June 04, 2019     | May 31, 2024      |                               |
|   | MUFG Bank, Ltd.                        |   |                      |                    |                   |                               |  | Unsecured Investment Corporation Bond #5 | 1,600                                     | 0.82000              | June 04, 2019     | May 31, 2029      |                               |
|   | Aozora Bank, Ltd.                      |   |                      |                    |                   |                               |  | Subtotal                                 | 6,400                                     |                      |                   |                   |                               |
|   | Resona Bank, Limited.                  | 3,700                                     | 0.97750              | October 31, 2017   | May 31, 2026      |                               |  | Total                                    | 84,667                                    |                      |                   |                   |                               |
|   | Sumitomo Mitsui Banking Corporation    |   |                      |                    |                   |                               |  |  |   |                      |                   |                   |                               |
|   | Mizuho Bank, Ltd.                      |   |                      |                    |                   |                               |  |  |   |                      |                   |                   |                               |
|   |  |   |                      |                    |                   |                               |  |  |   |                      |                   |                   |                               |

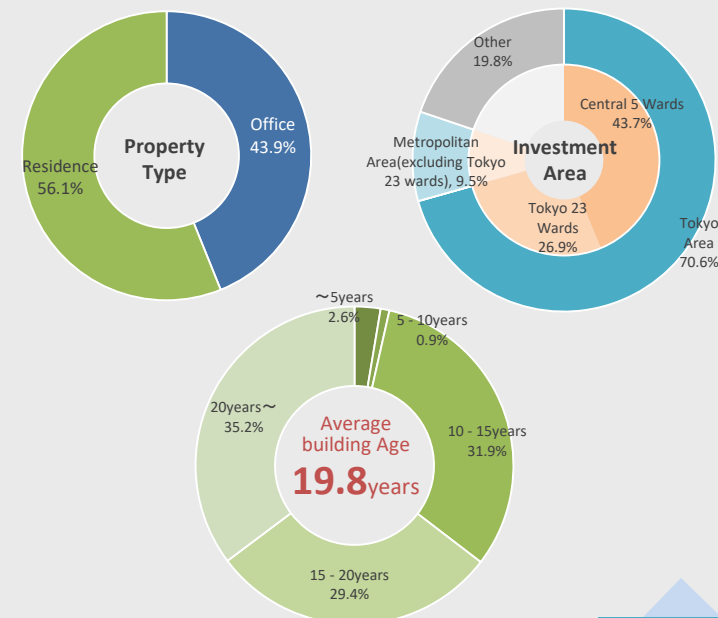


## Diversification of Investment Areas (As of May 31, 2020)



(Note) The figures in the graphs indicate the ratio of acquisition price of each item versus the total acquisition price of each category, and are rounded to the second decimal place.  
(Note) Percentages of "Diversification of the investment areas" are rounded to the second decimal place.  
(Note) Figures in parenthesis are the number of properties.

## Portfolio Breakdown (as of May 31, 2020)



### [Risk of large-scale earthquake and its countermeasures]

When we acquire a property, we measure the earthquake risk based on a PML\* (Probable Maximum Loss) survey conducted by a specialist third-party institution. For properties with a high PML value, we purchase earthquake insurance and conduct seismic strengthening work. All the properties we currently own are equipped with seismic capacity equivalent to the new quake-resistance standards as a result of conducting reinforcement work for an office building of all 107 properties we own.

The PML of our portfolio is 3.1%, **but the maximum probable loss calculated based on this value is 2.28 billion yen. This indicates that even if the portfolio is subjected to an earthquake of historic magnitude, it remains able to deal with it sufficiently by funds in hand.**

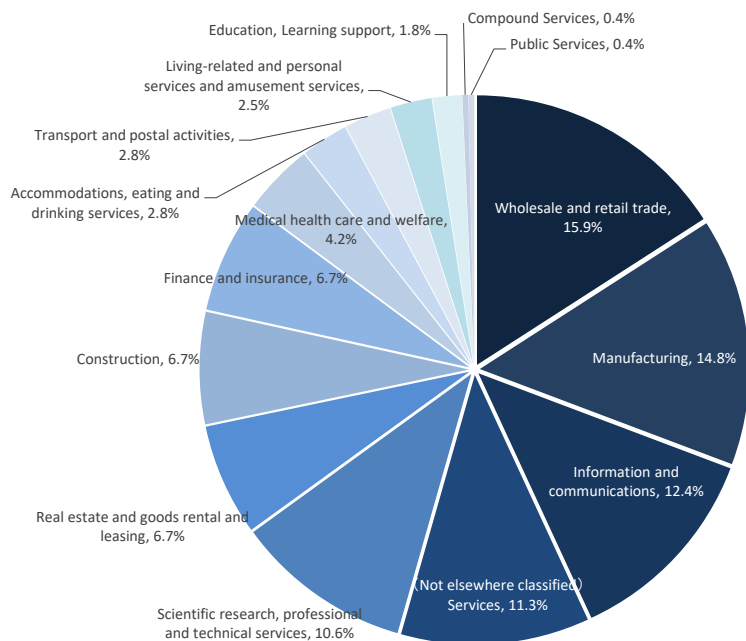
The amount of damages we suffered from the north of Osaka earthquake in 2018 and the Kumamoto earthquake in 2016 was zero, and even in the Great East Japan Earthquake in 2011, we did not suffer any damages that posed a problem for the operation of our properties.

※PML refers to the maximum probable loss in an earthquake. It shows the percentage of the replacement cost represented by the maximum amount of damage a building will suffer from the largest earthquake that might be expected to occur once every 475 years.

Portfolio  
PML  
3.1%



## Distribution by Tenant Industry Sector

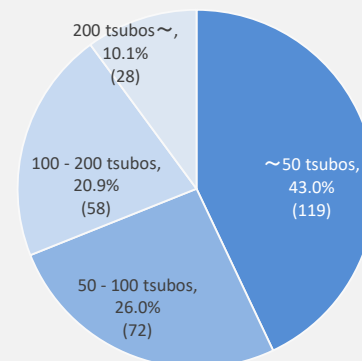


## List of top end tenants

| Ranking | Tenant    | Property Name         | Share of total rent |
|---------|-----------|-----------------------|---------------------|
| 1       | Company A | Kayabacho Heiwa Bldg. | 3.48%               |
| 2       | Company B | NISSO 5 Bldg.         | 1.43%               |
| 3       | Company C | ARK Mori Bldg.        | 1.34%               |
| 4       | Company D | HF SAKURADORI Bldg.   | 1.26%               |
| 5       | Company E | FUNABASHI FACE Bldg.  | 1.12%               |
| Total   |           |                       | 8.64%               |

(Note) The figures are calculated based on the data as of May 31, 2020

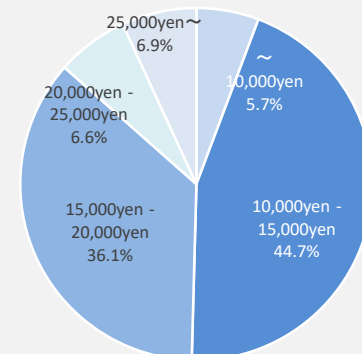
## Distribution by Tenant Leasing Area



Total Number of tenants  
**277** tenants

(Note) Figures in parenthesis indicate the number of office tenants by area.

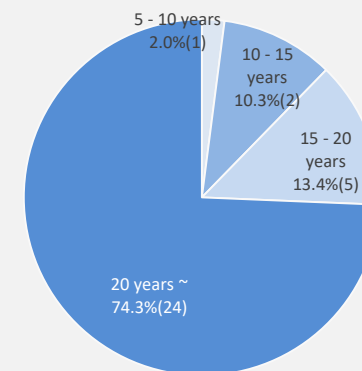
## Distribution by Rent (per tsubo)



Average Rent of Office tenants  
**16,526yen**

(Note) Based on the tenants' monthly rent per tsubo. Tenants leasing more than one property are counted as 1 tenant for each building.

## The age of Office Building

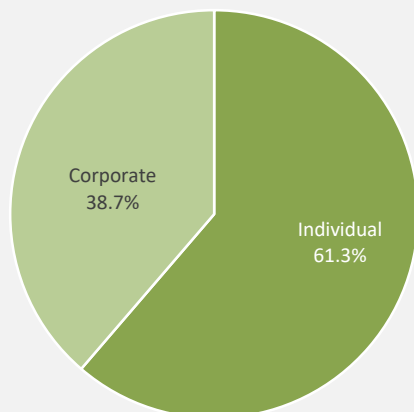


Average building age  
**26.2** years

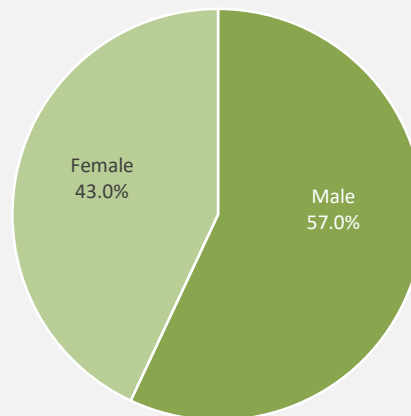
Note) Figures in parenthesis indicate the number of office properties by building age.



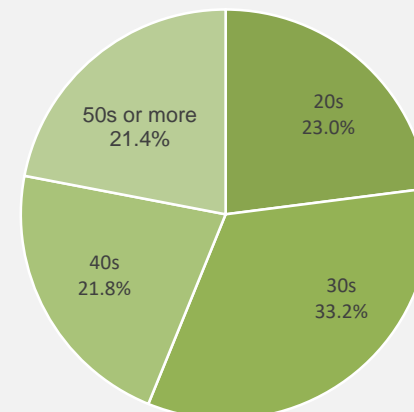
Agreement Categories



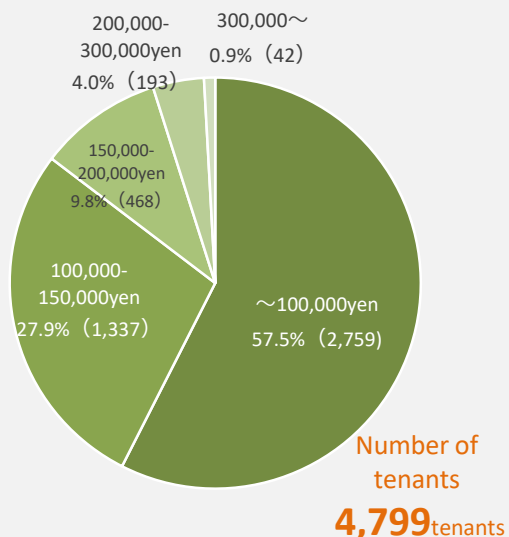
Gender Breakdown for Individual Contracts



Age Distribution

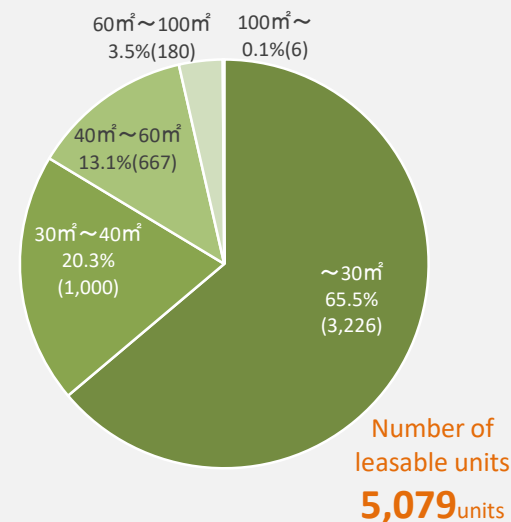


Status by Monthly Rent



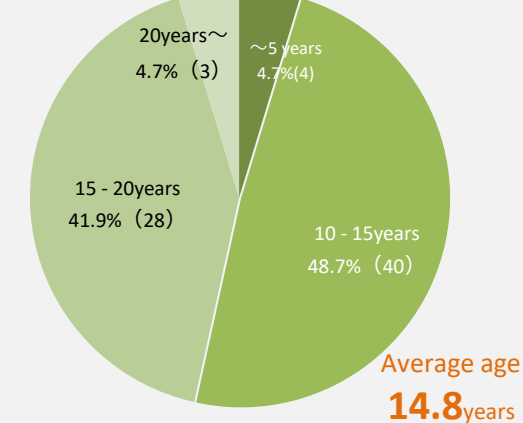
(Note) Figures in parenthesis are the number of residential tenants as of November 30, 2019. (Excluding shop and office areas.)

Status by Leasable Floor Space



(Note) Figures in parenthesis are the number of total leasable units by leasable floor space. (Excluding shop and office areas.)

The age of Residence properties



(Note) Figures in parenthesis are the number of residential properties by building age.

(Note) The figures are calculated based on the data as of May 31, 2020



# III-7 Portfolio Overview and Performance (Office)

| Property Name  | Of-05<br>SUITENGU HEIWA<br>BUILDING   |                     | Of-06<br>HF<br>MONZENNAKACHO<br>BUILDING  |                     | Of-07<br>HF<br>HAMAMATSUCHO<br>BUILDING   |                     | Of-08<br>KOKUSAI TAMEIKE<br>BUILDING   |                     | Of-09<br>GRACE BUILDING<br>SENGAKUJIMAE   |                     | Of-11<br>NIHONBASHI<br>DAIICHI BUILDING   |                     | Of-12<br>HF HATCHOBORI<br>BUILDING  |                     | Of-17<br>HATCHOBORI MF<br>BUILDING  |                     | Of-18<br>M2<br>HARAJUKU   |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Chuo-ku, Tokyo  |                     | Koto-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Minato-ku, Tokyo   |                     | Minato-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Shibuya-ku, Tokyo   |                     |
| Lot Area (m <sup>2</sup> )                           | 316.73  |                     | 748.36  |                     | 294.50  |                     | 533.32   |                     | 538.50  |                     | 520.69  |                     | 543.31  |                     | 205.83  |                     | 264.36  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 2,177.81  |                     | 4,558.01  |                     | 2,184.76  |                     | 3,089.73   |                     | 2,401.74  |                     | 3,455.35  |                     | 3,425.91  |                     | 1,432.44  |                     | 1,290.12  |                     |
| Constructed  | August 1991   |                     | December 1990   |                     | December 1991   |                     | February 1992  |                     | June 1994   |                     | March 1988  |                     | October 1991  |                     | January 1988  |                     | January 1970  |                     |
| Period-end occupancy rate(%)                         | 100   |                     | 100   |                     | 100   |                     | 100  |                     | 100   |                     | 100   |                     | 100   |                     | 100   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 1,550   |                     | 2,500   |                     | 1,530   |                     | 2,700  |                     | 1,220   |                     | 2,150   |                     | 3,092   |                     | 1,110   |                     | 3,418   |                     |
| Appraisal Price (mm yen)                             | 1,699   |                     | 2,890   |                     | 1,861   |                     | 3,040  |                     | 1,690   |                     | 2,230   |                     | 2,710   |                     | 1,040   |                     | 5,115   |                     |
| Property Management Company                          | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.  |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Building Management & Strategy Inc.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     |
| PML (%)  | 10.0  |                     | 5.7   |                     | 8.0   |                     | 7.3  |                     | 7.5   |                     | 16.5  |                     | 12.5  |                     | 14.7  |                     | 9.8   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 52,110  | 53,058              | 87,944  | 89,941              | 50,022  | 51,401              | 73,854   | 75,367              | 53,267  | 53,303              | 58,720  | 59,749              | 68,082  | 68,188              | 30,865  | 30,948              | 97,450  | 98,439              |
| Other income   | 6,400   | 5,550               | 8,664   | 8,070               | 4,602   | 4,323               | 7,613  | 6,272               | 7,645   | 11,234              | 7,575   | 7,369               | 6,405   | 6,436               | 2,169   | 2,225               | 9,221   | 6,405               |
| ①Rental business income total (unit: thousand yen)   | 58,510  | 58,609              | 96,608  | 98,011              | 54,625  | 55,724              | 81,467   | 81,640              | 60,913  | 64,538              | 66,295  | 67,119              | 74,487  | 74,625              | 33,034  | 33,174              | 106,672   | 104,845             |
| PM fees  | 7,557   | 6,836               | 11,966  | 11,640              | 5,745   | 4,755               | 7,381  | 6,158               | 4,798   | 5,698               | 6,323   | 5,917               | 5,510   | 5,246               | 2,708   | 3,328               | 6,027   | 5,606               |
| Public charges and taxes                             | 5,101   | 5,101               | 6,506   | 6,566               | 6,763   | 6,866               | 7,468  | 7,510               | 2,236   | 2,236               | 4,958   | 4,958               | 8,309   | 8,305               | 2,719   | 2,718               | 7,171   | 7,171               |
| Utilities  | 4,981   | 4,142               | 7,480   | 5,825               | 3,096   | 2,892               | 4,944  | 3,957               | 4,178   | 3,701               | 4,139   | 3,759               | 4,601   | 4,204               | 2,176   | 2,107               | 3,754   | 2,887               |
| Maintenance and repair fees                          | 831   | 3,232               | 545   | 1,918               | 1,225   | 95                  | 1,822  | 4,540               | 834   | 824                 | 1,875   | 388                 | 577   | 673                 | 660   | 1,427               | 1,336   | 1,985               |
| Insurance fees                                       | 57  | 60                  | 107   | 111                 | 52  | 55                  | 79   | 83                  | 65  | 67                  | 85  | 88                  | 90  | 94                  | 34  | 36                  | 38  | 42                  |
| Trust fees   | 690   | 400                 | 900   | 400                 | 750   | 400                 | 850  | 850                 | 535   | 535                 | 650   | 650                 | -   | -                   | -   | -                   | 1,401   | 400                 |
| Other expenses                                       | 179   | 151                 | 1,273   | 262                 | 277   | 227                 | 339  | 160                 | 7,128   | 6,489               | 467   | 212                 | 451   | 186                 | 220   | 164                 | 104   | 139                 |
| ②Rental business expenses total (unit: thousand yen) | 19,398  | 19,924              | 28,780  | 26,725              | 17,911  | 15,292              | 22,886   | 23,259              | 19,776  | 19,553              | 18,498  | 15,974              | 19,540  | 18,710              | 8,520   | 9,783               | 19,834  | 18,233              |
| ③NOI (① - ②)   | 39,111  | 38,684              | 67,828  | 71,286              | 36,714  | 40,431              | 58,581   | 58,380              | 41,136  | 44,985              | 47,796  | 51,144              | 54,946  | 55,914              | 24,514  | 23,390              | 86,838  | 86,612              |
| Depreciation   | 8,055   | 8,085               | 17,037  | 17,206              | 7,960   | 8,158               | 8,229  | 8,373               | 6,925   | 6,927               | 15,152  | 15,040              | 9,128   | 9,061               | 5,004   | 5,016               | 9,115   | 9,220               |
| Rental business profit                               | 31,056  | 30,598              | 50,790  | 54,079              | 28,754  | 32,273              | 50,282   | 50,007              | 34,211  | 38,058              | 32,644  | 36,103              | 45,818  | 46,853              | 19,509  | 18,374              | 77,722  | 77,391              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.



# III-7 Portfolio Overview and Performance (Office)

| Property Name  | Of-20<br>FUNABASHI FACE<br>BUILDING   |                     | Of-21<br>ADESSO<br>NISHIAZABU   |                     | Of-23<br>HF IKEBUKURO<br>BUILDING   |                     | Of-24<br>HF YUSHIMA<br>BUILDING  |                     | Of-25<br>KAYABACHO HEIWA<br>BUILDING  |                     | Of-27 KOBE<br>KYUKYORYUCHI<br>HEIWA BUILDING  |                     | Of-29<br>SAKAE MINAMI<br>HEIWA BUILDING   |                     | Of-30<br>HF SAKURADORI<br>BUILDING  |                     | Of-31<br>HF NIHONBASHI<br>HAMACHO BUILDING  |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Funabashi City, Chiba   |                     | Minato-ku, Tokyo  |                     | Toshima-ku, Tokyo   |                     | Bunkyo-ku, Tokyo   |                     | Chuo-ku, Tokyo  |                     | Kobe City, Hyogo  |                     | Nagoya City, Aichi  |                     | Nagoya City, Aichi  |                     | Chuo-ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 488.13  |                     | 125.91  |                     | 188.31  |                     | 400.86   |                     | 811.59  |                     | 1,008.86  |                     | 707.05  |                     | 1,662.49  |                     | 599.34  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 4,033.72  |                     | 371.59  |                     | 1,376.66  |                     | 2,393.53   |                     | 5,038.57  |                     | 7,743.98  |                     | 3,959.12  |                     | 13,160.83   |                     | 4,226.25  |                     |
| Constructed  | April 2003  |                     | October 2003  |                     | December 1993   |                     | July 1989  |                     | April 1992  |                     | February 1998   |                     | July 2002   |                     | February 2009   |                     | February 1987   |                     |
| Period-end occupancy rate(%)                         | 100   |                     | 75.06   |                     | 100   |                     | 100  |                     | 100   |                     | 95.34   |                     | 100   |                     | 100   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 3,900   |                     | 640   |                     | 1,314   |                     | 1,624  |                     | 4,798   |                     | 2,310   |                     | 1,580   |                     | 4,900   |                     | 1,900   |                     |
| Appraisal Price (mm yen)                             | 3,420   |                     | 517   |                     | 1,460   |                     | 1,690  |                     | 6,860   |                     | 3,400   |                     | 2,280   |                     | 6,410   |                     | 2,630   |                     |
| Property Management Company                          | Building Management & Strategy Inc.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Building Management & Strategy Inc.   |                     | Building Management & Strategy Inc.  |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     |
| PML (%)  | 5.9   |                     | 11.1  |                     | 5.5   |                     | 10.9   |                     | 11.7  |                     | 7.5   |                     | 10.8  |                     | 9.2   |                     | 12.7  |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 114,472   | 115,220             | 12,652  | 10,438              | 36,892  | 37,526              | 43,775   | 46,092              | 200,809   | 200,809             | 128,131   | 129,129             | 77,943  | 78,371              | 278,759   | 282,772             | 75,834  | 77,408              |
| Other income   | 4,842   | 4,888               | 1,117   | 793                 | 3,965   | 3,683               | 3,925  | 3,890               | 7,647   | 6,840               | 16,668  | 12,694              | 11,351  | 10,439              | 34,931  | 32,221              | 13,856  | 12,625              |
| ①Rental business income total (unit: thousand yen)   | 119,315   | 120,109             | 13,769  | 11,231              | 40,858  | 41,210              | 47,701   | 49,983              | 208,456   | 207,649             | 144,799   | 141,823             | 89,295  | 88,811              | 313,691   | 314,993             | 89,691  | 90,034              |
| PM fees  | 18,316  | 17,920              | 853   | 929                 | 2,639   | 3,450               | 5,251  | 4,193               | 9,474   | 8,874               | 22,746  | 21,674              | 13,386  | 12,631              | 41,269  | 38,544              | 10,753  | 8,751               |
| Public charges and taxes                             | 8,014   | 8,108               | 811   | 811                 | 2,242   | 2,238               | 3,844  | 3,838               | 9,306   | 9,306               | 12,294  | 12,420              | 7,182   | 7,357               | 14,924  | 14,900              | 6,964   | 6,964               |
| Utilities  | 8,184   | 7,992               | 1,178   | 835                 | 2,459   | 2,056               | 2,347  | 2,082               | 7,647   | 6,834               | 12,162  | 8,598               | 7,800   | 6,330               | 17,734  | 15,133              | 6,043   | 5,311               |
| Maintenance and repair fees                          | 160   | 2,176               | 315   | 423                 | 704   | 618                 | 538  | 455                 | -   | 330                 | 9,788   | 4,269               | 309   | 483                 | 1,184   | 870                 | 2,552   | 1,131               |
| Insurance fees                                       | 98  | 104                 | 12  | 13                  | 35  | 37                  | 56   | 58                  | 133   | 143                 | 229   | 236                 | 111   | 115                 | 359   | 373                 | 106   | 110                 |
| Trust fees   | -   | -                   | 1,063   | -                   | -   | -                   | -  | -                   | 1,148   | 880                 | 324   | 324                 | 324   | 324                 | 339   | 339                 | 339   | 339                 |
| Other expenses                                       | 159   | 11                  | 90  | 67                  | 546   | 558                 | 237  | 107                 | 159   | 81                  | 787   | 504                 | 541   | 259                 | 76,774  | 76,022              | 730   | 244                 |
| ②Rental business expenses total (unit: thousand yen) | 34,932  | 36,314              | 4,326   | 3,080               | 8,626   | 8,959               | 12,276   | 10,735              | 27,870  | 26,451              | 58,333  | 48,028              | 29,656  | 27,503              | 152,587   | 146,184             | 27,490  | 22,854              |
| ③NOI (① - ②)   | 84,382  | 83,794              | 9,443   | 8,150               | 32,231  | 32,250              | 35,425   | 39,247              | 180,586   | 181,198             | 86,465  | 93,795              | 59,638  | 61,307              | 161,103   | 168,809             | 62,200  | 67,179              |
| Depreciation   | 12,126  | 10,726              | 2,269   | 2,269               | 5,071   | 5,131               | 7,566  | 7,616               | 9,498   | 9,568               | 20,725  | 26,196              | 11,531  | 10,856              | 35,508  | 35,688              | 9,352   | 9,733               |
| Rental business profit                               | 72,256  | 73,067              | 7,174   | 5,881               | 27,159  | 27,119              | 27,858   | 31,630              | 171,087   | 171,629             | 65,740  | 67,599              | 48,106  | 50,451              | 125,595   | 133,120             | 52,847  | 57,446              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off



# III-7 Portfolio Overview and Performance (Office)

| Property Name  | Of-32<br>HF SENDAI HONCHO<br>BUILDING   |                     | Of-33<br>HF UENO<br>BUILDING  |                     | Of-34<br>KOJIMACHI HF<br>BUILDING   |                     | Of-35<br>HF KUDAN MINAMI<br>BUILDING   |                     | Of-36<br>HF KANDA<br>OGAWAMACHI<br>BUILDING   |                     | Of-37<br>NISSO 5<br>BUILDING  |                     | Of-38<br>ACROSS SHINKAWA<br>BUILDING  |                     | Of-39<br>SENUJ<br>MILDIX II   |                     | Of-40<br>ARK<br>Mori Building   |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Sendai City, Miyagi   |                     | Taito-ku, Tokyo   |                     | Chiyoda-ku, Tokyo   |                     | Chiyoda-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Yokohama City, Kanagawa   |                     | Chuo-ku, Tokyo  |                     | Adachi-ku, Tokyo  |                     | Minato-Ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 1,598.83  |                     | 718.47  |                     | 409.15  |                     | 530.00   |                     | 432.54  |                     | 1,029.42  |                     | 492.14  |                     | 549.85  |                     | 346.57  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 8,988.49  |                     | 6,212.84  |                     | 3,314.53  |                     | 3,836.10   |                     | 3,016.16  |                     | 5,893.08  |                     | 5,138.70  |                     | 2,905.48  |                     | 2,039.12  |                     |
| Constructed  | September 2003  |                     | February 1990   |                     | March 1994  |                     | March 1991   |                     | March 2008  |                     | July 1987   |                     | June 1994   |                     | February 2004   |                     | March 1986  |                     |
| Period-end occupancy rate(%)                         | 100   |                     | 100   |                     | 100   |                     | 100  |                     | 100   |                     | 100   |                     | 100   |                     | 100   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 2,700   |                     | 3,400   |                     | 1,350   |                     | 2,720  |                     | 3,150   |                     | 3,100   |                     | 3,250   |                     | 1,650   |                     | 3,085   |                     |
| Appraisal Price (mm yen)                             | 3,640   |                     | 4,220   |                     | 2,160   |                     | 3,390  |                     | 4,270   |                     | 3,780   |                     | 3,780   |                     | 1,950   |                     | 3,570   |                     |
| Property Management Company                          | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.  |                     | Heiwa Real Estate Co., Ltd.   |                     | —   |                     | Heiwa Real Estate Co., Ltd.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Mori Building Co., Ltd  |                     |
| PML (%)  | 2.6   |                     | 2.5   |                     | 2.5   |                     | 6.7  |                     | 4.0   |                     | 14.2  |                     | 2.3   |                     | 0.7   |                     | 1.2   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 123,859   | 124,361             | 117,719   | 117,754             | 65,375  | 65,842              | 88,292   | 88,292              | 100,318   | 101,653             | 82,778  | 82,778              | 92,478  | 98,370              | 67,670  | 67,915              | non-disclosure  |                     |
| Other income   | 20,371  | 23,338              | 21,510  | 20,831              | 6,101   | 5,913               | 11,290   | 10,397              | 10,973  | 9,437               | 4,440   | 4,440               | 13,941  | 12,397              | -   | -                   | (note)  |                     |
| ①Rental business income total (unit: thousand yen)   | 144,230   | 147,699             | 139,230   | 138,586             | 71,476  | 71,756              | 99,582   | 98,690              | 111,292   | 111,090             | 87,218  | 87,218              | 106,419   | 110,768             | 67,670  | 67,915              |   |                     |
| PM fees  | 18,233  | 20,352              | 14,909  | 14,350              | 6,322   | 6,236               | 8,173  | 8,224               | 9,564   | 7,775               | 365   | -                   | 21,713  | 16,827              | 14,025  | 13,856              | non-disclosure (note)   |                     |
| Public charges and taxes                             | 10,257  | 10,235              | 10,716  | 11,146              | 10,941  | 11,171              | 10,795   | 10,795              | 10,760  | 10,760              | 8,969   | 8,979               | 8,640   | 8,639               | 3,604   | 3,603               |   |                     |
| Utilities  | 10,718  | 12,621              | 8,793   | 7,866               | 3,883   | 3,466               | 6,164  | 5,309               | 9,507   | 8,064               | -   | -                   | 4,534   | 3,682               | -   | -                   |   |                     |
| Maintenance and repair fees                          | 1,750   | 1,563               | 6,256   | 333                 | 824   | 423                 | 745  | 3,391               | 1,729   | 187                 | 3,890   | 758                 | 6,241   | 4,729               | -   | 1,715               |   |                     |
| Insurance fees                                       | 207   | 214                 | 172   | 179                 | 95  | 98                  | 100  | 105                 | 77  | 83                  | 144   | 149                 | 138   | 145                 | 78  | 83                  |   |                     |
| Trust fees   | 439   | 439                 | 329   | 329                 | 329   | 329                 | 339  | 339                 | 414   | 414                 | 329   | 329                 | 391   | 391                 | 339   | 339                 |   |                     |
| Other expenses                                       | 830   | 2,163               | 1,739   | 1,973               | 332   | 446                 | 880  | 1,014               | 1,459   | 1,255               | 10  | 111                 | 249   | 232                 | 159   | 13                  |   |                     |
| ②Rental business expenses total (unit: thousand yen) | 42,436  | 47,591              | 42,917  | 36,179              | 22,728  | 22,172              | 27,199   | 29,179              | 33,513  | 28,541              | 13,710  | 10,328              | 41,908  | 34,648              | 18,207  | 19,611              |   |                     |
| ③NOI (① - ②)   | 101,793   | 100,108             | 96,313  | 102,407             | 48,747  | 49,584              | 72,383   | 69,510              | 77,778  | 82,549              | 73,507  | 76,889              | 64,511  | 76,119              | 49,463  | 48,303              | 54,842  | 52,995              |
| Depreciation   | 36,429  | 36,509              | 16,992  | 17,505              | 5,196   | 5,196               | 10,329   | 10,341              | 7,700   | 7,801               | 13,227  | 13,871              | 6,468   | 7,394               | 10,504  | 10,553              | 2,533   | 2,564               |
| Rental business profit                               | 65,364  | 63,598              | 79,320  | 84,902              | 43,551  | 44,387              | 62,054   | 59,168              | 70,078  | 74,748              | 60,279  | 63,018              | 58,043  | 68,724              | 38,958  | 37,750              | 52,308  | 50,430              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off. (Note) Figures are not disclosed due to the company that is the master lessee and the property manager has not given consent.












# III-7 Portfolio Overview and Performance (Office)

| Property Name  | Of-41<br>Itopia Nihonbashi SA<br>Building   |                     | Of-42<br>SOUTHERN SKY<br>TOWER HACHIOJI   |                     | Of-43<br>HAMACHO HEIWA<br>BUILDING  |                     | Of-44<br>KINSHICHO SQUARE<br>BUILDING  |                     | Of-45<br>KABUTO-CHO<br>UNI-SQUARE   |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Chuo-ku, Tokyo  |                     | Hachioji City, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Sumida-ku, Tokyo   |                     | Chuo-ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 436.25  |                     | 496.76  |                     | 554.80  |                     | 424.97   |                     | 406.55  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 2,690.16  |                     | 5,720.23  |                     | 4,133.47  |                     | 2,932.42   |                     | 1,828.48  |                     |
| Constructed  | July 1995   |                     | September 2010  |                     | September 1993  |                     | September 1986   |                     | March 1993  |                     |
| Period-end occupancy rate(%)                         | 100   |                     | 100   |                     | 100   |                     | 100  |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 2,140   |                     | 1,600   |                     | 3,100   |                     | 2,840  |                     | 2,100   |                     |
| Appraisal Price (mm yen)                             | 2,320   |                     | 1,890   |                     | 3,350   |                     | 2,940  |                     | 2,260   |                     |
| Property Management Company                          | ITOCHU Urban Community Ltd.   |                     | Building Management & Strategy Inc.   |                     | Heiwa Real Estate Co., Ltd.   |                     | Taisay Building Management Co., Ltd.   |                     | MITSUI FUDOSAN BUILDING MANAGEMENT Co., Ltd.  |                     |
| PML (%)  | 7.3   |                     | 2.4   |                     | 5.5   |                     | 10.8   |                     | 5.9   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 72   | 183                 | -   | 4                   |
| Rents and common expenses                            | 56,263  | 56,734              | 61,766  | 62,362              | 80,996  | 81,356              | 26,500   | 67,676              | -   | 1,244               |
| Other income   | 6,382   | 5,669               | 6,137   | 5,898               | 12,498  | 11,511              | 1,915  | 9,504               | -   | 77                  |
| ①Rental business income total (unit: thousand yen)   | 62,645  | 62,404              | 67,904  | 68,260              | 93,495  | 92,867              | 28,416   | 77,180              | -   | 1,321               |
| PM fees  | 5,866   | 5,050               | 8,612   | 9,074               | 7,574   | 7,872               | 2,020  | 5,187               | -   | 186                 |
| Public charges and taxes                             | 4,188   | 4,188               | 6,107   | 6,102               | 7,365   | 7,365               | -  | -                   | -   | -                   |
| Utilities  | 4,105   | 3,557               | 6,688   | 5,201               | 5,101   | 4,298               | 1,866  | 6,314               | -   | 60                  |
| Maintenance and repair fees                          | 574   | 376                 | 26  | 165                 | 1,110   | 163                 | -  | 154                 | -   | -                   |
| Insurance fees                                       | 72  | 73                  | 153   | 137                 | 93  | 100                 | 32   | 64                  | -   | 11                  |
| Trust fees   | 340   | 340                 | 339   | 339                 | 414   | 414                 | 158  | 390                 | -   | 15                  |
| Other expenses                                       | 654   | 362                 | 1,398   | 1,256               | 529   | 255                 | 130  | 740                 | -   | 1                   |
| ②Rental business expenses total (unit: thousand yen) | 15,801  | 13,948              | 23,327  | 22,277              | 22,189  | 20,470              | 4,208  | 12,850              | -   | 275                 |
| ③NOI (① - ②)   | 46,843  | 48,456              | 44,577  | 45,982              | 71,306  | 72,396              | 24,208   | 64,329              | -   | 1,046               |
| Depreciation   | 5,733   | 6,004               | 7,579   | 7,659               | 8,348   | 8,493               | 3,025  | 6,051               | -   | 474                 |
| Rental business profit                               | 41,109  | 42,451              | 36,998  | 38,323              | 62,958  | 63,902              | 21,183   | 58,278              | -   | 571                 |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.



# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-03<br>HF ICHIKAWA<br>RESIDENCE   |                     | Re-05<br>HF MEGURO<br>RESIDENCE   |                     | Re-09<br>HF KASAI<br>RESIDENCE  |                     | Re-11<br>HF WAKABAYASHI-<br>KOEN RESIDENCE   |                     | Re-12<br>HF HIMONYA<br>RESIDENCE  |                     | Re-14<br>HF MINAMIAZABU<br>RESIDENCE  |                     | Re-16 HF<br>GAKUGEIDAIGAKU<br>RESIDENCE   |                     | Re-17<br>HF HIGASHIKANDA<br>RESIDENCE   |                     | Re-18 HF<br>HIGASHINIHOBAS<br>HI RESIDENCE  |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Ichikawa City, Chiba  |                     | Meguro-ku, Tokyo  |                     | Edogawa-ku, Tokyo   |                     | Setagaya-ku, Tokyo   |                     | Meguro-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Meguro-ku, Tokyo  |                     | Chiyoda-ku, Tokyo   |                     | Chuo-ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 218.22  |                     | 213.45  |                     | 416.87  |                     | 2,892.06   |                     | 856.19  |                     | 279.73  |                     | 268.70  |                     | 262.07  |                     | 312.76  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 884.60  |                     | 948.48  |                     | 1,392.74  |                     | 6,689.03   |                     | 2,412.83  |                     | 1,673.32  |                     | 1,431.57  |                     | 1,596.11  |                     | 2,101.31  |                     |
| Constructed  | March 2003  |                     | April 2003  |                     | November 2002   |                     | February 2004  |                     | February 2004   |                     | April 2004  |                     | March 2005  |                     | June 2005   |                     | June 2005   |                     |
| Period-end occupancy rate (%)                        | 100   |                     | 100   |                     | 97.94   |                     | 95.29  |                     | 100   |                     | 95.00   |                     | 100   |                     | 98.44   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 430   |                     | 660   |                     | 650   |                     | 3,610  |                     | 1,560   |                     | 1,370   |                     | 1,000   |                     | 1,100   |                     | 1,210   |                     |
| Appraisal Price (mm yen)                             | 550   |                     | 730   |                     | 885   |                     | 4,463  |                     | 1,820   |                     | 1,475   |                     | 1,020   |                     | 1,460   |                     | 1,710   |                     |
| Property Management Company                          | Haseko Livenet, Inc.  |                     | RA Asset Management Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.   |                     | Tokyu Housing Lease Corp  |                     | RA Asset Management Inc.  |                     | Tokyu Housing Lease Corp.   |                     | Haseko Livenet, Inc.  |                     | Apaman Property Co., Ltd.   |                     |
| PML (%)  | 6.2   |                     | 6.2   |                     | 8.8   |                     | 6.7  |                     | 6.4   |                     | 3.6   |                     | 9.8   |                     | 5.7   |                     | 10.0  |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 17,280  | 17,280              | 19,331  | 20,036              | 23,520  | 23,309              | 103,134  | 108,214             | 44,280  | 45,433              | 36,377  | 37,063              | 25,956  | 25,075              | 35,620  | 35,351              | 41,335  | 41,467              |
| Other income   | -   | 24                  | 768   | 578                 | 2,469   | 3,314               | 9,380  | 8,716               | 2,813   | 2,654               | 1,501   | 2,153               | 785   | 1,547               | 2,058   | 1,900               | 2,223   | 2,424               |
| ①Rental business income total (unit: thousand yen)   | 17,280  | 17,304              | 20,099  | 20,614              | 25,989  | 26,623              | 112,515  | 116,931             | 47,093  | 48,087              | 37,878  | 39,216              | 26,742  | 26,622              | 37,678  | 37,252              | 43,558  | 43,891              |
| PM fees  | 1,116   | 1,081               | 2,969   | 2,408               | 2,074   | 2,387               | 10,031   | 8,768               | 4,557   | 3,362               | 4,335   | 3,534               | 2,243   | 2,575               | 3,746   | 3,810               | 3,706   | 3,898               |
| Public charges and taxes                             | 716   | 715                 | 983   | 983                 | 1,210   | 1,210               | 6,454  | 6,472               | 2,563   | 2,563               | 1,929   | 1,929               | 1,361   | 1,361               | 1,466   | 1,464               | 1,982   | 1,981               |
| Utilities  | 190   | 142                 | 237   | 247                 | 187   | 187                 | 1,081  | 1,071               | 304   | 401                 | 341   | 355                 | 270   | 278                 | 254   | 249                 | 338   | 331                 |
| Maintenance and repair fees                          | 61  | 600                 | 1,648   | 668                 | 1,638   | 2,062               | 4,661  | 4,071               | 1,605   | 569                 | 2,428   | 16,271              | 1,661   | 2,404               | 1,850   | 2,961               | 1,370   | 4,348               |
| Insurance fees                                       | 18  | 18                  | 19  | 20                  | 25  | 27                  | 150  | 155                 | 49  | 51                  | 34  | 36                  | 32  | 34                  | 39  | 40                  | 51  | 53                  |
| Trust fees   | 577   | 401                 | 603   | 401                 | 603   | 401                 | 879  | 414                 | 655   | 401                 | 631   | 402                 | 426   | 426                 | 426   | 426                 | 426   | 426                 |
| Other expenses                                       | 20  | 54                  | 47  | 91                  | 211   | 255                 | 463  | 429                 | 63  | 275                 | 72  | 144                 | 445   | 50                  | 50  | 400                 | -   | 452                 |
| ②Rental business expenses total (unit: thousand yen) | 2,700   | 3,014               | 6,509   | 4,821               | 5,952   | 6,531               | 23,722   | 21,383              | 9,799   | 7,625               | 9,773   | 22,674              | 6,441   | 7,129               | 7,832   | 9,352               | 7,876   | 11,492              |
| ③NOI (① - ②)   | 14,579  | 14,289              | 13,590  | 15,792              | 20,037  | 20,091              | 88,793   | 95,547              | 37,294  | 40,461              | 28,105  | 16,542              | 20,301  | 19,492              | 29,845  | 27,900              | 35,682  | 32,399              |
| Depreciation   | 2,276   | 2,344               | 2,833   | 2,830               | 3,487   | 3,492               | 18,372   | 18,660              | 5,685   | 5,746               | 5,311   | 3,950               | 4,854   | 3,648               | 10,632  | 10,701              | 11,070  | 11,168              |
| Rental business profit                               | 12,303  | 11,944              | 10,757  | 12,961              | 16,549  | 16,598              | 70,420   | 76,886              | 31,609  | 34,715              | 22,794  | 12,592              | 15,446  | 15,843              | 19,212  | 17,198              | 24,611  | 21,230              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.












# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-19<br>HF NERIMA<br>RESIDENCE   |                     | Re-20 HF<br>SHIROKANETAKANAWA<br>A RESIDENCE                                      |                     | Re-21<br>HF MEIDAIMAE<br>RESIDENCE  |                     | Re-22<br>HF NIHONBASHI<br>RESIDENCE  |                     | Re-23<br>HF KAMISHAKUJII<br>RESIDENCE   |                     | Re-24<br>HF KINSHICHO<br>RESIDENCE  |                     | Re-25<br>HF GINZA RESIDENCE<br>EAST   |                     | Re-26<br>HF SHIN-YOKOHAMA<br>RESIDENCE  |                     | Re-29<br>HF HAKUSAN<br>RESIDENCE  |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Nerima-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Setagaya-ku, Tokyo  |                     | Chuo-ku, Tokyo   |                     | Nerima-ku, Tokyo  |                     | Sumida-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Yokohama City, Kanagawa   |                     | Bunkyo-ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 368.67  |                     | 922.21  |                     | 485.01  |                     | 222.40   |                     | 536.09  |                     | 256.23  |                     | 822.01  |                     | 805.00  |                     | 1,390.68  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 1,200.77  |                     | 5,282.41  |                     | 1,374.87  |                     | 1,546.01   |                     | 1,676.83  |                     | 1,571.87  |                     | 6,387.67  |                     | 5,415.20  |                     | 3,998.98  |                     |
| Constructed  | May 2005  |                     | August 2005   |                     | June 2005   |                     | May 2005   |                     | May 2006  |                     | March 2005  |                     | March 2005  |                     | September 2006  |                     | January 2000  |                     |
| Period-end occupancy rate (%)                        | 98.08   |                     | 95.54   |                     | 97.90   |                     | 98.04  |                     | 100   |                     | 98.21   |                     | 98.97   |                     | 97.24   |                     | 98.10   |                     |
| Acquisition Price (mm yen)                           | 690   |                     | 4,030   |                     | 1,070   |                     | 1,130  |                     | 950   |                     | 1,100   |                     | 5,940   |                     | 3,350   |                     | 2,350   |                     |
| Appraisal Price (mm yen)                             | 872   |                     | 5,190   |                     | 1,050   |                     | 1,190  |                     | 1,050   |                     | 1,240   |                     | 5,370   |                     | 2,860   |                     | 2,060   |                     |
| Property Management Company                          | Apaman Property Co., Ltd.   |                     | Taisei Housy Property   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     |
| PML (%)  | 5.5   |                     | 3.9   |                     | 6.0   |                     | 3.3  |                     | 6.2   |                     | 10.1  |                     | 5.7   |                     | 13.2  |                     | 4.4   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 23,795  | 23,605              | 106,597   | 112,989             | 27,921  | 27,799              | 32,483   | 32,233              | 29,863  | 30,201              | 31,477  | 31,848              | 121,360   | 122,358             | 78,547  | 80,353              | 54,396  | 54,971              |
| Other income   | 765   | 1,619               | 10,303  | 7,777               | 940   | 1,202               | 1,779  | 2,136               | 1,358   | 1,329               | 789   | 1,485               | 9,950   | 11,539              | 5,153   | 6,244               | 3,571   | 4,666               |
| ①Rental business income total (unit: thousand yen)   | 24,560  | 25,225              | 116,901   | 120,766             | 28,861  | 29,002              | 34,262   | 34,369              | 31,222  | 31,530              | 32,267  | 33,333              | 131,311   | 133,898             | 83,700  | 86,597              | 57,968  | 59,638              |
| PM fees  | 2,060   | 3,009               | 13,104  | 9,079               | 2,734   | 3,178               | 3,335  | 2,931               | 3,476   | 3,219               | 3,053   | 3,105               | 10,352  | 10,059              | 8,208   | 7,898               | 5,108   | 5,948               |
| Public charges and taxes                             | 1,189   | 1,182               | 5,630   | 5,630               | 1,499   | 1,498               | 1,549  | 1,549               | 1,774   | 1,770               | 1,424   | 1,417               | 6,294   | 6,294               | 4,630   | 4,631               | 3,866   | 3,861               |
| Utilities  | 205   | 206                 | 894   | 876                 | 183   | 181                 | 368  | 360                 | 336   | 322                 | 331   | 333                 | 1,088   | 1,036               | 379   | 356                 | 546   | 509                 |
| Maintenance and repair fees                          | 1,112   | 2,027               | 4,842   | 3,871               | 1,325   | 1,220               | 652  | 220                 | 1,597   | 3,380               | 1,263   | 841                 | 22,391  | 1,688               | 5,829   | 906                 | 1,790   | 2,017               |
| Insurance fees                                       | 30  | 31                  | 142   | 147                 | 34  | 35                  | 39   | 40                  | 43  | 45                  | 39  | 40                  | 154   | 160                 | 119   | 123                 | 87  | 90                  |
| Trust fees   | 376   | 376                 | -   | -                   | -   | -                   | 454  | 454                 | -   | -                   | -   | -                   | 1,807   | -                   | -   | -                   | -   | -                   |
| Other expenses                                       | 402   | 5                   | 567   | 894                 | 248   | 653                 | 755  | 529                 | 32  | 106                 | 285   | 192                 | 279   | 287                 | 714   | 633                 | 77  | 82                  |
| ②Rental business expenses total (unit: thousand yen) | 5,377   | 6,838               | 25,181  | 20,499              | 6,024   | 6,767               | 7,154  | 6,085               | 7,260   | 8,843               | 6,398   | 5,930               | 42,369  | 19,527              | 19,881  | 14,549              | 11,477  | 12,511              |
| ③NOI (① - ②)   | 19,183  | 18,386              | 91,719  | 100,266             | 22,836  | 22,235              | 27,108   | 28,284              | 23,962  | 22,686              | 25,868  | 27,402              | 88,942  | 114,371             | 63,819  | 72,048              | 46,490  | 47,127              |
| Depreciation   | 6,682   | 6,791               | 21,311  | 21,473              | 5,413   | 5,407               | 5,217  | 5,284               | 6,411   | 6,418               | 5,474   | 5,539               | 28,411  | 29,294              | 20,048  | 20,223              | 11,678  | 11,432              |
| Rental business profit                               | 12,500  | 11,594              | 70,408  | 78,793              | 17,423  | 16,827              | 21,890   | 23,000              | 17,550  | 16,268              | 20,394  | 21,862              | 60,530  | 85,076              | 43,770  | 51,824              | 34,812  | 35,694              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.







# III-8 Portfolio Overview and Performance (Residence)

| Property Name   | Re-30<br>HF MAGOME<br>RESIDENCE   |                     | Re-31 HF<br>GAKUGEIDAIGAKU<br>RESIDENCE II  |                     | Re-33<br>HF KAMEIDO<br>RESIDENCE  |                     | Re-34<br>HF TANASHI<br>RESIDENCE   |                     | Re-35<br>HF SHIBA-KOEN<br>RESIDENCE   |                     | Re-36<br>HF MITA<br>RESIDENCE   |                     | Re-37<br>HF TAKANAWA<br>RESIDENCE   |                     | Re-38<br>La Residence de<br>Shirokanedai  |                     | Re-39<br>HF GINZA RESIDENCE<br>EAST II  |                     |
|---|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo  |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address   | Ota-ku, Tokyo   |                     | Meguro-ku, Tokyo  |                     | Koto-ku, Tokyo  |                     | Nishitokyo City, Tokyo   |                     | Minato-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Minato-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                              | 2,357.97  |                     | 847.14  |                     | 246.34  |                     | 1,639.65   |                     | 311.02  |                     | 303.10  |                     | 432.36  |                     | 344.25  |                     | 368.35  |                     |
| Total Floor Area (m <sup>2</sup> )                      | 3,566.18  |                     | 1,863.67  |                     | 1,782.74  |                     | 3,414.75   |                     | 1,362.79  |                     | 1,705.22  |                     | 1,176.06  |                     | 1,180.73  |                     | 2,334.73  |                     |
| Constructed   | August 2001   |                     | January 2005  |                     | January 2008  |                     | March 1989   |                     | August 2003   |                     | March 2004  |                     | February 2003   |                     | February 2004   |                     | February 1999   |                     |
| Period-end occupancy rate (%)                           | 100   |                     | 95.80   |                     | 98.37   |                     | 97.14  |                     | 100   |                     | 95.80   |                     | 100   |                     | 96.51   |                     | 96.02   |                     |
| Acquisition Price (mm yen)                              | 1,630   |                     | 1,650   |                     | 1,050   |                     | 911  |                     | 836   |                     | 1,080   |                     | 749   |                     | 730   |                     | 1,460   |                     |
| Appraisal Price (mm yen)                                | 1,440   |                     | 1,310   |                     | 1,170   |                     | 780  |                     | 908   |                     | 1,300   |                     | 966   |                     | 947   |                     | 1,830   |                     |
| Property Management Company                             | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Apaman Property Co., Ltd.   |                     | Tokyu Housing Lease Corp  |                     | Apaman Property Co., Ltd.   |                     |
| PML (%)   | 4.6   |                     | 14.6  |                     | 7.6   |                     | 8.6  |                     | 7.8   |                     | 2.6   |                     | 1.5   |                     | 3.3   |                     | 6.9   |                     |
| Rental business balance                                 | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days  | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                               | 38,854  | 39,454              | 32,360  | 33,117              | 31,400  | 31,969              | 29,591   | 28,827              | 24,436  | 24,842              | 35,233  | 35,133              | 25,329  | 25,072              | 25,042  | 25,864              | 49,839  | 51,755              |
| Other income  | 4,530   | 5,688               | 1,817   | 1,595               | 943   | 3,925               | 1,258  | 2,555               | 1,194   | 1,697               | 1,805   | 2,599               | 927   | 1,321               | 1,537   | 1,086               | 3,219   | 2,773               |
| ①Rental business income total<br>(unit: thousand yen)   | 43,385  | 45,143              | 34,177  | 34,712              | 32,344  | 35,895              | 30,849   | 31,382              | 25,630  | 26,539              | 37,038  | 37,733              | 26,256  | 26,393              | 26,580  | 26,950              | 53,058  | 54,528              |
| PM fees   | 3,540   | 3,774               | 3,687   | 3,258               | 2,872   | 5,311               | 3,794  | 4,937               | 2,956   | 2,399               | 3,679   | 4,204               | 2,455   | 2,552               | 4,245   | 3,577               | 6,578   | 5,069               |
| Public charges and taxes                                | 3,211   | 3,208               | 1,934   | 1,928               | 1,751   | 1,751               | 2,436  | 2,438               | 1,596   | 1,602               | 2,302   | 2,307               | 1,425   | 1,425               | 1,550   | 1,557               | 2,044   | 2,042               |
| Utilities   | 423   | 346                 | 260   | 270                 | 386   | 362                 | 382  | 376                 | 491   | 471                 | 446   | 448                 | 148   | 188                 | 28  | 15                  | 391   | 391                 |
| Maintenance and repair fees                             | 1,968   | 2,123               | 1,597   | 5,579               | 717   | 3,600               | 1,587  | 3,052               | 1,520   | 1,304               | 1,810   | 2,067               | 1,025   | 1,933               | 1,983   | 1,963               | 3,358   | 781                 |
| Insurance fees  | 78  | 80                  | 43  | 45                  | 43  | 45                  | 67   | 69                  | 36  | 37                  | 44  | 45                  | 31  | 33                  | 29  | 30                  | 56  | 58                  |
| Trust fees  | -   | -                   | 747   | 414                 | -   | -                   | -  | -                   | 397   | 397                 | 397   | 397                 | 447   | 447                 | 403   | 404                 | 457   | 457                 |
| Other expenses  | 68  | 53                  | 131   | 45                  | 474   | 348                 | -  | -                   | 426   | 257                 | 214   | 183                 | 121   | 126                 | 9   | -                   | -   | 112                 |
| ②Rental business expenses total<br>(unit: thousand yen) | 9,289   | 9,585               | 8,403   | 11,541              | 6,245   | 11,419              | 8,267  | 10,873              | 7,424   | 6,470               | 8,893   | 9,653               | 5,655   | 6,707               | 8,251   | 7,548               | 12,885  | 8,913               |
| ③NOI (① - ②)  | 34,095  | 35,557              | 25,774  | 23,171              | 26,098  | 24,475              | 22,582   | 20,509              | 18,206  | 20,068              | 28,145  | 28,079              | 20,601  | 19,686              | 18,329  | 19,402              | 40,172  | 45,615              |
| Depreciation  | 9,324   | 9,479               | 6,696   | 6,750               | 5,626   | 5,812               | 10,142   | 10,259              | 5,384   | 5,498               | 6,617   | 6,677               | 5,145   | 5,203               | 3,332   | 3,422               | 9,209   | 9,077               |
| Rental business profit                                  | 24,771  | 26,078              | 19,078  | 16,421              | 20,472  | 18,663              | 12,439   | 10,249              | 12,821  | 14,570              | 21,527  | 21,402              | 15,455  | 14,482              | 14,996  | 15,979              | 30,963  | 36,538              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.



# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-40<br>HF HATCHOBORI<br>RESIDENCE Ⅱ   |                     | Re-41<br>HF HATCHOBORI<br>RESIDENCE Ⅲ   |                     | Re-42<br>HF GINZA<br>RESIDENCE  |                     | Re-43 HF<br>KOMAZAWA-KOEN<br>RESIDENCE TOWER                                       |                     | Re-44<br>HF UMEDA<br>RESIDENCE TOWER  |                     | Re-45<br>HF NAKANOSHIMA<br>RESIDENCE  |                     | Re-46<br>HF AWAZA<br>RESIDENCE  |                     | Re-47<br>HF MARUNOUCHI<br>RESIDENCE   |                     | Re-48<br>HF HIRAO<br>RESIDENCE  |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Chuo-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Chuo-ku, Tokyo  |                     | Setagaya-ku, Tokyo   |                     | Osaka City, Osaka   |                     | Osaka City, Osaka   |                     | Osaka City, Osaka   |                     | Nagoya City, Aichi  |                     | Fukuoka City, Fukuoka   |                     |
| Lot Area (m <sup>2</sup> )                           | 427.32  |                     | 203.98  |                     | 175.16  |                     | 2,425.44   |                     | 631.79  |                     | 375.95  |                     | 296.88  |                     | 545.08  |                     | 1,599.97  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 3,351.26  |                     | 1,756.88  |                     | 1,375.97  |                     | 11,468.94  |                     | 7,105.00  |                     | 1,486.57  |                     | 1,999.88  |                     | 2,284.30  |                     | 6,476.24  |                     |
| Constructed  | January 2002  |                     | January 2004  |                     | July 2004   |                     | January 2001   |                     | August 2003   |                     | June 2001   |                     | March 2002  |                     | February 2004   |                     | March 2003  |                     |
| Period-end occupancy rate (%)                        | 97.55   |                     | 96.92   |                     | 100   |                     | 94.16  |                     | 95.97   |                     | 89.77   |                     | 98.32   |                     | 95.85   |                     | 97.73   |                     |
| Acquisition Price (mm yen)                           | 1,890   |                     | 793   |                     | 944   |                     | 6,520  |                     | 1,920   |                     | 453   |                     | 577   |                     | 624   |                     | 1,780   |                     |
| Appraisal Price (mm yen)                             | 2,270   |                     | 1,040   |                     | 1,270   |                     | 7,520  |                     | 2,180   |                     | 526   |                     | 720   |                     | 746   |                     | 2,180   |                     |
| Property Management Company                          | Apaman Property Co., Ltd.   |                     | Nihon Housing Co., Ltd.   |                     | RA Asset Management Inc.  |                     | Apaman Property Co., Ltd.  |                     | Apaman Property Co., Ltd.   |                     | Haseko Livenet, Inc.  |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     |
| PML (%)  | 6.0   |                     | 3.2   |                     | 3.0   |                     | 2.7  |                     | 6.2   |                     | 8.6   |                     | 6.0   |                     | 16.5  |                     | 3.4   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 59,988  | 59,872              | 28,847  | 26,951              | 33,323  | 32,799              | 197,661  | 201,171             | 76,782  | 75,602              | 17,920  | 18,316              | 22,837  | 23,854              | 25,325  | 25,279              | 73,574  | 75,543              |
| Other income   | 3,033   | 4,077               | 1,606   | 2,586               | 1,198   | 2,392               | 10,330   | 11,892              | 1,836   | 1,613               | 961   | 1,018               | 389   | 334                 | 1,506   | 1,632               | 5,740   | 6,218               |
| ①Rental business income total (unit: thousand yen)   | 63,021  | 63,949              | 30,453  | 29,537              | 34,521  | 35,192              | 207,992  | 213,063             | 78,619  | 77,215              | 18,882  | 19,335              | 23,226  | 24,188              | 26,831  | 26,912              | 79,314  | 81,762              |
| PM fees  | 5,953   | 5,694               | 2,481   | 4,139               | 2,619   | 3,964               | 23,147   | 22,445              | 11,823  | 12,234              | 2,815   | 3,176               | 3,303   | 2,094               | 2,791   | 2,878               | 6,364   | 6,739               |
| Public charges and taxes                             | 2,942   | 2,942               | 1,818   | 1,808               | 1,626   | 1,622               | 11,393   | 11,390              | 6,412   | 6,443               | 1,338   | 1,342               | 1,702   | 1,704               | 1,655   | 1,654               | 5,434   | 5,430               |
| Utilities  | 615   | 674                 | 340   | 341                 | 370   | 377                 | 3,384  | 3,084               | 2,052   | 2,034               | 351   | 339                 | 264   | 268                 | 237   | 283                 | 2,948   | 3,093               |
| Maintenance and repair fees                          | 2,878   | 3,663               | 734   | 1,442               | 495   | 14,827              | 6,688  | 8,890               | 5,827   | 4,720               | 1,272   | 1,416               | 1,734   | 438                 | 2,431   | 1,468               | 5,005   | 4,158               |
| Insurance fees                                       | 78  | 81                  | 43  | 44                  | 32  | 34                  | 263  | 373                 | 156   | 160                 | 36  | 37                  | 46  | 48                  | 49  | 50                  | 154   | 158                 |
| Trust fees   | 450   | 450                 | 372   | 372                 | 447   | 447                 | 581  | 581                 | 502   | 502                 | 450   | 450                 | 451   | 451                 | 452   | 452                 | 527   | 527                 |
| Other expenses                                       | 317   | 367                 | 207   | 179                 | 16  | 29                  | 1,229  | 1,328               | 91  | 165                 | 200   | 200                 | -   | -                   | 86  | 136                 | 334   | -                   |
| ②Rental business expenses total (unit: thousand yen) | 13,236  | 13,876              | 5,998   | 8,327               | 5,609   | 21,303              | 46,687   | 48,093              | 26,865  | 26,262              | 6,465   | 6,963               | 7,503   | 5,006               | 7,704   | 6,925               | 20,769  | 20,107              |
| ③NOI (① - ②)   | 49,784  | 50,073              | 24,454  | 21,209              | 28,912  | 13,888              | 161,305  | 164,970             | 51,753  | 50,953              | 12,416  | 12,371              | 15,723  | 19,182              | 19,127  | 19,987              | 58,545  | 61,654              |
| Depreciation   | 15,018  | 15,201              | 7,410   | 7,436               | 9,362   | 9,460               | 39,291   | 41,902              | 25,957  | 26,481              | 5,689   | 5,692               | 7,021   | 7,028               | 6,882   | 6,908               | 21,359  | 21,414              |
| Rental business profit                               | 34,766  | 34,872              | 17,044  | 13,773              | 19,549  | 4,428               | 122,013  | 123,067             | 25,796  | 24,472              | 6,726   | 6,679               | 8,701   | 12,153              | 12,244  | 13,078              | 37,185  | 40,239              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.








# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-49<br>HF KAWARAMACHI<br>NIJO RESIDENCE   |        | Re-53 HF SHIJO<br>KAWARAMACHI<br>RESIDENCE  |        | Re-54<br>La Residence de<br>Sendagi   |        | Re-55<br>HF SENDAGI<br>RESIDENCE   |        | Re-56<br>HF KOMAZAWA-KOEN<br>RESIDENCE  |        | Re-57<br>HF MUSASHIKOYAMA<br>RESIDENCE  |        | Re-58<br>HF KOKUBUNJI<br>RESIDENCE  |        | Re-59<br>HF HISAYAODORI<br>RESIDENCE  |        | Re-60 HF KARASUMA<br>KURAMAGUCHI<br>RESIDENCE                                       |        |
|--|---|--------|---|--------|---|--------|--|--------|---|--------|---|--------|---|--------|---|--------|---|--------|
| Property Photo                                       |  |        |  |        |  |        |  |        |  |        |  |        |  |        |  |        |  |        |
| Address  | Kyoto City, Kyoto   |        | Kyoto City, Kyoto   |        | Bunkyo-ku, Tokyo  |        | Bunkyo-ku, Tokyo   |        | Setagaya-ku, Tokyo  |        | Shinagawa-ku, Tokyo   |        | Kokubunji City, Tokyo   |        | Nagoya City, Aichi  |        | Kyoto City, Kyoto   |        |
| Lot Area (m <sup>2</sup> )                           | 206.84  |        | 863.39  |        | 269.15  |        | 249.06   |        | 709.54  |        | 455.93  |        | 257.06  |        | 362.02  |        | 471.10  |        |
| Total Floor Area (m <sup>2</sup> )                   | 1,547.19  |        | 5,217.41  |        | 1,307.91  |        | 1,667.29   |        | 1,124.69  |        | 1,495.61  |        | 1,295.58  |        | 3,633.19  |        | 1,362.90  |        |
| Constructed  | February 2005   |        | March 2007  |        | February 2006   |        | February 2006  |        | July 2006   |        | November 2006   |        | January 2006  |        | March 2006  |        | March 2007  |        |
| Period-end occupancy rate (%)                        | 100   |        | 100   |        | 98.19   |        | 100  |        | 100   |        | 98.20   |        | 96.35   |        | 93.12   |        | 100   |        |
| Acquisition Price (mm yen)                           | 534   |        | 1,820   |        | 820   |        | 870  |        | 615   |        | 842   |        | 839   |        | 1,080   |        | 572   |        |
| Appraisal Price (mm yen)                             | 605   |        | 2,370   |        | 1,000   |        | 1,070  |        | 713   |        | 1,140   |        | 1,050   |        | 1,310   |        | 691   |        |
| Property Management Company                          | Apaman Property Co., Ltd.   |        | Apaman Property Co., Ltd.   |        | Apaman Property Co., Ltd.   |        | Apaman Property Co., Ltd.  |        | Apaman Property Co., Ltd.   |        | Apaman Property Co., Ltd.   |        | Nihon Housing Co., Ltd.   |        | Apaman Property Co., Ltd.   |        | Apaman Property Co., Ltd.   |        |
| PML (%)  | 6.5   |        | 5.5   |        | 4.4   |        | 9.2  |        | 4.3   |        | 6.3   |        | 6.3   |        | 9.3   |        | 9.9   |        |
| Rental business balance                              | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP  |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        | 36 <sup>th</sup> FP   37 <sup>th</sup> FP   |        |
| Operation days                                       | 183   | 183    | 183   | 183    | 183   | 183    | 183  | 183    | 183   | 183    | 183   | 183    | 183   | 183    | 183   | 183    | 183   | 183    |
| Rents and common expenses                            | 19,151  | 19,812 | 71,179  | 70,560 | 28,090  | 28,452 | 31,987   | 32,138 | 19,873  | 19,632 | 30,569  | 30,947 | 29,221  | 29,778 | 40,610  | 42,053 | 20,835  | 20,333 |
| Other income   | 884   | 838    | 5,888   | 5,303  | 348   | 3,827  | 144  | 4,039  | 791   | 637    | 1,619   | 1,756  | 982   | 1,448  | 1,289   | 1,395  | 1,217   | 1,351  |
| ①Rental business income total (unit: thousand yen)   | 20,035  | 20,650 | 77,067  | 75,863 | 28,438  | 32,279 | 32,131   | 36,177 | 20,664  | 20,269 | 32,189  | 32,703 | 30,203  | 31,226 | 41,900  | 43,448 | 22,053  | 21,685 |
| PM fees  | 2,177   | 1,394  | 5,755   | 5,809  | 3,488   | 4,889  | 3,375  | 5,190  | 2,578   | 2,540  | 3,471   | 3,456  | 2,496   | 2,393  | 4,175   | 3,870  | 2,334   | 2,338  |
| Public charges and taxes                             | 1,170   | 1,172  | 4,464   | 4,474  | 1,295   | 1,295  | 1,570  | 1,583  | 1,344   | 1,344  | 1,522   | 1,522  | 1,532   | 1,535  | 2,732   | 2,731  | 1,117   | 1,119  |
| Utilities  | 871   | 908    | 2,362   | 2,295  | -   | -      | -  | -      | 248   | 233    | 207   | 207    | 209   | 206    | 355   | 436    | 524   | 520    |
| Maintenance and repair fees                          | 561   | 237    | 1,083   | 1,945  | 740   | 1,367  | 318  | 1,072  | 7,432   | 1,391  | 1,078   | 1,099  | 779   | 752    | 1,862   | 2,211  | 429   | 649    |
| Insurance fees                                       | 31  | 32     | 113   | 117    | 25  | 26     | 33   | 35     | 26  | 27     | 33  | 34     | 31  | 33     | 75  | 77     | 30  | 32     |
| Trust fees   | 450   | 450    | 391   | 391    | 423   | 423    | 423  | 423    | 396   | 396    | 390   | 390    | 414   | 414    | 399   | 399    | 391   | 391    |
| Other expenses                                       | 15  | 400    | 993   | 1,046  | -   | -      | -  | -      | 46  | 28     | 158   | 188    | -   | 611    | 408   | 355    | -   | 5      |
| ②Rental business expenses total (unit: thousand yen) | 5,279   | 4,597  | 15,165  | 16,081 | 5,973   | 8,002  | 5,722  | 8,305  | 12,074  | 5,963  | 6,862   | 6,900  | 5,463   | 5,947  | 10,008  | 10,083 | 4,828   | 5,056  |
| ③NOI (① - ②)   | 14,756  | 16,053 | 61,901  | 59,781 | 22,464  | 24,277 | 26,408   | 27,871 | 8,590   | 14,305 | 25,327  | 25,802 | 24,739  | 25,278 | 31,891  | 33,365 | 17,224  | 16,628 |
| Depreciation   | 3,509   | 3,508  | 8,892   | 8,948  | 2,928   | 2,919  | 3,571  | 3,574  | 3,273   | 3,463  | 3,079   | 3,121  | 3,796   | 3,862  | 6,370   | 6,387  | 2,766   | 2,779  |
| Rental business profit                               | 11,246  | 12,545 | 53,008  | 50,832 | 19,535  | 21,358 | 22,836   | 24,297 | 5,317   | 10,842 | 22,247  | 22,680 | 20,942  | 21,415 | 25,520  | 26,977 | 14,457  | 13,849 |



# III-8 Portfolio Overview and Performance (Residence)

| Property Name   | Re-61<br>HF NISHI-SHINJUKU<br>RESIDENCE WEST                                      |                     | Re-62<br>HF NISHI-SHINJUKU<br>RESIDENCE EAST                                      |                     | Re-63 HF HIGASHI-<br>SHINJUKU<br>RESIDENCE  |                     | Re-64 HF HIGASHI-<br>SHINSAIBASHI<br>RESIDENCE                                     |                     | Re-65<br>HF KITA-YOBANCHO<br>RESIDENCE  |                     | Re-66<br>HF ATAGOBASHI<br>RESIDENCE   |                     | Re-67 HF<br>KYUDAIYOBINMAE<br>RESIDENCE   |                     | Re-68<br>HF ASAKUSABASHI<br>RESIDENCE   |                     | Re-69<br>HF ICHIBANCHO<br>RESIDENCE   |                     |
|---|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo  |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address   | Shinjuku-ku, Tokyo  |                     | Shinjuku-ku, Tokyo  |                     | Shinjuku-ku, Tokyo  |                     | Osaka City, Osaka  |                     | Sendai City, Miyagi   |                     | Sendai City, Miyagi   |                     | Fukuoka City, Fukuoka   |                     | Taito-ku, Tokyo   |                     | Sendai City, Miyagi   |                     |
| Lot Area (m <sup>2</sup> )                              | 575.67  |                     | 347.29  |                     | 313.96  |                     | 343.80   |                     | 475.70  |                     | 717.53  |                     | 400.00  |                     | 267.42  |                     | 398.14  |                     |
| Total Floor Area (m <sup>2</sup> )                      | 2,979.31  |                     | 1,787.97  |                     | 2,233.42  |                     | 1,295.71   |                     | 2,834.54  |                     | 2,381.24  |                     | 1,650.19  |                     | 1,341.38  |                     | 2,404.41  |                     |
| Constructed   | March 2006  |                     | March 2006  |                     | March 2007  |                     | September 2006   |                     | January 2007  |                     | January 2007  |                     | January 2007  |                     | September 2006  |                     | February 2007   |                     |
| Period-end occupancy rate (%)                           | 93.75   |                     | 92.08   |                     | 100   |                     | 100  |                     | 91.09   |                     | 96.75   |                     | 100   |                     | 97.44   |                     | 100   |                     |
| Acquisition Price (mm yen)                              | 1,990   |                     | 1,170   |                     | 1,360   |                     | 566  |                     | 809   |                     | 684   |                     | 426   |                     | 771   |                     | 834   |                     |
| Appraisal Price (mm yen)                                | 2,660   |                     | 1,570   |                     | 1,690   |                     | 695  |                     | 1,180   |                     | 957   |                     | 524   |                     | 982   |                     | 1,170   |                     |
| Property Management Company                             | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.  |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     | Apaman Property Co., Ltd.   |                     |
| PML (%)   | 4.6   |                     | 3.5   |                     | 2.6   |                     | 10.3   |                     | 1.0   |                     | 1.0   |                     | 1.0   |                     | 6.3   |                     | 1.1   |                     |
| Rental business balance                                 | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days  | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                               | 64,751  | 66,192              | 39,788  | 39,723              | 45,990  | 47,858              | 20,871   | 21,244              | 36,890  | 35,157              | 31,637  | 30,864              | 17,823  | 17,872              | 26,115  | 25,718              | 39,847  | 39,016              |
| Other income  | 3,636   | 4,491               | 2,062   | 3,094               | 1,897   | 1,495               | 105  | 156                 | 1,987   | 2,623               | 1,765   | 3,002               | 512   | 877                 | 1,809   | 516                 | 1,770   | 1,904               |
| ①Rental business income total<br>(unit: thousand yen)   | 68,387  | 70,683              | 41,850  | 42,817              | 47,888  | 49,353              | 20,976   | 21,401              | 38,878  | 37,781              | 33,403  | 33,867              | 18,336  | 18,750              | 27,924  | 26,235              | 41,618  | 40,920              |
| PM fees   | 6,799   | 7,497               | 3,909   | 5,784               | 7,296   | 5,653               | 2,975  | 1,624               | 5,036   | 4,837               | 2,755   | 3,250               | 2,275   | 2,381               | 3,114   | 3,344               | 3,937   | 4,048               |
| Public charges and taxes                                | 3,150   | 3,150               | 1,972   | 1,974               | 2,396   | 2,396               | 1,236  | 1,237               | 2,257   | 2,259               | 2,219   | 2,228               | 1,369   | 1,367               | 1,321   | 1,321               | 2,616   | 2,634               |
| Utilities   | 503   | 512                 | 656   | 685                 | 344   | 392                 | 136  | 156                 | 492   | 609                 | 502   | 604                 | 255   | 264                 | 295   | 301                 | 290   | 347                 |
| Maintenance and repair fees                             | 3,978   | 2,788               | 2,748   | 1,986               | 1,432   | 1,103               | 812  | 415                 | 1,946   | 1,687               | 1,742   | 1,305               | 1,354   | 1,442               | 1,475   | 1,446               | 935   | 3,186               |
| Insurance fees  | 73  | 76                  | 44  | 46                  | 51  | 53                  | 28   | 30                  | 61  | 63                  | 58  | 59                  | 37  | 38                  | 35  | 36                  | 58  | 60                  |
| Trust fees  | 414   | 414                 | 414   | 414                 | 401   | 401                 | 401  | 401                 | 401   | 401                 | 401   | 401                 | 391   | 391                 | 401   | 401                 | 401   | 401                 |
| Other expenses  | 333   | 326                 | 340   | 225                 | -   | 114                 | -  | -                   | 399   | 156                 | -   | 35                  | 48  | -                   | -   | 128                 | 55  | 17                  |
| ②Rental business expenses total<br>(unit: thousand yen) | 15,253  | 14,766              | 10,087  | 11,117              | 11,922  | 10,115              | 5,590  | 3,864               | 10,594  | 10,015              | 7,680   | 7,885               | 5,732   | 5,885               | 6,643   | 6,979               | 8,295   | 10,696              |
| ③NOI (① - ②)  | 53,134  | 55,917              | 31,763  | 31,700              | 35,965  | 39,237              | 15,386   | 17,536              | 28,283  | 27,765              | 25,722  | 25,981              | 12,604  | 12,865              | 21,280  | 19,255              | 33,323  | 30,223              |
| Depreciation  | 6,720   | 6,932               | 4,236   | 4,332               | 6,174   | 6,336               | 2,541  | 2,540               | 6,122   | 6,178               | 5,805   | 5,874               | 3,657   | 3,703               | 3,032   | 3,041               | 5,209   | 5,362               |
| Rental business profit                                  | 46,413  | 48,984              | 27,527  | 27,367              | 29,791  | 32,901              | 12,845   | 14,996              | 22,160  | 21,587              | 19,917  | 20,106              | 8,946   | 9,161               | 18,248  | 16,213              | 28,113  | 24,861              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.












# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-70 HF HIGASHI-NAKANO RESIDENCE   |                     | Re-72 HF WASEDA RESIDENCE   |                     | Re-73 HF WASEDA RESIDENCE II  |                     | Re-74 HF WAKAMATSU-KAWADA RESIDENCE  |                     | Re-75 HF SENDAI RESIDENCE EAST  |                     | Re-76 HF NISHI-KOEN RESIDENCE   |                     | Re-77 HF BANSUI-DORI RESIDENCE  |                     | Re-78 HF KANNAI RESIDENCE   |                     | Re-79 HF MEIEKI-KITA RESIDENCE  |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Nakano-ku, Tokyo  |                     | Shinjuku-ku, Tokyo  |                     | Shinjuku-ku, Tokyo  |                     | Shinjuku-ku, Tokyo   |                     | Sendai City, Miyagi   |                     | Sendai City, Miyagi   |                     | Sendai City, Miyagi   |                     | Yokohama City, Kanagawa   |                     | Nagoya City, Aichi  |                     |
| Lot Area (m <sup>2</sup> )                           | 538.53  |                     | 820.34  |                     | 319.83  |                     | 412.42   |                     | 1,133.39  |                     | 733.98  |                     | 401.19  |                     | 435.27  |                     | 939.72  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 1,705.22  |                     | 3,440.06  |                     | 1,356.68  |                     | 1,858.51   |                     | 5,662.45  |                     | 2,939.82  |                     | 2,037.38  |                     | 2,963.30  |                     | 4,692.26  |                     |
| Constructed  | February 2007   |                     | May 2007  |                     | May 2007  |                     | February 2004  |                     | July 2008   |                     | February 2006   |                     | March 2006  |                     | November 2006   |                     | August 2007   |                     |
| Period-end occupancy rate (%)                        | 100   |                     | 95.10   |                     | 98.27   |                     | 97.85  |                     | 95.15   |                     | 95.15   |                     | 95.45   |                     | 97.46   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 942   |                     | 2,090   |                     | 872   |                     | 1,158  |                     | 1,638   |                     | 1,310   |                     | 790   |                     | 1,800   |                     | 2,160   |                     |
| Appraisal Price (mm yen)                             | 1,110   |                     | 2,660   |                     | 1,080   |                     | 1,620  |                     | 1,980   |                     | 1,480   |                     | 960   |                     | 2,130   |                     | 2,310   |                     |
| Property Management Company                          | Nihon Housing Co., Ltd.   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Tokyu Housing Lease Corp   |                     | Apaman Property Co., Ltd.   |                     | Taisei Housy Property   |                     | Taisei Housy Property   |                     | Haseko Livenet, Inc.  |                     | Taisei Housy Property   |                     |
| PML (%)  | 3.0   |                     | 4.0   |                     | 3.6   |                     | 5.0  |                     | 1.8   |                     | 2.7   |                     | 1.7   |                     | 2.5   |                     | (WEST)12.8 (EAST)12.9   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 30,295  | 30,429              | 72,746  | 74,390              | 30,890  | 30,628              | 36,249   | 37,290              | 64,059  | 61,768              | 42,074  | 41,674              | 27,402  | 26,571              | 56,427  | 56,516              | 56,711  | 58,203              |
| Other income   | 1,130   | 1,612               | 3,839   | 5,808               | 858   | 2,007               | 3,736  | 4,778               | 4,113   | 3,741               | 2,638   | 3,437               | 1,640   | 1,396               | 5,981   | 7,427               | 6,199   | 5,751               |
| ①Rental business income total (unit: thousand yen)   | 31,426  | 32,042              | 76,586  | 80,198              | 31,749  | 32,635              | 39,985   | 42,068              | 68,173  | 65,509              | 44,713  | 45,112              | 29,042  | 27,968              | 62,409  | 63,943              | 62,911  | 63,954              |
| PM fees  | 3,819   | 2,881               | 12,535  | 14,100              | 4,765   | 6,274               | 3,398  | 3,813               | 5,045   | 5,537               | 3,585   | 3,776               | 2,903   | 2,594               | 5,801   | 7,147               | 6,896   | 4,834               |
| Public charges and taxes                             | 1,655   | 1,655               | 3,379   | 3,378               | 1,367   | 1,366               | 1,890  | 1,890               | 3,993   | 4,002               | 2,549   | 2,555               | 1,767   | 1,768               | 3,165   | 3,165               | 3,606   | 3,597               |
| Utilities  | 245   | 234                 | 671   | 659                 | 379   | 367                 | 328  | 322                 | 708   | 675                 | 369   | 441                 | 223   | 281                 | 789   | 782                 | 1,295   | 1,324               |
| Maintenance and repair fees                          | 1,692   | 2,030               | 3,388   | 2,795               | 1,163   | 1,510               | 869  | 678                 | 1,579   | 2,833               | 2,425   | 2,512               | 4,112   | 1,914               | 2,610   | 2,152               | 2,107   | 20,561              |
| Insurance fees                                       | 37  | 39                  | 84  | 87                  | 33  | 35                  | 45   | 46                  | 105   | 108                 | 61  | 63                  | 39  | 41                  | 79  | 82                  | 174   | 92                  |
| Trust fees   | 392   | 392                 | 413   | 413                 | 415   | 415                 | 440  | 440                 | 331   | 331                 | 416   | 416                 | 416   | 416                 | 391   | 391                 | 320   | 320                 |
| Other expenses                                       | 32  | 23                  | 726   | 731                 | 367   | 367                 | 273  | 273                 | 71  | 1,490               | 30  | 50                  | 20  | 236                 | 18  | 23                  | 572   | 445                 |
| ②Rental business expenses total (unit: thousand yen) | 7,875   | 7,256               | 21,198  | 22,166              | 8,491   | 10,336              | 7,246  | 7,465               | 11,835  | 14,979              | 9,437   | 9,816               | 9,483   | 7,253               | 12,855  | 13,744              | 14,973  | 31,176              |
| ③NOI (① - ②)   | 23,551  | 24,785              | 55,387  | 58,032              | 23,258  | 22,299              | 32,739   | 34,603              | 56,337  | 50,529              | 35,275  | 35,295              | 19,558  | 20,714              | 49,554  | 50,198              | 47,937  | 32,778              |
| Depreciation   | 3,676   | 3,706               | 7,677   | 7,552               | 3,079   | 3,043               | 6,974  | 6,994               | 15,152  | 15,251              | 12,128  | 12,203              | 7,175   | 7,210               | 12,127  | 12,322              | 12,529  | 12,619              |
| Rental business profit                               | 19,875  | 21,078              | 47,709  | 50,479              | 20,179  | 19,255              | 25,765   | 27,609              | 41,185  | 35,278              | 23,147  | 23,092              | 12,383  | 13,504              | 37,426  | 37,876              | 35,408  | 20,159              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.






# III-8 Portfolio Overview and Performance (Residence)

| Property Name  | Re-80 HF HIGASHI-APPORO RESIDENCE   |                     | Re-81 HF HAKATA-HIGASHI RESIDENCE   |                     | Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE  |                     | Re-83 HF TABATA RESIDENCE  |                     | Re-84 HF RYOGOKU RESIDENCE  |                     | Re-85 HF HACHIOJI RESIDENCE   |                     | Re-86 HF MITA RESIDENCE II  |                     | Re-87 HF MONZEN-NAKACHO RESIDENCE   |                     | Re-88 HF MINAMI-SUNAMACHI RESIDENCE   |                     |
|--|---|---------------------|---|---------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Property Photo                                       |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |  |                     |
| Address  | Sapporo City, Hokkaido  |                     | Fukuoka City, Fukuoka   |                     | Sendai City, Miyagi   |                     | Kita-ku, Tokyo   |                     | Sumida-Ku, Tokyo  |                     | Hachioji City, Tokyo  |                     | Minato-Ku, Tokyo  |                     | Koto-Ku, Tokyo  |                     | Koto-Ku, Tokyo  |                     |
| Lot Area (m <sup>2</sup> )                           | 2,134.95  |                     | 1,282.03  |                     | 420.14  |                     | 552.06   |                     | 411.91  |                     | 302.38  |                     | 256.66  |                     | 243.14  |                     | 397.42  |                     |
| Total Floor Area (m <sup>2</sup> )                   | 7,161.70  |                     | 2,702.02  |                     | 2,049.77  |                     | 2,457.71   |                     | 2,705.78  |                     | 1,833.55  |                     | 1,353.81  |                     | 1,276.33  |                     | 1,250.03  |                     |
| Constructed  | March 2008  |                     | September 2008  |                     | November 2006   |                     | December, 2015   |                     | March 2017  |                     | February 2009   |                     | June 2006   |                     | February 2008   |                     | August 2007   |                     |
| Period-end occupancy rate (%)                        | 96.73   |                     | 96.13   |                     | 96.36   |                     | 98.61  |                     | 97.90   |                     | 92.77   |                     | 95.14   |                     | 95.45   |                     | 100   |                     |
| Acquisition Price (mm yen)                           | 1,560   |                     | 880   |                     | 850   |                     | 1,100  |                     | 1,400   |                     | 1,120   |                     | 1,210   |                     | 945   |                     | 900   |                     |
| Appraisal Price (mm yen)                             | 1,730   |                     | 931   |                     | 904   |                     | 1,340  |                     | 1,630   |                     | 1,210   |                     | 1,350   |                     | 1,110   |                     | 993   |                     |
| Property Management Company                          | Apaman Property Co., Ltd.   |                     | Miyoshi Asset Management Co., Ltd   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.   |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     | Haseko Livenet, Inc.  |                     |
| PML (%)  | 0.1   |                     | 8.0   |                     | 2.0   |                     | 3.5  |                     | 10.2  |                     | 7.1   |                     | 5.8   |                     | 7.0   |                     | 6.1   |                     |
| Rental business balance                              | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP  | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days                                       | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183  | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 | 183   | 183                 |
| Rents and common expenses                            | 53,239  | 53,345              | 27,323  | 27,376              | 25,066  | 24,773              | 37,975   | 38,254              | 48,682  | 48,021              | 31,774  | 32,155              | 30,061  | 30,811              | 27,064  | 27,501              | 25,824  | 26,087              |
| Other income   | 5,502   | 5,600               | 2,197   | 2,191               | 1,450   | 1,612               | 2,676  | 7,138               | 2,447   | 1,648               | 1,134   | 1,906               | 1,597   | 1,436               | 1,222   | 1,748               | 4,220   | 1,813               |
| ①Rental business income total (unit: thousand yen)   | 58,741  | 58,946              | 29,521  | 29,567              | 26,517  | 26,386              | 40,651   | 45,392              | 51,129  | 49,669              | 32,908  | 34,062              | 31,658  | 32,248              | 28,286  | 29,250              | 30,044  | 27,901              |
| PM fees  | 4,543   | 4,615               | 1,960   | 2,265               | 2,526   | 2,238               | 3,308  | 4,203               | 4,026   | 4,115               | 3,092   | 3,659               | 3,255   | 3,308               | 3,650   | 3,718               | 3,736   | 2,305               |
| Public charges and taxes                             | 5,305   | 5,300               | 2,420   | 2,421               | 1,820   | 1,820               | 2,091  | 2,088               | 2,627   | 2,611               | 1,770   | 1,781               | 1,595   | 1,591               | 1,303   | 1,303               | 1,247   | 1,247               |
| Utilities  | 510   | 1,648               | 261   | 265                 | 429   | 485                 | 494  | 500                 | 382   | 382                 | 1,250   | 1,139               | 213   | 208                 | 184   | 203                 | 312   | 421                 |
| Maintenance and repair fees                          | 4,145   | 1,195               | 1,878   | 1,801               | 1,047   | 456                 | 404  | 818                 | 855   | 539                 | 2,022   | 1,326               | 1,542   | 1,626               | 2,154   | 1,008               | 1,487   | 318                 |
| Insurance fees                                       | 111   | 114                 | 58  | 60                  | 46  | 47                  | 52   | 54                  | 101   | 60                  | 38  | 39                  | 26  | 28                  | 28  | 30                  | 28  | 30                  |
| Trust fees   | 340   | 340                 | -   | -                   | -   | -                   | -  | -                   | -   | -                   | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| Other expenses                                       | 126   | 181                 | 187   | 50                  | 44  | 17                  | 1,851  | 1,952               | 1,966   | 1,721               | 17  | 62                  | 500   | 101                 | 733   | 286                 | 899   | 365                 |
| ②Rental business expenses total (unit: thousand yen) | 15,084  | 13,397              | 6,766   | 6,862               | 5,913   | 5,066               | 8,202  | 9,617               | 9,958   | 9,429               | 8,190   | 8,008               | 7,134   | 6,865               | 8,054   | 6,550               | 7,711   | 4,686               |
| ③NOI (① - ②)   | 43,657  | 45,548              | 22,755  | 22,704              | 20,603  | 21,319              | 32,448   | 35,775              | 41,170  | 40,239              | 24,718  | 26,053              | 24,523  | 25,382              | 20,232  | 22,700              | 22,332  | 23,214              |
| Depreciation   | 12,402  | 12,402              | 5,458   | 5,468               | 5,986   | 6,003               | 7,668  | 7,714               | 8,939   | 8,975               | 4,712   | 4,640               | 2,911   | 2,964               | 4,035   | 4,101               | 4,130   | 4,148               |
| Rental business profit                               | 31,255  | 33,146              | 17,296  | 17,236              | 14,617  | 15,316              | 24,780   | 28,060              | 32,230  | 31,264              | 20,006  | 21,412              | 21,612  | 22,418              | 16,196  | 18,598              | 18,202  | 19,065              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.



# III-8 Portfolio Overview and Performance (Residence)

| Property Name   | Re-89 HF SENDAI<br>NAGAMACHI<br>RESIDENCE   |                     | Re-90<br>HF SHOKOJI AKABANE<br>RESIDENCE  |                     | Re-91 HF SENDAI<br>HONCHO<br>RESIDENCE  |                     |
|---|---|---------------------|---|---------------------|---|---------------------|
| Property Photo  |  |                     |  |                     |  |                     |
| Address   | Koto-Ku, Tokyo  |                     | Kita-Ku, Tokyo  |                     | Sendai City, Miyagi   |                     |
| Lot Area (m <sup>2</sup> )                              | 617.18  |                     | 390.72  |                     | 719.06  |                     |
| Total Floor Area (m <sup>2</sup> )                      | 2,854.19  |                     | 1,879.61  |                     | 1,917.04  |                     |
| Constructed   | November 2008   |                     | February 2019   |                     | April 2020  |                     |
| Period-end occupancy rate (%)                           | 96.77   |                     | 90.19   |                     | 14.56   |                     |
| Acquisition Price (mm yen)                              | 1,030   |                     | 1,150   |                     | 1,070   |                     |
| Appraisal Price (mm yen)                                | 1,110   |                     | 1,290   |                     | 1,140   |                     |
| Property Management Company                             | Haseko Livenet, Inc.  |                     | Tokyu Housing Lease Corp.   |                     | Haseko Livenet, Inc.  |                     |
| PML (%)   | 1.7   |                     | 6.1   |                     | 1.2   |                     |
| Rental business balance                                 | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP | 36 <sup>th</sup> FP   | 37 <sup>th</sup> FP |
| Operation days  | -   | 135                 | -   | 74                  | -   | 38                  |
| Rents and common expenses                               | -   | 23,161              | -   | 14,282              | -   | 567                 |
| Other income  | -   | 2,175               | -   | -                   | -   | 741                 |
| ①Rental business income total<br>(unit: thousand yen)   | -   | 25,336              | -   | 14,282              | -   | 1,308               |
| PM fees   | -   | 3,301               | -   | 835                 | -   | 1,135               |
| Public charges and taxes                                | -   | -                   | -   | -                   | -   | -                   |
| Utilities   | -   | 293                 | -   | 91                  | -   | 16                  |
| Maintenance and repair fees                             | -   | 1,849               | -   | 63                  | -   | -                   |
| Insurance fees  | -   | 44                  | -   | 19                  | -   | 10                  |
| Trust fees  | -   | -                   | -   | -                   | -   | -                   |
| Other expenses  | -   | 331                 | -   | 948                 | -   | 186                 |
| ②Rental business expenses total<br>(unit: thousand yen) | -   | 5,820               | -   | 1,957               | -   | 1,349               |
| ③NOI (① - ②)  | -   | 19,516              | -   | 12,324              | -   | -40                 |
| Depreciation  | -   | 6,221               | -   | 3,280               | -   | 2,122               |
| Rental business profit                                  | -   | 13,295              | -   | 9,043               | -   | -2,163              |

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off.

(Note) Expenses for HF SENDAI HONCHO RESIDENCE surpassed revenue from the property, because it was acquired simultaneously with its completion and owned for a short period.



# III-9 Appraisal Values

| Property Name          |                                 | Appraisal Value(mn yen) |         |        | Direct cap (NCF cap) |        | DCF discount rate |        | DCF terminal cap |        | 37th FP Book Value (mn yen) | Unrealized Profits and Losses | Property Name |                                   | Appraisal Value(mn yen) |         |        | Direct cap (NCF cap) |        | DCF discount rate |        | DCF terminal cap |        | 37th FP Book Value (mn yen) |
|------------------------|---------------------------------|-------------------------|---------|--------|----------------------|--------|-------------------|--------|------------------|--------|-----------------------------|-------------------------------|---------------|-----------------------------------|-------------------------|---------|--------|----------------------|--------|-------------------|--------|------------------|--------|-----------------------------|
|                        |                                 | 37th FP                 | 36th FP | Change | 37th FP              | Change | 37th FP           | Change | 37th FP          | Change |                             |                               |               |                                   | 37th FP                 | 36th FP | Change | 37th FP              | Change | 37th FP           | Change | 37th FP          | Change |                             |
| Of-05                  | SUITENGU HEIWA BUILDING         | 1,699                   | 1,699   | 0      | 4.0%                 | 0.0%   | 4.0%              | 0.0%   | 4.2%             | 0.0%   | 1,390                       | 308                           | Re-36         | HF MITA RESIDENCE                 | 1,310                   | 1,300   | 10     | 4.1%                 | 0.0%   | 3.9%              | 0.0%   | 4.3%             | 0.0%   | 1,019                       |
| Of-06                  | HF MONZENNAKACHO BUILDING       | 2,890                   | 2,830   | 60     | 4.2%                 | 0.0%   | 4.1%              | 0.0%   | 4.4%             | 0.0%   | 2,244                       | 645                           | Re-37         | HF TAKANAWA RESIDENCE             | 967                     | 966     | 1      | 3.9%                 | 0.0%   | 3.7%              | 0.0%   | 4.1%             | 0.0%   | 708                         |
| Of-07                  | HF HAMAMATSUCHO BUILDING        | 1,860                   | 1,840   | 20     | 3.7%                 | 0.0%   | 3.6%              | 0.0%   | 3.8%             | 0.0%   | 1,524                       | 335                           | Re-38         | La Residence de Shirokanedai      | 947                     | 947     | 0      | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 703                         |
| Of-08                  | HF TAMEIKE BUILDING             | 3,040                   | 2,990   | 50     | 3.7%                 | 0.0%   | 3.6%              | 0.0%   | 3.8%             | 0.0%   | 2,751                       | 288                           | Re-39         | HF GINZA RESIDENCE EAST II        | 1,850                   | 1,830   | 20     | 4.1%                 | 0.0%   | 3.9%              | 0.0%   | 4.3%             | 0.0%   | 1,359                       |
| Of-09                  | GRACE BUILDING SENGAKUJIMAE     | 1,690                   | 1,670   | 20     | 4.3%                 | 0.0%   | 4.2%              | 0.0%   | 4.6%             | 0.0%   | 1,119                       | 570                           | Re-40         | HF HATCHOBORI RESIDENCE II        | 2,290                   | 2,270   | 20     | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 1,744                       |
| Of-11                  | NIHONBASHI DAICHI BUILDING      | 2,230                   | 2,210   | 20     | 3.8%                 | 0.0%   | 3.7%              | 0.0%   | 3.9%             | 0.0%   | 2,166                       | 63                            | Re-41         | HF HATCHOBORI RESIDENCE III       | 1,060                   | 1,040   | 20     | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 706                         |
| Of-12                  | HF HATCHOBORI BUILDING          | 2,710                   | 2,700   | 10     | 3.7%                 | 0.0%   | 3.6%              | 0.0%   | 3.8%             | 0.0%   | 3,043                       | -333                          | Re-42         | HF GINZA RESIDENCE                | 1,270                   | 1,270   | 0      | 3.9%                 | 0.0%   | 3.7%              | 0.0%   | 4.1%             | 0.0%   | 823                         |
| Of-17                  | HATCHOBORI MF BUILDING          | 1,040                   | 1,030   | 10     | 3.8%                 | 0.0%   | 3.7%              | 0.0%   | 3.9%             | 0.0%   | 1,099                       | -59                           | Re-43         | HF KOMAZAWA-KOEN RESIDENCE TOWER  | 7,530                   | 7,520   | 10     | 4.1%                 | 0.0%   | 3.9%              | 0.0%   | 4.3%             | 0.0%   | 6,398                       |
| Of-18                  | M2 HARAJUKU                     | 5,115                   | 5,109   | 6      | 3.2%                 | 0.0%   | 3.2%              | 0.0%   | 3.4%             | 0.0%   | 3,418                       | 1,696                         | Re-44         | HF UMEDA RESIDENCE TOWER          | 2,180                   | 2,180   | 0      | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 1,695                       |
| Of-20                  | FUNABASHI FACE BUILDING         | 3,420                   | 3,420   | 0      | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 3,483                       | -63                           | Re-45         | HF NAKANOSHIMA RESIDENCE          | 526                     | 526     | 0      | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 422                         |
| Of-21                  | ADESSO NISHIAZABU               | 517                     | 557     | -40    | 3.7%                 | 0.2%   | 3.6%              | 0.2%   | 3.9%             | 0.2%   | 600                         | -83                           | Re-46         | HF AWAZA RESIDENCE                | 720                     | 720     | 0      | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 495                         |
| Of-23                  | HF IKBUKURO BUILDING            | 1,460                   | 1,470   | -10    | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 1,292                       | 167                           | Re-47         | HF MARUNOUCHI RESIDENCE           | 746                     | 746     | 0      | 4.9%                 | 0.0%   | 4.7%              | 0.0%   | 5.1%             | 0.0%   | 507                         |
| Of-24                  | HF YUSHIMA BUILDING             | 1,690                   | 1,680   | 10     | 4.0%                 | 0.0%   | 3.9%              | 0.0%   | 4.1%             | 0.0%   | 1,610                       | 79                            | Re-48         | HF HIRAO RESIDENCE                | 2,200                   | 2,180   | 20     | 5.0%                 | 0.0%   | 4.8%              | 0.0%   | 5.2%             | 0.0%   | 1,569                       |
| Of-25                  | KAYABACHO HEIWA BUILDING        | 6,860                   | 6,860   | 0      | 4.5%                 | 0.0%   | 4.4%              | 0.0%   | 4.6%             | 0.0%   | 4,743                       | 2,116                         | Re-49         | HF KAWARAMACHI NIJO RESIDENCE     | 606                     | 605     | 1      | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 481                         |
| Of-27                  | KOBE KYUKORYUCHI HEIWA BUILDING | 3,400                   | 3,400   | 0      | 4.9%                 | 0.0%   | 4.7%              | 0.0%   | 5.1%             | 0.0%   | 2,566                       | 833                           | Re-53         | HF SHUO KAWARAMACHI RESIDENCE     | 2,370                   | 2,370   | 0      | 4.6%                 | 0.0%   | 4.4%              | 0.0%   | 4.8%             | 0.0%   | 1,632                       |
| Of-29                  | SAKAE MINAMI HEIWA BUILDING     | 2,280                   | 2,280   | 0      | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 1,501                       | 778                           | Re-54         | La Residence de Sendagi           | 1,000                   | 1,000   | 0      | 4.4%                 | 0.0%   | 4.2%              | 0.0%   | 4.6%             | 0.0%   | 762                         |
| Of-30                  | HF SAKURADORI BUILDING          | 6,410                   | 6,400   | 10     | 4.6%                 | 0.0%   | 4.4%              | 0.0%   | 4.8%             | 0.0%   | 4,515                       | 1,894                         | Re-55         | HF SENDAGI RESIDENCE              | 1,070                   | 1,070   | 0      | 4.5%                 | 0.0%   | 4.3%              | 0.0%   | 4.7%             | 0.0%   | 802                         |
| Of-31                  | HF NIHONBASHI HAMACHO BUILDING  | 2,630                   | 2,590   | 40     | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 1,931                       | 698                           | Re-56         | HF KOMAZAWA-KOEN RESIDENCE        | 714                     | 713     | 1      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 589                         |
| Of-32                  | HF SENDAI HONCHO BUILDING       | 3,640                   | 3,630   | 10     | 5.0%                 | 0.0%   | 4.8%              | 0.0%   | 5.2%             | 0.0%   | 2,586                       | 1,053                         | Re-57         | HF MUSASHIKOYAMA RESIDENCE        | 1,140                   | 1,140   | 0      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 784                         |
| Of-33                  | HF UENO BUILDING                | 4,220                   | 4,410   | -190   | 4.2%                 | 0.1%   | 4.0%              | 0.1%   | 4.4%             | 0.1%   | 3,469                       | 750                           | Re-58         | HF KOKUBUNJI RESIDENCE            | 1,050                   | 1,050   | 0      | 4.6%                 | 0.0%   | 4.4%              | 0.0%   | 4.8%             | 0.0%   | 780                         |
| Of-34                  | KOJIMACHI HF BUILDING           | 2,160                   | 2,250   | -90    | 3.6%                 | 0.0%   | 3.4%              | 0.0%   | 3.8%             | 0.0%   | 1,370                       | 789                           | Re-59         | HF HISAYAODORI RESIDENCE          | 1,310                   | 1,310   | 0      | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 978                         |
| Of-35                  | HF KUDAN MINAMI BUILDING        | 3,390                   | 3,390   | 0      | 3.7%                 | 0.0%   | 3.5%              | 0.0%   | 3.9%             | 0.0%   | 2,755                       | 634                           | Re-60         | HF KARASUMA KURAMAGUCHI RESIDENCE | 691                     | 691     | 0      | 4.9%                 | 0.0%   | 4.7%              | 0.0%   | 5.1%             | 0.0%   | 516                         |
| Of-36                  | HF KANDA OGAWAMACHI BUILDING    | 4,270                   | 4,300   | -30    | 3.6%                 | 0.0%   | 3.4%              | 0.0%   | 3.8%             | 0.0%   | 3,228                       | 1,041                         | Re-61         | HF NISHI-SHINJUKU RESIDENCE WEST  | 2,660                   | 2,660   | 0      | 4.2%                 | 0.0%   | 4.0%              | 0.0%   | 4.4%             | 0.0%   | 1,939                       |
| Of-37                  | NISSO 5 BUILDING                | 3,780                   | 3,780   | 0      | 3.7%                 | 0.0%   | 3.5%              | 0.0%   | 3.9%             | 0.0%   | 3,200                       | 579                           | Re-62         | HF NISHI-SHINJUKU RESIDENCE EAST  | 1,570                   | 1,570   | 0      | 4.2%                 | 0.0%   | 4.0%              | 0.0%   | 4.4%             | 0.0%   | 1,136                       |
| Of-38                  | ACROSS SHINKAWA BUILDING        | 3,780                   | 3,810   | -30    | 3.9%                 | 0.0%   | 3.7%              | 0.0%   | 4.1%             | 0.0%   | 3,353                       | 426                           | Re-63         | HF HIGASHI-SHINJUKU RESIDENCE     | 1,690                   | 1,690   | 0      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 1,256                       |
| Of-39                  | SENUJ MILDIX II                 | 1,950                   | 1,960   | -10    | 4.2%                 | 0.0%   | 4.0%              | 0.0%   | 4.4%             | 0.0%   | 1,622                       | 327                           | Re-64         | HF HIGASHI-SHINSAIBASHI RESIDENCE | 695                     | 695     | 0      | 4.6%                 | 0.0%   | 4.4%              | 0.0%   | 4.8%             | 0.0%   | 521                         |
| Of-40                  | ARK Mori Building               | 3,570                   | 3,570   | 0      | 3.3%                 | 0.0%   | 3.4%              | 0.0%   | 3.5%             | 0.0%   | 3,133                       | 436                           | Re-65         | HF KITA-YOBANCHO RESIDENCE        | 1,160                   | 1,180   | -20    | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 708                         |
| Of-41                  | Itopia Nihonbashi SA Building   | 2,320                   | 2,320   | 0      | 3.8%                 | 0.0%   | 3.9%              | 0.0%   | 4.0%             | 0.0%   | 2,156                       | 163                           | Re-66         | HF ATAGOBASHI RESIDENCE           | 942                     | 957     | -15    | 4.9%                 | 0.0%   | 4.7%              | 0.0%   | 5.1%             | 0.0%   | 581                         |
| Of-42                  | SOUTHERN SKY TOWER HACHIOJI     | 1,890                   | 1,890   | 0      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 1,648                       | 241                           | Re-67         | HF KYUDAIYOINMAE RESIDENCE        | 525                     | 524     | 1      | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 371                         |
| Of-43                  | HAMACHO HEIWA BUILDING          | 3,350                   | 3,350   | 0      | 3.8%                 | 0.0%   | 3.6%              | 0.0%   | 4.0%             | 0.0%   | 3,120                       | 229                           | Re-68         | HF ASAKUSABASHI RESIDENCE         | 989                     | 982     | 7      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 712                         |
| Of-44                  | KINSHICHO SQUARE BUILDING       | 2,940                   | 2,940   | 0      | 3.8%                 | 0.0%   | 3.6%              | 0.0%   | 4.0%             | 0.0%   | 2,864                       | 75                            | Re-69         | HF ICHIBANCHO RESIDENCE           | 1,150                   | 1,170   | -20    | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 741                         |
| Of-45                  | KABUTO-CHO UNI-SQUARE *1        | 2,260                   | -       | -      | 3.8%                 | -      | 3.6%              | -      | 4.0%             | -      | 2,130                       | 129                           | Re-70         | HF HIGASHI-NAKANO RESIDENCE       | 1,110                   | 1,110   | 0      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 871                         |
| Total Office Buildings |                                 | 94,461                  | 92,335  | -134   |                      |        |                   |        |                  |        | 77,643                      | 16,817                        | Re-72         | HF WASEDA RESIDENCE               | 2,700                   | 2,660   | 40     | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 1,956                       |
| Re-03                  | HF ICHIKAWA RESIDENCE           | 550                     | 550     | 0      | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 5.0%             | 0.0%   | 374                         | 175                           | Re-73         | HF WASEDA RESIDENCE II            | 1,100                   | 1,080   | 20     | 4.0%                 | 0.0%   | 3.8%              | 0.0%   | 4.2%             | 0.0%   | 815                         |
| Re-05                  | HF MEGURO RESIDENCE             | 738                     | 730     | 8      | 3.8%                 | 0.0%   | 3.8%              | 0.0%   | 4.0%             | 0.0%   | 616                         | 121                           | Re-74         | HF WAKAMATSUKAWADA RESIDENCE      | 1,620                   | 1,620   | 0      | 3.9%                 | 0.0%   | 3.7%              | 0.0%   | 4.1%             | 0.0%   | 1,170                       |
| Re-09                  | HF KASAI RESIDENCE              | 887                     | 885     | 2      | 4.4%                 | 0.0%   | 4.2%              | 0.0%   | 4.6%             | 0.0%   | 580                         | 306                           | Re-75         | HF SENDAI RESIDENCE EAST          | 1,950                   | 1,980   | -30    | 5.1%                 | 0.0%   | 4.9%              | 0.0%   | 5.3%             | 0.0%   | 1,552                       |
| Re-11                  | HF WAKABAYASHI — KOEN RESIDENCE | 4,480                   | 4,463   | 17     | 3.9%                 | 0.0%   | 3.9%              | 0.0%   | 4.1%             | 0.0%   | 3,143                       | 1,336                         | Re-76         | HF NISHIKOEN RESIDENCE            | 1,410                   | 1,480   | -70    | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 1,312                       |
| Re-12                  | HF HIMONYA RESIDENCE            | 1,820                   | 1,820   | 0      | 3.8%                 | 0.0%   | 3.8%              | 0.0%   | 4.0%             | 0.0%   | 1,405                       | 414                           | Re-77         | HF BANSUIDORI RESIDENCE           | 914                     | 960     | -46    | 4.8%                 | 0.0%   | 4.6%              | 0.0%   | 5.0%             | 0.0%   | 792                         |
| Re-14                  | HF MINAMIAZABU RESIDENCE *2     | 1,478                   | 1,475   | 3      | 3.7%                 | 0.0%   | 3.7%              | 0.0%   | 3.9%             | 0.0%   | 1,296                       | 181                           | Re-78         | HF KANNAI RESIDENCE               | 2,130                   | 2,130   | 0      | 4.3%                 | 0.0%   | 4.1%              | 0.0%   | 4.5%             | 0.0%   | 1,755                       |
| Re-15                  | HF AZABUJUBAN RESIDENCE         | -                       | 1,300   | -      | -                    | -      | -                 | -      | -                | -      | -                           | -                             | Re-79         | HF MEIKI-KITA RESIDENCE           | 2,310                   | 2,310   | 0      | 4.4%                 | 0.0%   | 4.2%              | 0.0%   | 4.6%             | 0.0%   | 2,154                       |
| Re-16                  | HF GAKUGEIDAIGAKU RESIDENCE     | 1,020                   | 1,020   | 0      | 3.9%                 | 0.0%   | 3.9%              | 0.1%   | 4.0%             | 0.0%   | 889                         | 130                           | Re-80         | HF HIGASHI-SAPPORO RESIDENCE      | 1,720                   | 1,730   | -10    | 5.0%                 | 0.0%   | 4.8%              | 0.0%   | 5.2%             | 0.0%   | 1,501                       |
| Re-17                  | HF HIGASHIKANDA RESIDENCE       | 1,470                   | 1,460   | 10     | 3.9%                 | 0.0%   | 3.8%              | 0.0%   | 4.0%             | 0.0%   | 865                         | 604                           | Re-81         | HF HAKATA-HIGASHI RESIDENCE       | 932                     | 931     | 1      | 4.6%                 | 0.0%   | 4.4%              | 0.0%   | 4.8%             | 0.0%   | 929                         |
| Re-18                  | HF HIGASHINIHONBASHI RESIDENCE  | 1,730                   | 1,710   | 20     | 3.9%                 | 0.0%   | 3.8%              | 0.0%   | 4.0%             | 0.0%   | 963                         | 766                           | Re-82         | HF SENDAI TSUTSUBASHI RESIDENCE   | 906                     | 904     | 2      | 4.7%                 | 0.0%   | 4.5%              | 0.0%   | 4.9%             | 0.0%   | 913                         |
| Re-19                  | HF NERIMA RESIDENCE             | 879                     | 872     | 7      | 4.2%                 | 0.0%   | 4.1%              | 0.0%   | 4.3%             | 0.0%   | 549                         | 329                           | Re-83         | HF TABATA RESIDENCE               | 1,370                   | 1,34    |        |                      |        |                   |        |                  |        |                             |



# III-10 Historical NOI yield

| Property Name                          | 32nd FP<br>('17/11) | 33rd FP<br>('18/5) | 34th FP<br>('18/11) | 35th FP<br>('19/5) | 36th FP<br>('19/11) | 37th FP<br>('20/5) |
|--|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Of-05 SUITENGU HEIWA BUILDING          | 5.01                | 5.31               | 5.53                | 5.60               | 5.58                | 5.55               |
| Of-06 HF MONZENNAKACHO BUILDING        | 5.50                | 5.33               | 6.06                | 6.03               | 5.99                | 6.33               |
| Of-07 HF HAMAMATSUCHO BUILDING         | 4.38                | 4.16               | 4.74                | 4.47               | 4.81                | 5.30               |
| Of-08 HF TAMEIKE BUILDING              | 3.90                | 4.13               | 4.16                | 4.22               | 4.24                | 4.24               |
| Of-09 GRACE BUILDING SENGAKUJIMAE      | 7.08                | 7.77               | 7.13                | 7.35               | 7.29                | 8.02               |
| Of-11 HF NIHONBASHI ODENMACHO BUILDING | 3.84                | 4.04               | 4.21                | 4.09               | 4.37                | 4.71               |
| Of-12 HF HATCHOBORI BUILDING           | 3.03                | 3.29               | 3.30                | 3.53               | 3.60                | 3.67               |
| Of-17 HATCHOBORI MF BUILDING           | 4.16                | 4.41               | 4.26                | 4.27               | 4.43                | 4.25               |
| Of-18 M2 HARAJUKU                      | 4.81                | 4.97               | 4.98                | 5.01               | 5.07                | 5.06               |
| Of-20 FUNABASHI FACE BUILDING          | 4.67                | 4.72               | 4.80                | 4.62               | 4.83                | 4.81               |
| Of-21 ADESSO NISHIAZABU                | 3.09                | 3.15               | 3.36                | 3.27               | 3.13                | 2.71               |
| Of-23 HF IKBUKURO BUILDING             | 4.51                | 4.80               | 4.84                | 5.04               | 4.97                | 4.99               |
| Of-24 HF YUSHIMA BUILDING              | 4.86                | 5.01               | 4.93                | 4.91               | 4.37                | 4.86               |
| Of-25 KAYABACHO HEIWA BUILDING         | 7.55                | 7.57               | 7.40                | 7.58               | 7.59                | 7.63               |
| Of-27 KOBE KYUKYORYUCHI HEIWA BUILDING | 7.21                | 5.85               | 6.55                | 6.64               | 6.92                | 7.29               |
| Of-29 SAKAE MINAMI HEIWA BUILDING      | 6.44                | 7.54               | 6.93                | 7.75               | 7.92                | 8.14               |
| Of-30 HF SAKURADORI BUILDING           | 6.73                | 6.67               | 6.84                | 6.63               | 7.06                | 7.45               |
| Of-31 HF NIHONBASHI HAMACHO BUILDING   | 6.43                | 6.24               | 6.65                | 6.59               | 6.42                | 6.94               |
| Of-32 HF SENDAI HONCHO BUILDING        | 7.21                | 7.33               | 7.37                | 7.59               | 7.73                | 7.69               |
| Of-33 HF UENO BUILDING                 | 5.43                | 5.78               | 5.82                | 5.49               | 5.53                | 5.89               |
| Of-34 KOJIMACHI HF BUILDING            | 4.96                | 6.15               | 5.99                | 6.35               | 7.07                | 7.22               |
| Of-35 HF KUDAN MINAMI BUILDING         | 5.11                | 5.16               | 5.11                | 5.12               | 5.23                | 5.04               |
| Of-36 HF KANDA OGAWAMACHI BUILDING     | 4.47                | 4.55               | 4.63                | 4.94               | 4.80                | 5.11               |
| Of-37 NISSO 5 BUILDING                 | 4.25                | 4.23               | 4.72                | 4.81               | 4.61                | 4.81               |
| Of-38 ACROSS SHINKAWA BUILDING         | 4.81                | 4.55               | 4.20                | 4.34               | 3.91                | 4.57               |
| Of-39 SENJU MILDIX II                  | 5.56                | 5.77               | 5.88                | 5.59               | 6.04                | 5.94               |
| Of-40 ARK Mori Building                | -                   | 3.87               | 3.90                | 3.83               | 3.50                | 3.38               |
| Of-41 Nihonbashi Horidomecho First     | -                   | -                  | 4.69                | 4.80               | 4.36                | 4.50               |
| Of-42 SOUTHERN SKY TOWER HACHIOJI      | -                   | -                  | 5.69                | 5.70               | 5.38                | 5.57               |
| Of-43 HAMACHO HEIWA BUILDING           | -                   | -                  | -                   | 5.01               | 4.59                | 4.65               |
| Of-44 KINSHICHO SQUARE BUILDING        | -                   | -                  | -                   | -                  | 4.28                | 4.49               |
| Of-45 KABUTO-CHO UNI-SQUARE *1         | -                   | -                  | -                   | -                  | -                   | 4.48               |
| <b>Total Office Buildings</b>          | <b>5.39</b>         | <b>5.42</b>        | <b>5.35</b>         | <b>5.44</b>        | <b>5.37</b>         | <b>5.52</b>        |
| Re-03 HF ICHIKAWA RESIDENCE            | 7.59                | 7.40               | 7.60                | 7.24               | 7.74                | 7.61               |
| Re-05 HF MEGURO RESIDENCE              | 4.55                | 4.43               | 4.98                | 4.58               | 4.39                | 5.12               |
| Re-09 HF KASAI RESIDENCE               | 6.30                | 6.10               | 6.54                | 6.34               | 6.88                | 6.92               |
| Re-11 HF WAKABAYASHI-KOEN RESIDENCE    | 5.91                | 4.65               | 5.83                | 5.97               | 5.62                | 6.07               |
| Re-12 HF HIMONYA RESIDENCE             | 5.18                | 5.25               | 4.70                | 5.51               | 5.28                | 5.75               |
| Re-14 HF MINAMIAZABU RESIDENCE         | 4.26                | 4.58               | 4.40                | 4.63               | 4.41                | 2.58               |
| Re-15 HF AZABUJUBAN RESIDENCE *2       | 4.04                | 4.38               | 4.59                | 5.01               | 4.95                | 4.86               |
| Re-16 HF GAKUGEIDAIGAKU RESIDENCE      | 4.78                | 4.48               | 3.81                | 4.55               | 4.54                | 4.38               |
| Re-17 HF HIGASHIKANDA RESIDENCE        | 6.54                | 6.06               | 6.61                | 6.85               | 6.78                | 6.41               |
| Re-18 HF HIGASHINIHONBASHI RESIDENCE   | 6.70                | 6.88               | 5.79                | 7.34               | 7.30                | 6.69               |
| Re-19 HF NERIMA RESIDENCE              | 6.62                | 6.37               | 5.92                | 6.91               | 6.90                | 6.66               |
| Re-20 HF SHIROKANETAKANAWA RESIDENCE   | 4.52                | 5.54               | 5.19                | 5.54               | 5.02                | 5.52               |
| Re-21 HF MEIDAIMAE RESIDENCE           | 4.49                | 4.43               | 4.62                | 4.33               | 4.68                | 4.58               |
| Re-22 HF NIHONBASHI RESIDENCE          | 4.26                | 4.97               | 4.82                | 4.98               | 5.17                | 5.42               |
| Re-23 HF KAMISHAKUJII RESIDENCE        | 5.29                | 5.56               | 5.68                | 5.43               | 5.64                | 5.36               |
| Re-24 HF KINSHICHO RESIDENCE           | 4.84                | 4.37               | 4.58                | 4.78               | 4.89                | 5.21               |
| Re-25 HF GINZA RESIDENCE EAST          | 3.79                | 3.91               | 3.92                | 3.92               | 3.24                | 4.16               |
| Re-26 HF SHIN-YOKOHAMA RESIDENCE       | 4.29                | 4.34               | 4.49                | 4.52               | 4.29                | 4.87               |
| Re-29 HF HAKUSAN RESIDENCE             | 3.83                | 3.44               | 3.95                | 4.09               | 4.15                | 4.22               |
| Re-30 HF MAGOME RESIDENCE              | 4.48                | 4.52               | 4.81                | 4.16               | 4.58                | 4.79               |
| Re-31 HF GAKUGEIDAIGAKU RESIDENCE II   | 3.10                | 3.54               | 3.51                | 3.35               | 3.33                | 3.00               |
| Re-33 HF KAMEIDO RESIDENCE             | 3.82                | 5.60               | 4.81                | 5.36               | 5.27                | 4.95               |
| Re-34 HF TANASHI RESIDENCE             | 4.51                | 3.88               | 5.40                | 5.03               | 5.00                | 4.57               |
| Re-35 HF SHIBA-KOEN RESIDENCE          | 4.76                | 4.18               | 4.06                | 4.76               | 4.54                | 5.02               |
| Re-36 HF MITA RESIDENCE                | 4.94                | 5.14               | 4.95                | 5.08               | 5.48                | 5.49               |
| Re-37 HF TAKANAWA RESIDENCE            | 4.43                | 5.01               | 5.41                | 5.44               | 5.78                | 5.55               |

| Property Name                           | 32nd FP<br>('17/11) | 33rd FP<br>('18/5) | 34th FP<br>('18/11) | 35th FP<br>('19/5) | 36th FP<br>('19/11) | 37th FP<br>('20/5) |
|---|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Re-38 La Residence de Shirokanedai      | 5.95                | 5.12               | 5.68                | 3.38               | 5.18                | 5.50               |
| Re-39 HF GINZA RESIDENCE EAST II        | 5.42                | 5.74               | 6.12                | 5.77               | 5.86                | 6.69               |
| Re-40 HF HATCHOBORI RESIDENCE II        | 5.15                | 5.20               | 5.73                | 5.64               | 5.65                | 5.72               |
| Re-41 HF HATCHOBORI RESIDENCE III       | 3.29                | 5.91               | 6.25                | 5.99               | 6.84                | 5.98               |
| Re-42 HF GINZA RESIDENCE                | 6.23                | 6.55               | 6.09                | 6.84               | 7.12                | 3.41               |
| Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER  | 4.72                | 5.15               | 5.04                | 4.83               | 5.02                | 5.14               |
| Re-44 HF UMEDA RESIDENCE TOWER          | 5.07                | 5.55               | 5.66                | 6.29               | 6.01                | 5.98               |
| Re-45 HF NAKANOSHIMA RESIDENCE          | 5.54                | 6.11               | 6.06                | 5.93               | 5.78                | 5.82               |
| Re-46 HF AWAZA RESIDENCE                | 6.71                | 6.63               | 6.45                | 6.21               | 6.22                | 7.69               |
| Re-47 HF MARUNOUCHI RESIDENCE           | 7.25                | 7.83               | 8.56                | 7.75               | 7.42                | 7.84               |
| Re-48 HF HIRAO RESIDENCE                | 6.93                | 7.23               | 7.21                | 6.90               | 7.32                | 7.81               |
| Re-49 HF KAWARAMACHI NIJO RESIDENCE     | 6.14                | 6.08               | 6.50                | 5.61               | 6.07                | 6.65               |
| Re-53 HF SHIJO KAWARAMACHI RESIDENCE    | 7.18                | 6.98               | 7.07                | 7.34               | 7.53                | 7.31               |
| Re-54 La Residence de Sendagi           | 6.20                | 6.11               | 6.17                | 6.10               | 5.86                | 6.36               |
| Re-55 HF SENDAGI RESIDENCE              | 6.31                | 6.55               | 6.42                | 6.47               | 6.53                | 6.93               |
| Re-56 HF KOMAZAWA-KOEN RESIDENCE        | 4.27                | 5.33               | 5.43                | 4.91               | 2.96                | 4.84               |
| Re-57 HF MUSASHIKOYAMA RESIDENCE        | 6.24                | 6.09               | 6.56                | 6.44               | 6.42                | 6.56               |
| Re-58 HF KOKUBUNJI RESIDENCE            | 6.38                | 5.83               | 5.75                | 6.38               | 6.33                | 6.48               |
| Re-59 HF HISAYAODORI RESIDENCE          | 7.00                | 6.87               | 6.74                | 6.97               | 6.47                | 6.80               |
| Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE | 6.09                | 6.18               | 6.14                | 6.33               | 6.62                | 6.42               |
| Re-61 HF NISHI-SHINJUKU RESIDENCE WEST  | 5.64                | 5.58               | 5.51                | 5.04               | 5.46                | 5.76               |
| Re-62 HF NISHI-SHINJUKU RESIDENCE EAST  | 5.80                | 5.70               | 5.21                | 5.26               | 5.57                | 5.57               |
| Re-63 HF HIGASHI-SHINJUKU RESIDENCE     | 5.92                | 5.45               | 6.12                | 5.72               | 5.70                | 6.23               |
| Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE | 5.48                | 6.07               | 6.37                | 5.74               | 5.85                | 6.70               |
| Re-65 HF KITA-YOBANCHO RESIDENCE        | 8.36                | 8.70               | 8.49                | 8.59               | 7.91                | 7.81               |
| Re-66 HF ATAGOBASHI RESIDENCE           | 8.56                | 7.38               | 8.54                | 8.04               | 8.75                | 8.90               |
| Re-67 HF KYUDAIBYOINMAE RESIDENCE       | 6.18                | 5.99               | 7.32                | 6.90               | 6.72                | 6.90               |
| Re-68 HF ASAKUSABASHI RESIDENCE         | 5.05                | 5.78               | 6.26                | 6.35               | 5.94                | 5.39               |
| Re-69 HF ICHIBANCHO RESIDENCE           | 8.79                | 8.38               | 7.93                | 8.14               | 8.95                | 8.14               |
| Re-70 HF HIGASHI-NAKANO RESIDENCE       | 5.63                | 5.88               | 5.63                | 5.18               | 5.38                | 5.68               |
| Re-72 HF WASEDA RESIDENCE               | 5.71                | 5.27               | 5.59                | 5.67               | 5.63                | 5.92               |
| Re-73 HF WASEDA RESIDENCE II            | 5.30                | 4.62               | 5.60                | 5.59               | 5.68                | 5.46               |
| Re-74 HF WAKAMATSUKAWADA RESIDENCE      | 2.78                | 4.68               | 5.55                | 5.62               | 5.55                | 5.90               |
| Re-75 HF SENDAI RESIDENCE EAST          | 6.56                | 6.45               | 6.70                | 6.64               | 7.17                | 6.48               |
| Re-76 HF NISHIKOEN RESIDENCE            | 5.35                | 4.61               | 5.18                | 4.97               | 5.31                | 5.36               |
| Re-77 HF BANSUIDORI RESIDENCE           | 5.81                | 5.04               | 5.62                | 5.10               | 4.88                | 5.21               |
| Re-78 HF KANNAI RESIDENCE               | 5.34                | 5.00               | 5.42                | 5.69               | 5.60                | 5.71               |
| Re-79 HF MEIEKI-KITA RESIDENCE          | 4.65                | 4.42               | 3.95                | 4.11               | 4.52                | 3.07               |
| Re-80 HF HIGASHI-SAPPORO RESIDENCE      | 5.72                | 5.88               | 5.21                | 5.15               | 5.74                | 6.04               |
| Re-81 HF HAKATA-HIGASHI RESIDENCE       | 5.09                | 4.88               | 4.19                | 4.05               | 4.87                | 4.88               |
| Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE  | 4.78                | 4.67               | 1.80                | 4.41               | 4.47                | 4.65               |
| Re-83 HF TABATA RESIDENCE               | 6.31                | 6.86               | 5.92                | 5.90               | 5.82                | 6.45               |
| Re-84 HF RYOGOKU RESIDENCE              | -                   | 5.89               | 5.56                | 5.75               | 5.76                | 5.66               |
| Re-85 HF HACHIOJI RESIDENCE             | -                   | 3.22               | 4.20                | 4.11               | 4.19                | 4.43               |
| Re-86 HF MITA RESIDENCE II              | -                   | -                  | -                   | 3.91               | 3.96                | 4.10               |
| Re-87 HF MONZEN-NAKACHO RESIDENCE       | -                   | -                  | -                   | 4.27               | 4.17                | 4.68               |
| Re-88 HF MINAMI-SUNAMACHI RESIDENCE     | -                   | -                  | -                   | 4.58               | 4.83                | 5.04               |
| Re-89 HF SENDAI NAGAMACHI RESIDENCE *3  | -                   | -                  | -                   | -                  | -                   | 4.81               |
| Re-90 HF SHOKOJI AKABANE RESIDENCE *4   | -                   | -                  | -                   | -                  | -                   | 5.04               |
| Re-91 HF SENDAI HONCHO RESIDENCE *5     | -                   | -                  | -                   | -                  | -                   | -0.03              |
| <b>Total Residential Properties</b>     | <b>5.23</b>         | <b>5.28</b>        | <b>5.34</b>         | <b>5.34</b>        | <b>5.35</b>         | <b>5.38</b>        |
| <b>Total properties in portfolio *3</b> | <b>5.30</b>         | <b>5.34</b>        | <b>5.34</b>         | <b>5.38</b>        | <b>5.36</b>         | <b>5.44</b>        |

\*Actual NOI yield (%) = Actual NOI (Annualized) / ((Beginning of BV+ End of BV)/2) X100

\*1 Acquired on May 28, 2020

\*2 Transferred on May 28, 2020

\*3 Acquired on January 17, 2020

\*4 Acquired on March 19, 2020

\*5 Acquired on April 24, 2020

\*6 NOI yield is excluded the sold properties from the list. (Portfolio NOI yield includes the sold properties NOI yield.)



# III-11 Historical NOI yield after depreciation

|  | (%)                 |                    |                     |                    |                     |                    |
|--|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Property Name                          | 32nd FP<br>('17/11) | 33rd FP<br>('18/5) | 34th FP<br>('18/11) | 35th FP<br>('19/5) | 36th FP<br>('19/11) | 37th FP<br>('20/5) |
| OF-05 SUITENGU HEIWA BUILDING          | 3.87                | 4.16               | 4.37                | 4.45               | 4.43                | 4.39               |
| OF-06 HF MONZENNAKACHO BUILDING        | 4.05                | 3.86               | 4.58                | 4.54               | 4.48                | 4.80               |
| OF-07 HF HAMAMATSUCHO BUILDING         | 3.38                | 3.15               | 3.72                | 3.45               | 3.77                | 4.23               |
| OF-08 HF TAMEIKE BUILDING              | 3.31                | 3.53               | 3.57                | 3.63               | 3.64                | 3.63               |
| OF-09 GRACE BUILDING SENGAKUJIMAE      | 5.88                | 6.57               | 5.90                | 6.13               | 6.06                | 6.78               |
| OF-11 HF NIHONBASHI ODENMACHO BUILDING | 2.54                | 2.71               | 2.87                | 2.72               | 2.98                | 3.32               |
| OF-12 HF HATCHOBORI BUILDING           | 2.44                | 2.70               | 2.70                | 2.93               | 3.00                | 3.07               |
| OF-17 HATCHOBORI MF BUILDING           | 3.33                | 3.51               | 3.37                | 3.38               | 3.53                | 3.34               |
| OF-18 M2 HARAJUKU                      | 4.29                | 4.44               | 4.45                | 4.49               | 4.54                | 4.52               |
| OF-20 FUNABASHI FACE BUILDING          | 3.54                | 3.58               | 3.66                | 3.44               | 4.13                | 4.19               |
| OF-21 ADESSO NISHIAZABU                | 2.33                | 2.39               | 2.62                | 2.52               | 2.38                | 1.96               |
| OF-23 HF IKEBUKURO BUILDING            | 3.75                | 4.03               | 4.07                | 4.27               | 4.19                | 4.19               |
| OF-24 HF YUSHIMA BUILDING              | 3.83                | 3.97               | 4.00                | 3.99               | 3.44                | 3.92               |
| OF-25 KAYABACHO HEIWA BUILDING         | 7.17                | 7.18               | 7.01                | 7.18               | 7.19                | 7.23               |
| OF-27 KOBE KYUKYORYUCHI HEIWA BUILDING | 5.95                | 4.54               | 5.15                | 5.19               | 5.26                | 5.26               |
| OF-29 SAKAE MINAMI HEIWA BUILDING      | 4.58                | 5.66               | 5.02                | 5.76               | 6.39                | 6.70               |
| OF-30 HF SAKURADORI BUILDING           | 5.16                | 5.10               | 5.32                | 5.09               | 5.50                | 5.87               |
| OF-31 HF NIHONBASHI HAMACHO BUILDING   | 5.63                | 5.40               | 5.74                | 5.65               | 5.45                | 5.93               |
| OF-32 HF SENDAI HONCHO BUILDING        | 4.62                | 4.71               | 4.69                | 4.87               | 4.96                | 4.89               |
| OF-33 HF UENO BUILDING                 | 4.14                | 4.59               | 4.89                | 4.53               | 4.56                | 4.88               |
| OF-34 KOJIMACHI HF BUILDING            | 4.06                | 5.26               | 5.25                | 5.60               | 6.32                | 6.46               |
| OF-35 HF KUDAN MINAMI BUILDING         | 4.26                | 4.35               | 4.40                | 4.38               | 4.48                | 4.29               |
| OF-36 HF KANDA OGAWAMACHI BUILDING     | 3.99                | 4.08               | 4.16                | 4.47               | 4.33                | 4.63               |
| OF-37 NISSO 5 BUILDING                 | 3.25                | 3.23               | 3.71                | 3.85               | 3.78                | 3.94               |
| OF-38 ACROSS SHINKAWA BUILDING         | 4.47                | 4.21               | 3.86                | 4.00               | 3.52                | 4.12               |
| OF-39 SENJU MILDIX II                  | 4.28                | 4.49               | 4.59                | 4.31               | 4.76                | 4.64               |
| OF-40 ARK Mori Building                | -                   | 3.68               | 3.76                | 3.67               | 3.34                | 3.22               |
| OF-41 Nihonbashi Horidomecho First     | -                   | -                  | 4.18                | 4.28               | 3.82                | 3.94               |
| OF-42 SOUTHERN SKY TOWER HACHIOJI      | -                   | -                  | 4.64                | 4.79               | 4.46                | 4.64               |
| OF-43 HAMACHO HEIWA BUILDING           | -                   | -                  | -                   | 4.43               | 4.05                | 4.11               |
| OF-44 KINSHICHO SQUARE BUILDING        | -                   | -                  | -                   | -                  | 3.74                | 4.06               |
| OF-45 KABUTO-CHO UNI-SQUARE *1         | -                   | -                  | -                   | -                  | -                   | 2.45               |
| <b>Total Office Buildings</b>          | <b>4.33</b>         | <b>4.45</b>        | <b>4.43</b>         | <b>4.51</b>        | <b>4.46</b>         | <b>4.57</b>        |
| Re-03 HF ICHIKAWA RESIDENCE            | 6.03                | 5.85               | 6.22                | 6.06               | 6.53                | 6.36               |
| Re-05 HF MEGURO RESIDENCE              | 3.38                | 3.27               | 3.94                | 3.69               | 3.48                | 4.20               |
| Re-09 HF KASAI RESIDENCE               | 4.75                | 4.58               | 5.18                | 5.16               | 5.68                | 5.71               |
| Re-11 HF WAKABAYASHI-KOEN RESIDENCE    | 4.32                | 3.06               | 4.18                | 4.30               | 4.46                | 4.88               |
| Re-12 HF HIMONYA RESIDENCE             | 4.06                | 4.13               | 3.57                | 4.36               | 4.48                | 4.93               |
| Re-14 HF MINAMIAZABU RESIDENCE         | 3.41                | 3.72               | 3.53                | 3.74               | 3.58                | 1.96               |
| Re-15 HF AZABUJUBAN RESIDENCE *2       | 2.44                | 2.76               | 2.94                | 3.33               | 3.26                | 3.10               |
| Re-16 HF GAKUGEDAIGAKU RESIDENCE       | 3.69                | 3.41               | 2.73                | 3.47               | 3.46                | 3.56               |
| Re-17 HF HIGASHIKANDA RESIDENCE        | 4.27                | 3.76               | 4.28                | 4.49               | 4.37                | 3.95               |
| Re-18 HF HIGASHINIHOHNBASHI RESIDENCE  | 4.56                | 4.71               | 3.58                | 5.11               | 5.04                | 4.38               |
| Re-19 HF NERIMA RESIDENCE              | 4.34                | 4.09               | 3.59                | 4.57               | 4.49                | 4.20               |
| Re-20 HF SHIROKANETAKANAWA RESIDENCE   | 3.44                | 4.36               | 4.03                | 4.38               | 3.86                | 4.34               |
| Re-21 HF MEIDAIMAE RESIDENCE           | 3.43                | 3.37               | 3.54                | 3.24               | 3.57                | 3.46               |
| Re-22 HF NIHONBASHI RESIDENCE          | 3.31                | 4.01               | 3.84                | 4.00               | 4.18                | 4.41               |
| Re-23 HF KAMISHAKUJII RESIDENCE        | 3.83                | 4.10               | 4.20                | 3.93               | 4.13                | 3.85               |
| Re-24 HF KINSHICHO RESIDENCE           | 3.85                | 3.38               | 3.57                | 3.76               | 3.86                | 4.15               |
| Re-25 HF GINZA RESIDENCE EAST          | 2.79                | 2.90               | 2.90                | 2.89               | 2.21                | 3.09               |
| Re-26 HF SHIN-YOKOHAMA RESIDENCE       | 3.01                | 3.04               | 3.18                | 3.19               | 2.94                | 3.50               |
| Re-29 HF HAKUSAN RESIDENCE             | 2.79                | 2.40               | 2.90                | 3.03               | 3.11                | 3.20               |
| Re-30 HF MAGOME RESIDENCE              | 2.82                | 2.85               | 3.47                | 2.93               | 3.33                | 3.52               |
| Re-31 HF GAKUGEDAIGAKU RESIDENCE II    | 2.24                | 2.68               | 2.65                | 2.49               | 2.47                | 2.13               |
| Re-33 HF KAMEIDO RESIDENCE             | 2.69                | 4.48               | 3.69                | 4.23               | 4.14                | 3.78               |
| Re-34 HF TANASHI RESIDENCE             | 2.31                | 1.66               | 3.20                | 2.82               | 2.75                | 2.28               |
| Re-35 HF SHIBA-KOEN RESIDENCE          | 3.54                | 2.92               | 2.79                | 3.46               | 3.20                | 3.64               |
| Re-36 HF MITA RESIDENCE                | 3.76                | 3.94               | 3.72                | 3.82               | 4.19                | 4.19               |
| Re-37 HF TAKANAWA RESIDENCE            | 3.14                | 3.70               | 4.09                | 4.08               | 4.33                | 4.08               |

|   | (%)                 |                    |                     |                    |                     |                    |
|---|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Property Name                           | 32nd FP<br>('17/11) | 33rd FP<br>('18/5) | 34th FP<br>('18/11) | 35th FP<br>('19/5) | 36th FP<br>('19/11) | 37th FP<br>('20/5) |
| Re-38 La Residence de Shirokanedai      | 5.13                | 4.25               | 4.79                | 2.47               | 4.24                | 4.53               |
| Re-39 HF GINZA RESIDENCE EAST II        | 4.12                | 4.42               | 4.79                | 4.44               | 4.51                | 5.36               |
| Re-40 HF HATCHOBORI RESIDENCE II        | 3.55                | 3.58               | 4.08                | 3.97               | 3.95                | 3.98               |
| Re-41 HF HATCHOBORI RESIDENCE III       | 1.33                | 3.89               | 4.21                | 3.93               | 4.76                | 3.88               |
| Re-42 HF GINZA RESIDENCE                | 4.08                | 4.36               | 3.86                | 4.57               | 4.82                | 1.09               |
| Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER  | 3.54                | 3.95               | 3.83                | 3.61               | 3.80                | 3.84               |
| Re-44 HF UMEDA RESIDENCE TOWER          | 2.33                | 2.74               | 2.78                | 3.34               | 3.00                | 2.87               |
| Re-45 HF NAKANOSHIMA RESIDENCE          | 3.08                | 3.61               | 3.50                | 3.31               | 3.13                | 3.14               |
| Re-46 HF AWAZA RESIDENCE                | 4.13                | 4.01               | 3.79                | 3.50               | 3.44                | 4.87               |
| Re-47 HF MARUNOUCHI RESIDENCE           | 4.71                | 5.26               | 5.95                | 5.12               | 4.75                | 5.13               |
| Re-48 HF HIRAO RESIDENCE                | 4.44                | 4.70               | 4.63                | 4.27               | 4.65                | 5.10               |
| Re-49 HF KAWARAMACHI NIJO RESIDENCE     | 4.78                | 4.71               | 5.09                | 4.20               | 4.62                | 5.20               |
| Re-53 HF SHIJO KAWARAMACHI RESIDENCE    | 6.07                | 5.87               | 6.00                | 6.26               | 6.45                | 6.21               |
| Re-54 La Residence de Sendagi           | 5.45                | 5.36               | 5.41                | 5.34               | 5.10                | 5.59               |
| Re-55 HF SENDAGI RESIDENCE              | 5.47                | 5.70               | 5.56                | 5.59               | 5.65                | 6.04               |
| Re-56 HF KOMAZAWA-KOEN RESIDENCE        | 3.18                | 4.23               | 4.32                | 3.79               | 1.83                | 3.67               |
| Re-57 HF MUSASHIKOYAMA RESIDENCE        | 5.46                | 5.31               | 5.79                | 5.67               | 5.64                | 5.77               |
| Re-58 HF KOKUBUNJI RESIDENCE            | 5.49                | 4.92               | 4.82                | 5.44               | 5.36                | 5.49               |
| Re-59 HF HISAYAODORI RESIDENCE          | 5.68                | 5.53               | 5.45                | 5.68               | 5.18                | 5.50               |
| Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE | 5.03                | 5.10               | 5.08                | 5.27               | 5.56                | 5.35               |
| Re-61 HF NISHI-SHINJUKU RESIDENCE WEST  | 4.95                | 4.88               | 4.82                | 4.36               | 4.77                | 5.04               |
| Re-62 HF NISHI-SHINJUKU RESIDENCE EAST  | 5.06                | 4.94               | 4.47                | 4.52               | 4.83                | 4.81               |
| Re-63 HF HIGASHI-SHINJUKU RESIDENCE     | 4.96                | 4.45               | 5.20                | 4.78               | 4.72                | 5.23               |
| Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE | 4.49                | 5.07               | 5.43                | 4.79               | 4.89                | 5.73               |
| Re-65 HF KITA-YOBANCHO RESIDENCE        | 6.70                | 7.01               | 6.84                | 6.92               | 6.20                | 6.07               |
| Re-66 HF ATAGOBASHI RESIDENCE           | 6.70                | 5.49               | 6.68                | 6.14               | 6.78                | 6.89               |
| Re-67 HF KYUDAIBYOINMAE RESIDENCE       | 4.37                | 4.14               | 5.46                | 5.01               | 4.77                | 4.92               |
| Re-68 HF ASAKUSABASHI RESIDENCE         | 4.21                | 4.92               | 5.43                | 5.51               | 5.09                | 4.54               |
| Re-69 HF ICHIBANCHO RESIDENCE           | 7.46                | 7.04               | 6.60                | 6.79               | 7.55                | 6.70               |
| Re-70 HF HIGASHI-NAKANO RESIDENCE       | 4.76                | 4.99               | 4.78                | 4.35               | 4.54                | 4.83               |
| Re-72 HF WASEDA RESIDENCE               | 4.94                | 4.49               | 4.78                | 4.84               | 4.85                | 5.15               |
| Re-73 HF WASEDA RESIDENCE II            | 4.53                | 3.84               | 4.81                | 4.80               | 4.93                | 4.71               |
| Re-74 HF WAKAMATSUKAWADA RESIDENCE      | 1.69                | 3.56               | 4.41                | 4.46               | 4.37                | 4.70               |
| Re-75 HF SENDAI RESIDENCE EAST          | 4.72                | 4.59               | 4.81                | 4.73               | 5.24                | 4.53               |
| Re-76 HF NISHIKOEN RESIDENCE            | 3.55                | 2.86               | 3.41                | 3.17               | 3.49                | 3.51               |
| Re-77 HF BANSUIDORI RESIDENCE           | 4.02                | 3.30               | 3.87                | 3.33               | 3.09                | 3.40               |
| Re-78 HF KANNAI RESIDENCE               | 4.00                | 3.67               | 4.09                | 4.34               | 4.23                | 4.31               |
| Re-79 HF MEIEKI-KITA RESIDENCE          | 3.45                | 3.23               | 2.78                | 2.94               | 3.34                | 1.89               |
| Re-80 HF HIGASHI-SAPPORO RESIDENCE      | 4.06                | 4.25               | 3.61                | 3.53               | 4.11                | 4.40               |
| Re-81 HF HAKATA-HIGASHI RESIDENCE       | 3.93                | 3.70               | 2.99                | 2.85               | 3.70                | 3.70               |
| Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE  | 3.51                | 3.38               | 0.51                | 3.09               | 3.17                | 3.34               |
| Re-83 HF TABATA RESIDENCE               | 4.67                | 5.52               | 4.57                | 4.54               | 4.44                | 5.06               |
| Re-84 HF RYOGOKU RESIDENCE              | -                   | 4.55               | 4.33                | 4.50               | 4.51                | 4.40               |
| Re-85 HF HACHIOJI RESIDENCE             | -                   | 2.38               | 3.42                | 3.32               | 3.39                | 3.64               |
| Re-86 HF MITA RESIDENCE II              | -                   | -                  | -                   | 3.43               | 3.49                | 3.62               |
| Re-87 HF MONZEN-NAKACHO RESIDENCE       | -                   | -                  | -                   | 3.41               | 3.34                | 3.84               |
| Re-88 HF MINAMI-SUNAMACHI RESIDENCE     | -                   | -                  | -                   | 3.64               | 3.94                | 4.14               |
| Re-89 HF SENDAI NAGAMACHI RESIDENCE *3  | -                   | -                  | -                   | -                  | -                   | 3.28               |
| Re-90 HF SHOKOJI AKABANE RESIDENCE *4   | -                   | -                  | -                   | -                  | -                   | 3.69               |
| Re-91 HF SENDAI HONCHO RESIDENCE *5     | -                   | -                  | -                   | -                  | -                   | -1.85              |
| <b>Total Residential Properties</b>     | <b>3.89</b>         | <b>3.94</b>        | <b>4.01</b>         | <b>4.02</b>        | <b>4.05</b>         | <b>4.05</b>        |
| <b>Total properties in portfolio *3</b> | <b>4.09</b>         | <b>4.17</b>        | <b>4.20</b>         | <b>4.24</b>        | <b>4.24</b>         | <b>4.29</b>        |

\* NOI yield after depreciation(%) = Rental business Profit (Annualized) / ((Beginning of BV+ End of BV)/2) X100

\*1 Acquired on May 28, 2020

\*2 Transferred on May 28, 2020

\*3 Acquired on January 17, 2020

\*4 Acquired on March 19, 2020

\*5 Acquired on April 24, 2020

\*6 NOI yield after depreciation is excluded the sold properties from the list.

(Portfolio NOI yield after depreciation includes the sold properties NOI yield after depreciation.)



# III-12 Historical Occupancy Rates

|  |              |              |              |              |              |              |              |  |   |              |              |              |              |              |              |              |  | (%) |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|-----|
| Property Name                          | 30-Nov-2019  | 31-Dec-2019  | 31-Jan-2020  | 29-Feb-2020  | 31-Mar-2020  | 30-Apr-2020  | 31-May-2020  |  | Property Name                               | 30-Nov-2019  | 31-Dec-2019  | 31-Jan-2020  | 29-Feb-2020  | 31-Mar-2020  | 30-Apr-2020  | 31-May-2020  |  |     |
| Of-05 SUITENGU HEIWA BUILDING          | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-38 La Residence de Shirokanedai          | 96.51        | 96.39        | 96.39        | 92.90        | 96.39        | 89.41        | 85.91        |  |     |
| Of-06 HF MONZENNAKACHO BUILDING        | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-39 HF GINZA RESIDENCE EAST II            | 96.02        | 97.39        | 98.64        | 100          | 98.75        | 97.39        | 97.39        |  |     |
| Of-07 HF HAMAMATSUCHO BUILDING         | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-40 HF HATCHOBORI RESIDENCE II            | 97.55        | 97.73        | 96.27        | 96.27        | 97.62        | 94.48        | 91.11        |  |     |
| Of-08 HF TAMEIKE BUILDING              | 100          | 100          | 91.67        | 100          | 100          | 100          | 100          |  | Re-41 HF HATCHOBORI RESIDENCE III           | 96.92        | 91.66        | 96.92        | 95.01        | 91.93        | 86.22        | 89.30        |  |     |
| Of-09 GRACE BUILDING SENGAKUJIMAE      | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-42 HF GINZA RESIDENCE                    | 100          | 98.13        | 97.85        | 97.87        | 97.85        | 93.56        | 98.13        |  |     |
| Of-11 HF NIHONBASHI ODENMACHO BUILDING | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER      | 94.16        | 96.21        | 97.75        | 97.45        | 97.85        | 97.03        | 95.61        |  |     |
| Of-12 HF HATCHOBORI BUILDING           | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-44 HF UMEDA RESIDENCE TOWER              | 95.97        | 95.98        | 95.58        | 96.00        | 97.12        | 95.96        | 95.38        |  |     |
| Of-17 HATCHOBORI MF BUILDING           | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-45 HF NAKANOSHIMA RESIDENCE              | 89.77        | 95.92        | 92.84        | 92.84        | 100          | 100          | 97.96        |  |     |
| Of-18 M2 HARAJUKU                      | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-46 HF AWAZA RESIDENCE                    | 98.32        | 98.32        | 100          | 100          | 98.48        | 98.34        | 98.48        |  |     |
| Of-20 FUNABASHI FACE BUILDING          | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-47 HF MARUNOUCHI RESIDENCE               | 95.85        | 95.85        | 95.85        | 95.85        | 93.10        | 93.10        | 93.07        |  |     |
| Of-21 ADESSO NISHIAZABU                | 100          | 75.06        | 75.06        | 75.06        | 75.06        | 75.06        | 75.06        |  | Re-48 HF HIRAO RESIDENCE                    | 97.73        | 98.23        | 98.23        | 99.14        | 99.56        | 99.55        | 97.24        |  |     |
| Of-23 HF KEBUKURO BUILDING             | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-49 HF KAWARAMACHI NIDO RESIDENCE         | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  |     |
| Of-24 HF YUSHIMA BUILDING              | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-53 HF SHJO KAWARAMACHI RESIDENCE         | 100          | 98.19        | 98.19        | 100          | 98.79        | 99.38        | 98.16        |  |     |
| Of-25 KAYABACHO HEIWA BUILDING         | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-54 La Residence de Sendagi               | 98.19        | 100          | 100          | 100          | 100          | 96.33        | 94.51        |  |     |
| Of-27 KOBE KYUKORYUCHI HEIWA BUILDING  | 96.44        | 96.44        | 97.44        | 97.44        | 97.44        | 97.44        | 95.34        |  | Re-55 HF SENDAGI RESIDENCE                  | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  |     |
| Of-29 SAKAE MINAMI HEIWA BUILDING      | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-56 HF KOMAZAWA-KOEN RESIDENCE            | 100          | 91.66        | 100          | 97.23        | 100          | 94.45        | 94.45        |  |     |
| Of-30 HF SAKURADORI BUILDING           | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-57 HF MUSASHIKOYAMA RESIDENCE            | 98.20        | 96.45        | 100          | 98.20        | 100          | 98.20        | 98.20        |  |     |
| Of-31 HF NIHONBASHI HAMACHO BUILDING   | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-58 HF KOKUBUNJI RESIDENCE                | 96.35        | 98.30        | 98.30        | 98.02        | 98.36        | 98.06        | 98.06        |  |     |
| Of-32 HF SENDAI HONCHO BUILDING        | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-59 HF HISAYAODORI RESIDENCE              | 93.12        | 94.12        | 96.02        | 96.02        | 99.01        | 96.99        | 96.00        |  |     |
| Of-33 HF UENO BUILDING                 | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE     | 100          | 100          | 97.98        | 95.26        | 100          | 89.88        | 89.88        |  |     |
| Of-34 KOJIMACHI HF BUILDING            | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-61 HF NISHI-SHINJUKU RESIDENCE WEST      | 93.75        | 92.49        | 91.24        | 94.99        | 100          | 100          | 100          |  |     |
| Of-35 HF KUDAN MINAMI BUILDING         | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-62 HF NISHI-SHINJUKU RESIDENCE EAST      | 92.08        | 87.67        | 96.49        | 100          | 100          | 96.49        | 96.08        |  |     |
| Of-36 HF KANDA OGAWAMACHI BUILDING     | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-63 HF HIGASHI-SHINJUKU RESIDENCE         | 100          | 100          | 97.22        | 97.22        | 100          | 98.60        | 100          |  |     |
| Of-37 NISSO 5 BUILDING                 | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE     | 100          | 100          | 100          | 97.72        | 97.72        | 92.24        | 92.24        |  |     |
| Of-38 ACROSS SHINKAWA BUILDING         | 100          | 100          | 100          | 97.40        | 100          | 100          | 100          |  | Re-65 HF KITA-YOBANCHO RESIDENCE            | 91.09        | 90.00        | 87.77        | 88.89        | 91.13        | 91.09        | 88.87        |  |     |
| Of-39 SENJU MILDIX II                  | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-66 HF ATAGOBASHI RESIDENCE               | 96.75        | 96.75        | 96.26        | 95.00        | 97.51        | 92.52        | 88.78        |  |     |
| Of-40 ARK Mori Building                | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-67 HF KYUDAIHYOINMAE RESIDENCE           | 100          | 100          | 100          | 97.47        | 97.47        | 90.97        | 92.60        |  |     |
| Of-41 Nihonbashi Horidomecho First     | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-68 HF ASAKUSABASHI RESIDENCE             | 97.44        | 94.87        | 94.87        | 97.44        | 97.44        | 94.87        | 94.87        |  |     |
| Of-42 SOUTHERN SKY TOWER HACHIOJI      | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-69 HF ICHIBANCHO RESIDENCE               | 100          | 97.63        | 94.65        | 94.65        | 97.02        | 92.28        | 91.71        |  |     |
| Of-43 HAMACHO HEIWA BUILDING           | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-70 HF HIGASHI-NAKANO RESIDENCE           | 100          | 98.30        | 98.30        | 98.43        | 98.33        | 91.94        | 91.94        |  |     |
| Of-44 KINSHICHO SQUARE BUILDING        | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-72 HF WASEDA RESIDENCE                   | 95.10        | 94.85        | 97.00        | 96.35        | 100          | 99.30        | 98.95        |  |     |
| Of-45 KABUTO-CHO UNI-SQUARE *1         | -            | -            | -            | -            | -            | -            | 100          |  | Re-73 HF WASEDA RESIDENCE II                | 98.27        | 93.09        | 89.33        | 94.82        | 100          | 100          | 100          |  |     |
| <b>Total Office Buildings</b>          | <b>99.81</b> | <b>99.72</b> | <b>99.56</b> | <b>99.68</b> | <b>99.77</b> | <b>99.77</b> | <b>99.67</b> |  | Re-74 HF WAKAMATSUKAWADA RESIDENCE          | 97.85        | 100          | 100          | 100          | 96.71        | 97.85        | 95.69        |  |     |
| Re-03 HF ICHIKAWA RESIDENCE            | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-75 HF SENDAI RESIDENCE EAST              | 95.15        | 93.79        | 95.15        | 93.65        | 93.18        | 90.01        | 89.40        |  |     |
| Re-05 HF MEGURO RESIDENCE              | 100          | 100          | 100          | 100          | 100          | 100          | 100          |  | Re-76 HF NISHIKOEN RESIDENCE                | 95.15        | 95.15        | 96.12        | 95.15        | 98.06        | 95.15        | 94.18        |  |     |
| Re-09 HF KASAI RESIDENCE               | 97.94        | 95.81        | 100          | 100          | 100          | 97.94        | 95.73        |  | Re-77 HF BANSUIDORI RESIDENCE               | 95.45        | 95.45        | 93.94        | 95.45        | 95.45        | 87.88        | 83.33        |  |     |
| Re-11 HF WAKABAYASHI-KOEN RESIDENCE    | 95.29        | 96.49        | 98.77        | 98.77        | 100          | 98.94        | 97.88        |  | Re-78 HF KANNAI RESIDENCE                   | 97.46        | 96.63        | 96.57        | 97.42        | 98.27        | 99.08        | 100          |  |     |
| Re-12 HF HIMONYA RESIDENCE             | 100          | 100          | 100          | 98.36        | 100          | 100          | 100          |  | Re-79 HF MEIEKI-KITA RESIDENCE              | 100          | 99.03        | 99.16        | 98.31        | 99.03        | 95.58        | 91.71        |  |     |
| Re-14 HF MINAMIAZABU RESIDENCE         | 95.00        | 95.00        | 95.00        | 100          | 98.32        | 98.32        | 95.00        |  | Re-80 HF HIGASHI-SAPPORO RESIDENCE          | 96.73        | 96.33        | 96.33        | 97.82        | 99.06        | 97.03        | 95.54        |  |     |
| Re-15 HF AZABUJUBAN RESIDENCE *2       | 96.20        | 100          | 96.20        | 93.33        | 100          | 100          | -            |  | Re-81 HF HAKATA-HIGASHI RESIDENCE           | 96.13        | 92.30        | 97.44        | 97.44        | 98.72        | 100          | 100          |  |     |
| Re-16 HF GAKUGEIDAIGAKU RESIDENCE      | 100          | 100          | 96.93        | 96.93        | 96.18        | 89.29        | 88.86        |  | Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE      | 96.36        | 89.10        | 92.73        | 94.55        | 94.53        | 90.90        | 89.08        |  |     |
| Re-17 HF HIGASHIKANDA RESIDENCE        | 98.44        | 100          | 95.35        | 100          | 96.92        | 93.28        | 95.38        |  | Re-83 HF TABATA RESIDENCE                   | 98.61        | 97.23        | 98.61        | 97.01        | 100          | 92.77        | 95.69        |  |     |
| Re-18 HF HIGASHINIHONBASHI RESIDENCE   | 100          | 97.36        | 100          | 98.80        | 96.13        | 100          | 100          |  | Re-84 HF RYOGOKU RESIDENCE                  | 97.90        | 100          | 98.78        | 97.60        | 97.89        | 97.90        | 94.61        |  |     |
| Re-19 HF NERIMA RESIDENCE              | 98.08        | 98.08        | 96.16        | 98.08        | 100          | 94.24        | 94.24        |  | Re-85 HF HACHIOJI RESIDENCE                 | 92.77        | 92.78        | 92.78        | 98.52        | 100          | 95.58        | 95.05        |  |     |
| Re-20 HF SHIROKANETAKANAWA RESIDENCE   | 95.54        | 94.26        | 99.35        | 100          | 96.97        | 94.15        | 94.15        |  | Re-86 HF MITA RESIDENCE II                  | 95.14        | 97.73        | 100          | 97.47        | 97.73        | 97.73        | 93.14        |  |     |
| Re-21 HF MEIDAIMAE RESIDENCE           | 97.90        | 100          | 100          | 98.14        | 97.40        | 96.40        | 96.34        |  | Re-87 HF MONZEN-NAKACHO RESIDENCE           | 95.45        | 95.45        | 97.73        | 95.45        | 100          | 97.73        | 95.45        |  |     |
| Re-22 HF NIHONBASHI RESIDENCE          | 98.04        | 97.04        | 97.04        | 98.04        | 100          | 96.63        | 96.63        |  | Re-88 HF MINAMI-SUNAMACHI RESIDENCE         | 92.77        | 100          | 100          | 97.88        | 100          | 100          | 100          |  |     |
| Re-23 HF KAMISHAKUJII RESIDENCE        | 100          | 98.58        | 97.28        | 97.08        | 100          | 98.64        | 98.65        |  | Re-89 HF SENDAI NAGAMACHI RESIDENCE *3      | -            | -            | 88.78        | 90.57        | 93.18        | 98.38        | 96.77        |  |     |
| Re-24 HF KINSHICHO RESIDENCE           | 98.21        | 100          | 100          | 97.98        | 100          | 100          | 98.29        |  | Re-90 HF SHOKOJI AKABANE RESIDENCE *4       | -            | -            | -            | -            | 96.73        | 93.46        | 90.19        |  |     |
| Re-25 HF GINZA RESIDENCE EAST          | 98.97        | 97.84        | 97.03        | 98.97        | 98.21        | 100          | 100          |  | Re-91 HF SENDAI HONCHO RESIDENCE *5         | -            | -            | -            | -            | -            | 5.82         | 14.56        |  |     |
| Re-26 HF SHIN-YOKOHAMA RESIDENCE       | 97.24        | 98.80        | 98.05        | 100          | 100          | 98.46        | 95.51        |  | <b>Total Residential Properties</b>         | <b>97.06</b> | <b>96.81</b> | <b>97.09</b> | <b>97.32</b> | <b>97.94</b> | <b>95.54</b> | <b>94.80</b> |  |     |
| Re-29 HF HAKUSAN RESIDENCE             | 98.10        | 98.10        | 100          | 100          | 96.18        | 98.08        | 98.53        |  | <b>excluding HF SENDAI HONCHO RESIDENCE</b> |              |              |              |              |              | <b>96.46</b> | <b>95.62</b> |  |     |
| Re-30 HF MAGOME RESIDENCE              | 100          | 100          | 97.00        | 100          | 94.72        | 94.72        | 94.72        |  | <b>Total properties in portfolio</b>        | <b>98.06</b> | <b>97.86</b> | <b>97.97</b> | <b>98.17</b> | <b>98.60</b> | <b>97.04</b> | <b>96.55</b> |  |     |
| Re-31 HF GAKUGEIDAIGAKU RESIDENCE II   | 95.80        | 95.80        | 95.80        | 95.42        | 95.27        | 95.27        | 95.27        |  | <b>excluding HF SENDAI HONCHO RESIDENCE</b> |              |              |              |              |              | <b>97.64</b> | <b>97.09</b> |  |     |
| Re-33 HF KAMEIDO RESIDENCE             | 98.37        | 100          | 100          | 100          | 100          | 98.35        | 100          |  |   |              |              |              |              |              |              |              |  |     |
| Re-34 HF TANASHI RESIDENCE             | 97.14        | 97.14        | 97.14        | 88.93        | 97.15        | 94.29        | 97.14        |  |   |              |              |              |              |              |              |              |  |     |
| Re-35 HF SHIBA-KOEN RESIDENCE          | 100          | 100          | 97.28        | 97.28        | 97.28        | 100          | 100          |  |   |              |              |              |              |              |              |              |  |     |
| Re-36 HF MITA RESIDENCE                | 95.80        | 97.88        | 93.78        | 100          | 100          | 100          | 100          |  |   |              |              |              |              |              |              |              |  |     |
| Re-37 HF TAKANAWA RESIDENCE            | 100          | 100          | 100          | 100          | 89.20        | 97.17        | 97.17        |  |   |              |              |              |              |              |              |              |  |     |

\*1 Acquired on May 28, 2020

\*2 Transferred on May 28, 2020

\*3 Acquired on January 17, 2020

\*4 Acquired on March 19, 2020

\*5 Acquired on April 24, 2020



# III-13 Organization of the Asset Management Company

|                                     |   |   |
|-------------------------------------|---|---|
| Name                                | HEIWA REAL ESTATE Asset Management CO., LTD.                |   |
| Head Office Location                | 9-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo, 103-0026         |   |
| Date of Establishment               | March 24, 2000  |   |
| Paid-in Capital                     | 295,575 thousand yen  |   |
| Shareholders                        | HEIWA REAL ESTATE CO.,LTD.(100%)                            |   |
| Directors                           | President & Representative Director                         | Masanori Hirano   |
|                                     | Director,<br>Business Planning Division General Manager     | Daisuke Kobayashi   |
|                                     | Director,<br>Investment Management Division General Manager | Yasutaka Watanabe   |
|                                     | Director (part time)  | Tomoharu Nakao  |
|                                     | Director (part time)  | Nobuhiro Seo  |
|                                     | Auditor (part time)   | Naoto Kato  |
| Business Activities                 | Investment management Services                              |   |
| Registrations ,<br>licenses , etc.. | Financial instruments business                              | Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act) |
|                                     | Building Lots and Buildings Transaction Business            | Lic. No. (4) 79529, Governor of Tokyo   |
|                                     | Discretionary transaction Agent                             | Lic. No.8, Minister of Land, Infrastructure, Transportation and Tourism                       |

## Mission PEACE

At HEIWA REAL ESTATE Asset Management, our mission is to play a role in the enduring growth of the J-REIT market, contributing to society and to the economy through our dedication and high aspirations.

### 1. Priority

Our number one priority is to improve investor value.

### 2. Earning Trust

We work to ensure that our asset management services earn the trust of all of our stakeholders, including our investors, our tenants, and our financial institution partners.

### 3. Aggressiveness

We are a highly expert professional organization, engaged in aggressive, high-quality fund management that generates growing and stable profits with the assets under management.

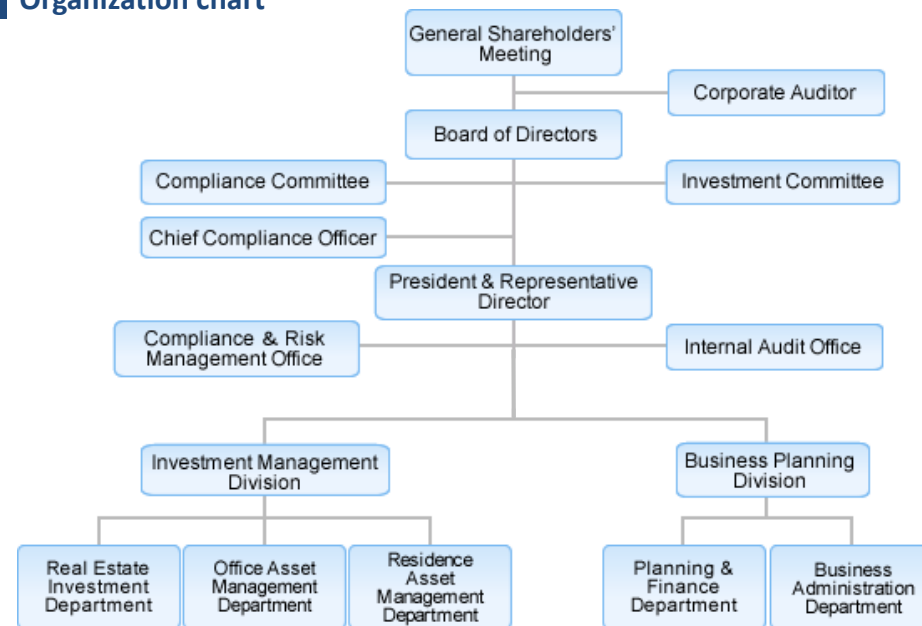
### 4. Comfort

We provide comfortable spaces for urban life and other related services through investments and management of numerous profitable properties.

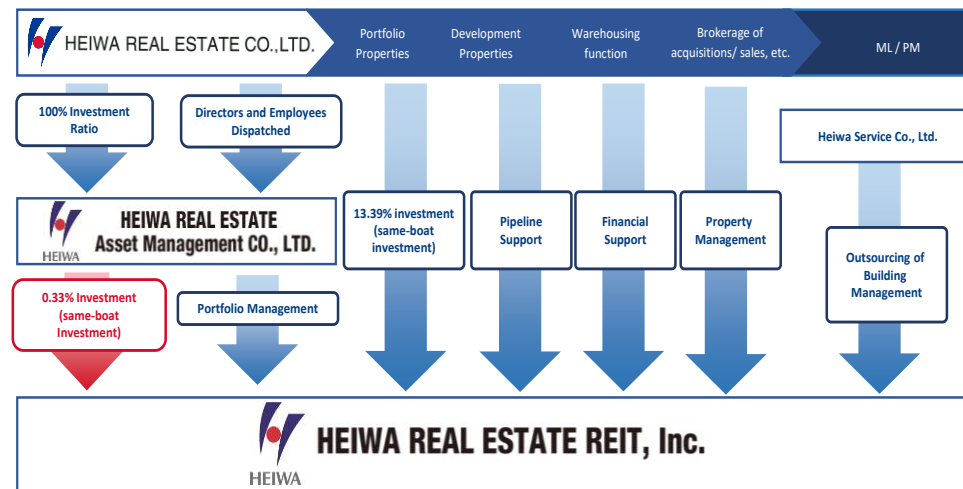
### 5. Ethics

We conduct our business under the highest ethical standards. We are committed to organization-wide compliance and transparency.

## Organization chart

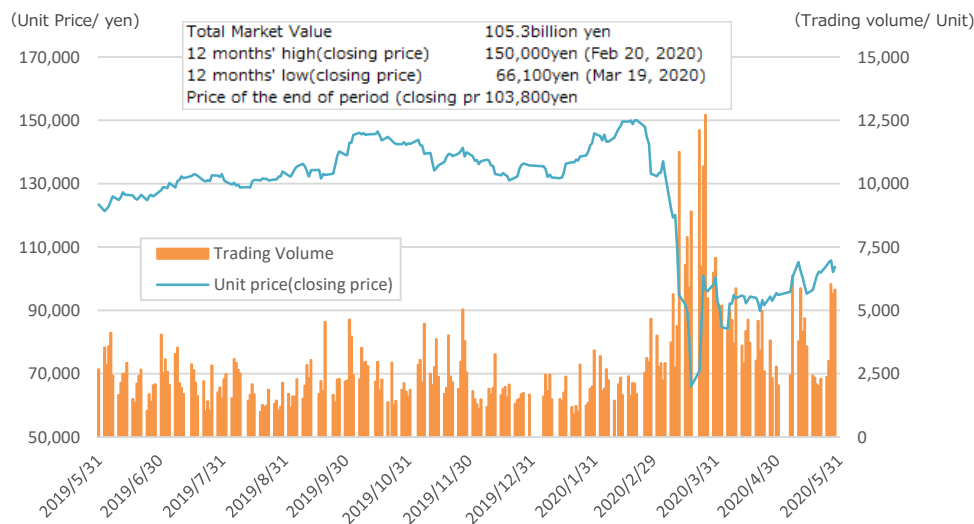


## Support of Sponsors

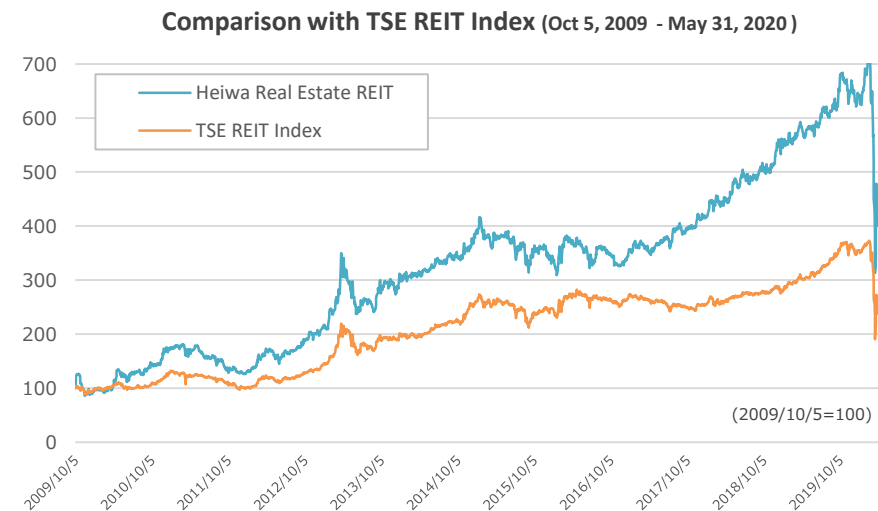




## History of Investment Unit Price



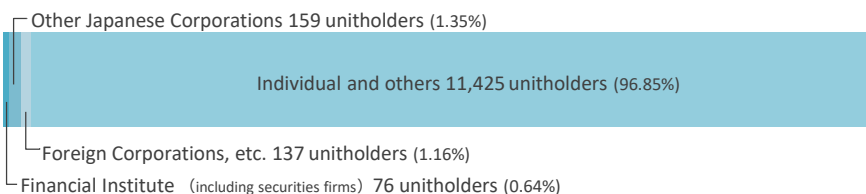
## Change in Investment Unit Price (Distribution reinvestment basis)



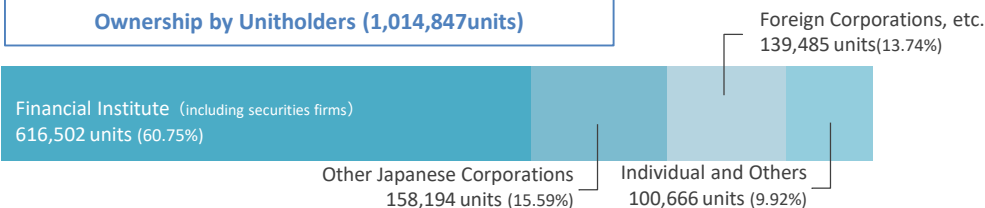
(Source : REFINITIV)

## Status of Unitholders ( as of May 31,2020)

### Number of Unitholders by Type (11,797 unitholders)



### Ownership by Unitholders (1,014,847units)



※The ratios in the charts are rounded to the third decimal place.

## Top 10 Unitholders ( as of May 31, 2020)

|       | Name  | Units Owned (Units) | Share (%) |
|-------|---|---------------------|-----------|
| 1     | Japan Trustee Services Bank, Ltd. (trust account)                         | 277,678             | 27.36     |
| 2     | The Master Trust Bank of Japan ,Ltd. (trust account)                      | 146,159             | 14.40     |
| 3     | Heiwa Real Estate Co., Ltd.   | 135,845             | 13.39     |
| 4     | NOMURA BANK (LUXEMBOURG)S.A.  | 51,587              | 5.08      |
| 5     | The Nomura Trust and Banking Co., Ltd. (trust account)                    | 45,121              | 4.45      |
| 6     | Trust & Custody Services Bank, Ltd. (securities investment trust account) | 28,277              | 2.79      |
| 7     | Aozora Bank, Ltd.   | 13,010              | 1.28      |
| 8     | JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT                           | 12,479              | 1.23      |
| 9     | STATE STREET BANK WEST CLIENT -TREATY 505234                              | 12,259              | 1.21      |
| 10    | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.                        | 11,345              | 1.12      |
| Total |   | 733,760             | 72.30     |

※The ratios in the charts are rounded to the third decimal place.





**HEIWA REAL ESTATE REIT, Inc.**



Asset Management Company

**HEIWA REAL ESTATE Asset Management CO., LTD.**

Financial Instruments Business Agent

Reg. No. 316, Director-General, Kanto Finance Bureau (Financial Instruments and Exchange Act)

Member, The Investment Trusts Association, Japan