

Steady Growth and Sustainable Profit

40

The 40th
6month ended
November 2021

8966

Financial results
briefing materials

January 18, 2022



HEIWA REAL ESTATE REIT, Inc.

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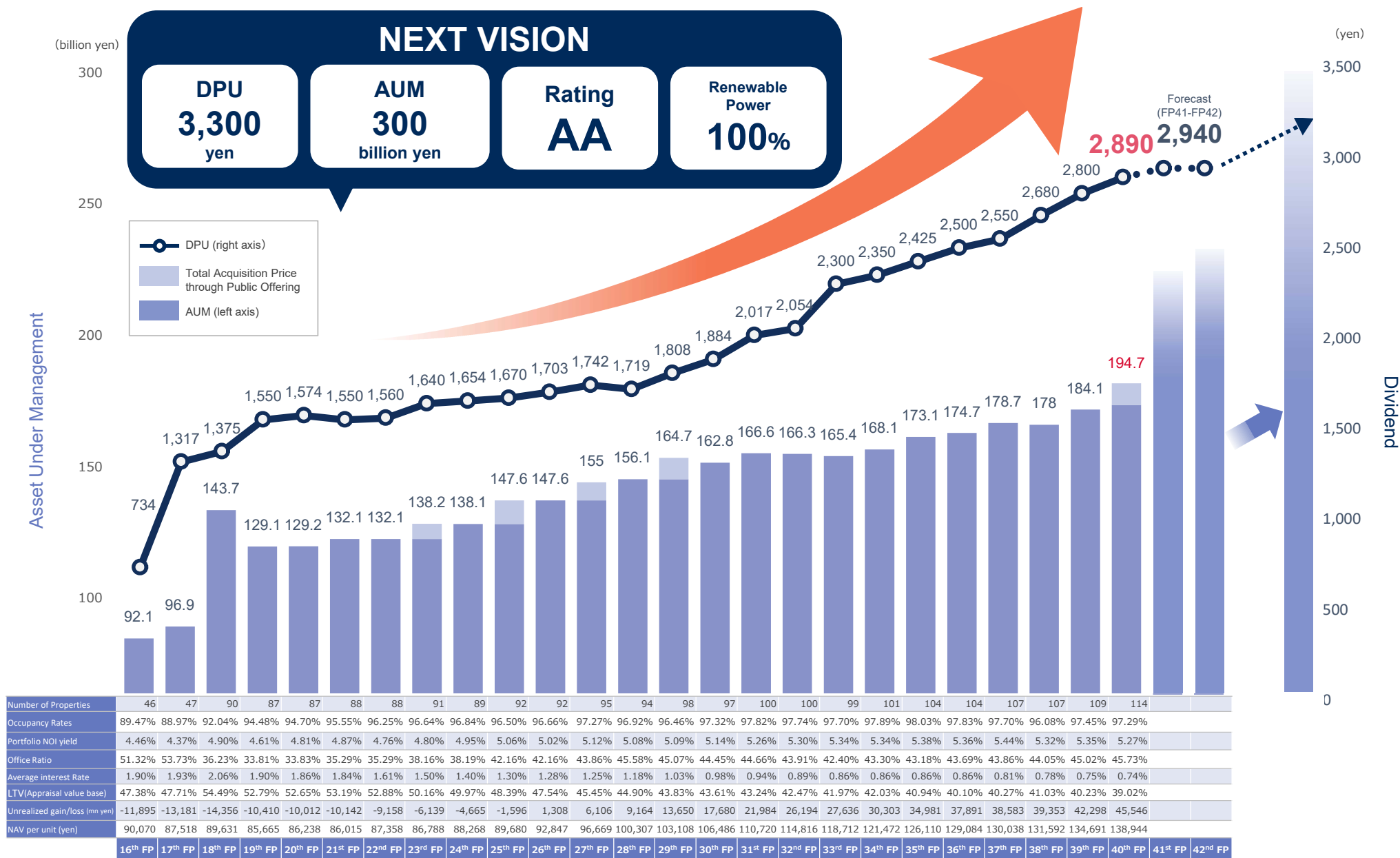
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I . Overview of the Fiscal Period





External Growth

Public Offering: Increased capital through public offering and third-party allotment at the beginning of the fiscal period under review. Raised equity of 8,692 million yen as funds to acquire properties.

Asset Replacement: Sold HF KYUDAIBYOINMAE RESIDENCE and received a gain on sale of 244 million yen. Purchased Faret East Building and HF SOKA RESIDENCE. The asset size grew to 194.7 billion yen at the end of the fiscal period under review.

Acquisition price

11.08

billion yen

AUM

194.79

billion yen

Internal Growth

Occupancy Rate: The average occupancy rate of offices was 98.78%. The office operating rate remained high in the Tokyo metropolitan area despite the period of the state of emergency or the locally issued quasi-state of emergency covering much of the fiscal period under review. While the fiscal period under review was off-peak season in the leasing business, the occupancy rate of residential properties was 96.4%,

a level equivalent to that in the previous period, which was a busy season. The period-end occupancy rate was 97.3%, representing a recovery trend, and further improvements can be expected in the next fiscal period.

NOI Yield:

Yields for existing office properties declined with the impact of revisions to rents for commercial tenants. The average yield of our portfolio properties decreased to 5.27%

Occupancy Rate

97.29%

NOI yield

5.27%

Financial Operation

Reduction in Financing Costs: Interest rates on loans fell due to the favorable financial environment. Financing costs reached a new all-time low while financing periods are extended.

Sound Financial Standing: The Investment Corporation has a free cash of 7.9 billion, a commitment line of 7.0 billion, and internal

reserves balance of 5.41 billion, which enables it to deal with unforeseen circumstances. The appraisal LTV is lowered from the previous period and borrowing capacity expanded. The rating outlook was improved to A+ (positive).

Avg. Interest Rate

0.739%

Appraisal-based LTV

39.02%

Investor's Value

Distribution Increase: The distribution per unit rose 90 yen, to 2,890 yen, supported by robust portfolio management and capital gains through portfolio replacement. New medium- and long-term targets were established at the beginning of the fiscal period under review and efforts to achieve 3,300 yen started.

Net Asset Value: Even amid the COVID-19 pandemic, appraisal value increased, reflecting the generation of robust cash flows and a fall in cap rates. NAV hit a record high.

DPU

2,890yen

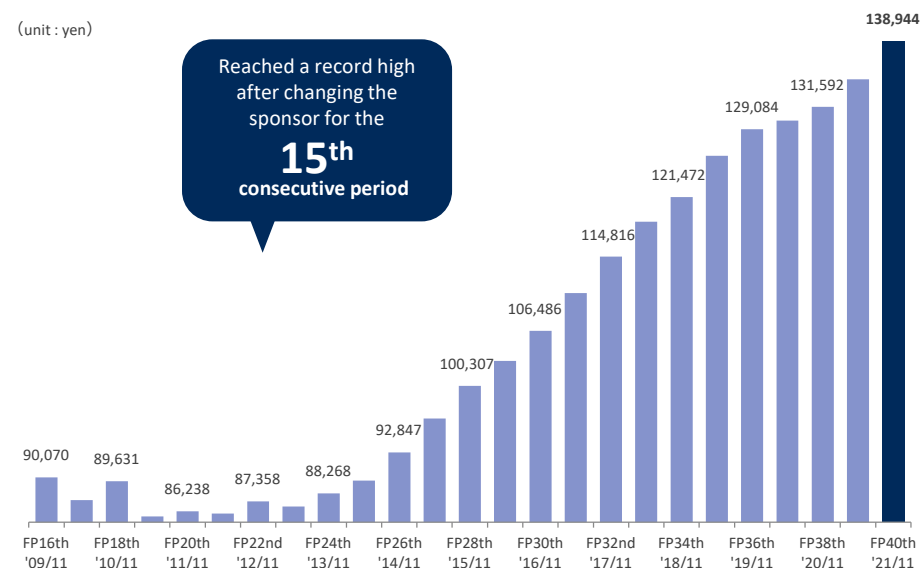
Internal reserves

5.41

billion yen

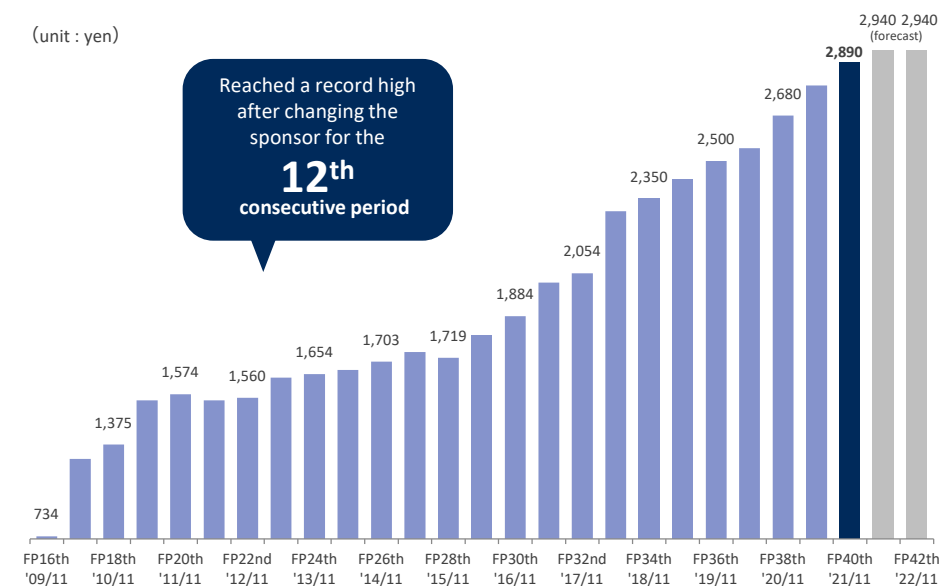
History of NAV (after deduction of distribution) per unit

(unit : yen)



History of Distribution per Unit

(unit : yen)



Risk tolerance

	At the end of 37 th FP (2020/05)	At the end of 38 th FP (2020/11)	At the end of 39 th FP (2021/05)	At the end of 40 th FP (2021/11)
Well-Diversified Portfolio	107	107	109	114
A Lot of Free Cash	9.37 billion yen	9.41 billion yen	7.05 billion yen	7.91 billion yen
Sufficient Internal Reserve	4.78 billion yen	5.37 billion yen	5.48 billion yen	5.41 billion yen
Low Appraisal LTV	40.3%	41.0%	40.2%	39.0%
Commitment Line	6.00 billion yen	7.00 billion yen	7.00 billion yen	7.00 billion yen
Rating	A+(stable)	A+(stable)	A+(stable)	A+(positive)

Office: Minor effects on rental business profit

- **Occupancy rate:** No effect was visible. Maintained an occupancy rate exceeding the past average.
- **Rent reduction requests:** Requests for reduction on the grounds of the COVID-19 pandemic were limited. 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:** The period of a state of emergency or the locally issued quasi-state of emergency covered much of the fiscal period under review, causing a limited increase in the amount of rent revision agreed on with existing tenants; however, the amount began growing after the state of emergency was lifted in October. While rent negotiations with store tenants at properties in commercial areas are increasingly difficult, rent gaps can be recovered from office tenants if opportunities for negotiations are available. Adequate room for a rent increase likely remains due to large rent gaps.

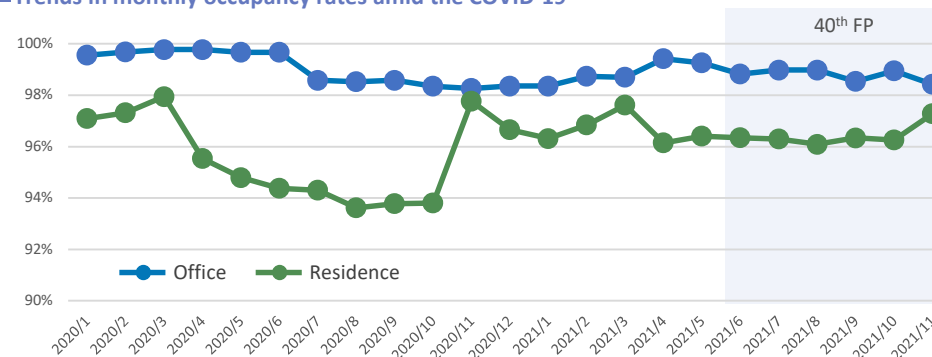
Financial impact on reduced office rent income

	37 th FP	38 th FP	39 th FP	40 th FP	41 st FP	42 nd FP	
Impact on P / L	-0.1 million yen	-0.7 million yen	-0.3 million yen	-1.1 million yen	-1.9 million yen	-2.0 million yen	16 tenants, 10.4 million yen (All reduction are for a limited time. Reduction are not posted at the time of revision, and the average rent in the contract period is posted throughout the period, except for certain tenants.)

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

- **Occupancy rate:** Will continue to be stable at the 96% level. While local demand in some areas remain weak, a sustained recovery trend has been observed at the national level and the period-end occupancy rate was 97.3%, which is the third highest for the month.
- **Rent reduction requests:** No effect was visible.
- **Outlook for upward rent revisions:** Rent revision due to contract renewal is not affected by the COVID-19 pandemic. While new rents were slightly weak due to flexible rent setting except in areas having weak demand, the portfolio average was mostly at the level of the previous fiscal period.

Trends in monthly occupancy rates amid the COVID-19



Profit excluding capital gains reached a new record high. Distribution per unit increased 90 yen from the 39th period to 2,890 yen.

- While revenue fell due to a decrease in gains (down 160 million yen from the previous period) on property sales, both profit excluding capital gains (2,735 million yen) and EPU (2,590 yen) reached new record highs.
- Capital was increased through a public offering, and property acquisitions during the period contributed to earnings.
- Leasing for office buildings and residences shows rough going partially, but the occupancy rate for the entire portfolio remains high and stable.

						(Unit: million yen)	
	39 th FP Actual Performance	40 th FP Actual Performance	40 th FP Forecasts	Variance 39 th FP	Variance 40 th FP forecasts	Major Factors of Variance (40 th FP Actual vs 39 th FP Actual)	Amount
Operating revenue <small>(Gain on sales of real estate properties)</small>	6,730 (404)	6,876 (244)	6,634	145 (-160)	241 (244)	Changes in operating revenues of existing properties • Office (rent income: -16, utilities: 7) • Residence (rent income: 27, renewal fees: -15) Asset Replacement and Acquisition of new properties • Increase in operating revenues due to properties acquisition • Decrease in operating revenues due to properties sale Decrease of gain on sale	-9 11 313 -8 -160
Operating expenses	3,421	3,514	3,547	92	-33	Changes in operating expenses of existing properties • Office • Residence (leasing costs, etc.) Asset replacement and Acquisition of new properties • Increase in operating revenues due to properties acquisition • Decrease in operating revenues due to properties sale SGA	21 -41 102 -2 12
Operating income	3,309	3,361	3,087	52	274		
Non-operating income	6	11	1	4	10		
Non-operating expenses	399	401	397	2	3		
Ordinary income	2,916	2,972	2,691	55	281		
Net income	2,916	2,971	2,690	55	281		
EPU*	2,916yen	2,814yen	2,549yen	-102yen	265yen		
Reversal of RTA	39	79	317	40	-238		
Internal Reserve	156	0	0	-156	0		
DPU*	2,800yen	2,890yen	2,850yen	90yen	40yen		
Total investment units issued and outstanding	999,933	1,055,733	1,055,733	55,800	-		

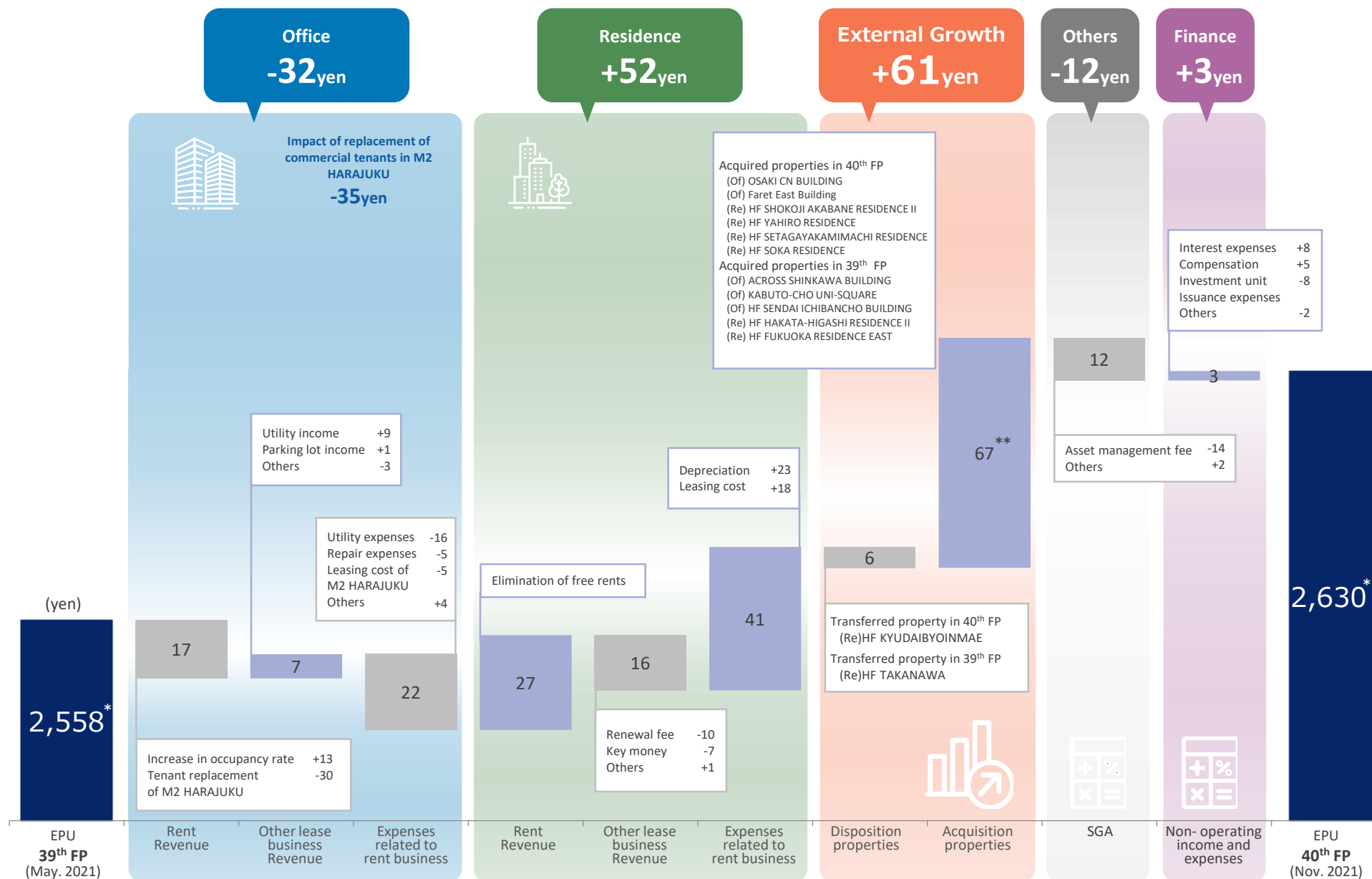
Major Factors of Variance (40 th FP Actual vs 40 th FP Forecasts)		Amount
Operating revenue	Increase of rent income (of which, existing properties : -12, Property Acquisition and Disposition : 12) Decrease of other income etc. (of which, existing properties : 1, Property Acquisition and Disposition: -4) The gain on sale of HF KYUDAIBYOINMAE RESIDENCE	0 -3 244
Operating expenses	Decrease of rent expenses (of which, existing properties : -49, Property Acquisition and Disposition : 14) SGA	-34 1

(Note) Forecasts for the 40th Fiscal Period are forecast figures announced on July 20, 2021

(Note) EPU means net income per investment unit.

(Note) DPU means distribution per investment unit.

Causes of variation of EPU on a leasing business revenue basis (excluding gain on sales)



* This amount includes 40 yen per unit, which is the reversal of reserve for temporary difference adjustments due to negative goodwill which arose at the time of the merger.

** This amount includes the impact of an increase in the number of issued investment units due to the public offering.

Profit excluding capital gains is expected to reach a new record high. Distribution per unit is expected to increase 50 yen from the 40th period to 2,940 yen.

- External growth: Despite the contribution of new properties to be acquired, a fall in the gain on property sales (down 244 million yen from the previous period) due to the expected absence of property sale and purchase will likely cause a decrease in earnings.
 - Internal growth: Lease contracts of two newly acquired residential properties were signed as scheduled. The business will enter a busy season with full-period contribution on an ordinary basis expected from the fiscal period under review.
 - Financial strategies: Opportunities for external growth will be sought flexibly using the abundant cash on hand and borrowing capacity available.
- (Unit : million yen)

Financial strategies: Opportunities for external growth will be sought flexibly using the abundant cash on hand and borrowing capacity available.								(Unit : million yen)		
	40 th FP Actual (a)	41 st FP Forecasts(b)	42 nd FP Forecasts(c)	Variance (b-a)	Variance (c-b)	Major Factors of Variance		Variance (b-a)	Variance (c-b)	
Operating revenue (Gain on sales of real estate properties)	6,876 (244)	6,826	6,807	-50 (-244)	-18	Operating Revenue	Office •Existing properties	-12	-6	
							•Increase in operating revenues due to acquired properties	119	11	
Operating expenses	3,514	3,657	3,646	143	-11		Residence •Existing properties (fluctuation with seasonal factors)	46	-27	
							•Increase in operating revenues due to asset replacement	39	4	
Operating income	3,361	3,168	3,160	-193	-7		Decrease of gain on sale	-244	-	
Non-operating income	11	0	0	-11	0	Operating Expenses	Office •Existing properties	36	28	
Non-operating expenses	401	419	430	18	10		•Increase in operating expenses due to acquired properties	51	8	
Ordinary income	2,972	2,749	2,731	-223	-17		Residence •Existing properties	27	-50	
							•Increase in operating expenses due to asset replacement	6	2	
Net income	2,971	2,748	2,730	-223	-17		SGA	21	0	
EPU*	2,814yen	2,603yen	2,587yen	-211yen	-16yen	Non-operating income	Insurance income	-11	-	
Reversal of RTA	79	355	372	276	17	Non-operating expenses	Financial cost Other	-10 8	0 0	
Internal Reserve	0	0	0	0	0	Key Assumption for forecasts		40 th FP (Actual)	41 st FP (Forecast)	42 nd FP (Forecast)
DPU*	2,890yen	2,940yen	2,940yen	50yen	0yen	Occupancy Rate	Portfolio	97.29%	97.38%	97.12%
							Office	98.78%	98.49%	98.27%
							Residence	96.43%	96.71%	96.42%
Total investment units issued and outstanding	1,055,733	1,055,733	1,055,733	55,800	-	NOI Yield	Portfolio	5.27%	5.19%	5.19%
							Office	5.25%	5.12%	5.05%
							Residence	5.30%	5.26%	5.31%
			Internal Reserves	5,410 million yen						
(Note) EPU means net income per investment unit. (Note) DPU means distribution per investment unit.										

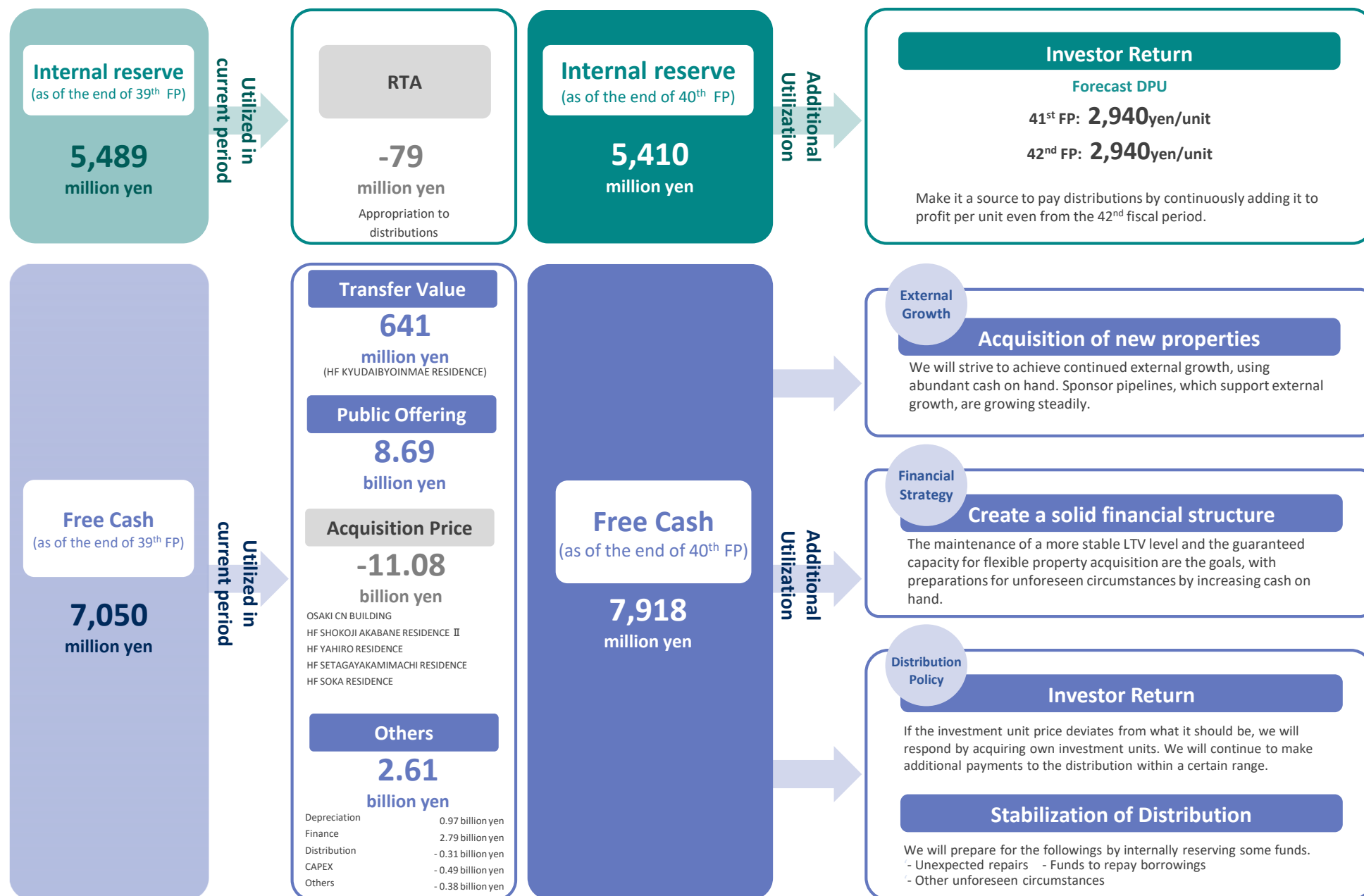
(Note) EPU means net income per investment unit.

(Note) DPU means distribution per investment unit.

(Note) Forecasted figures were announced on January 18, 2022.

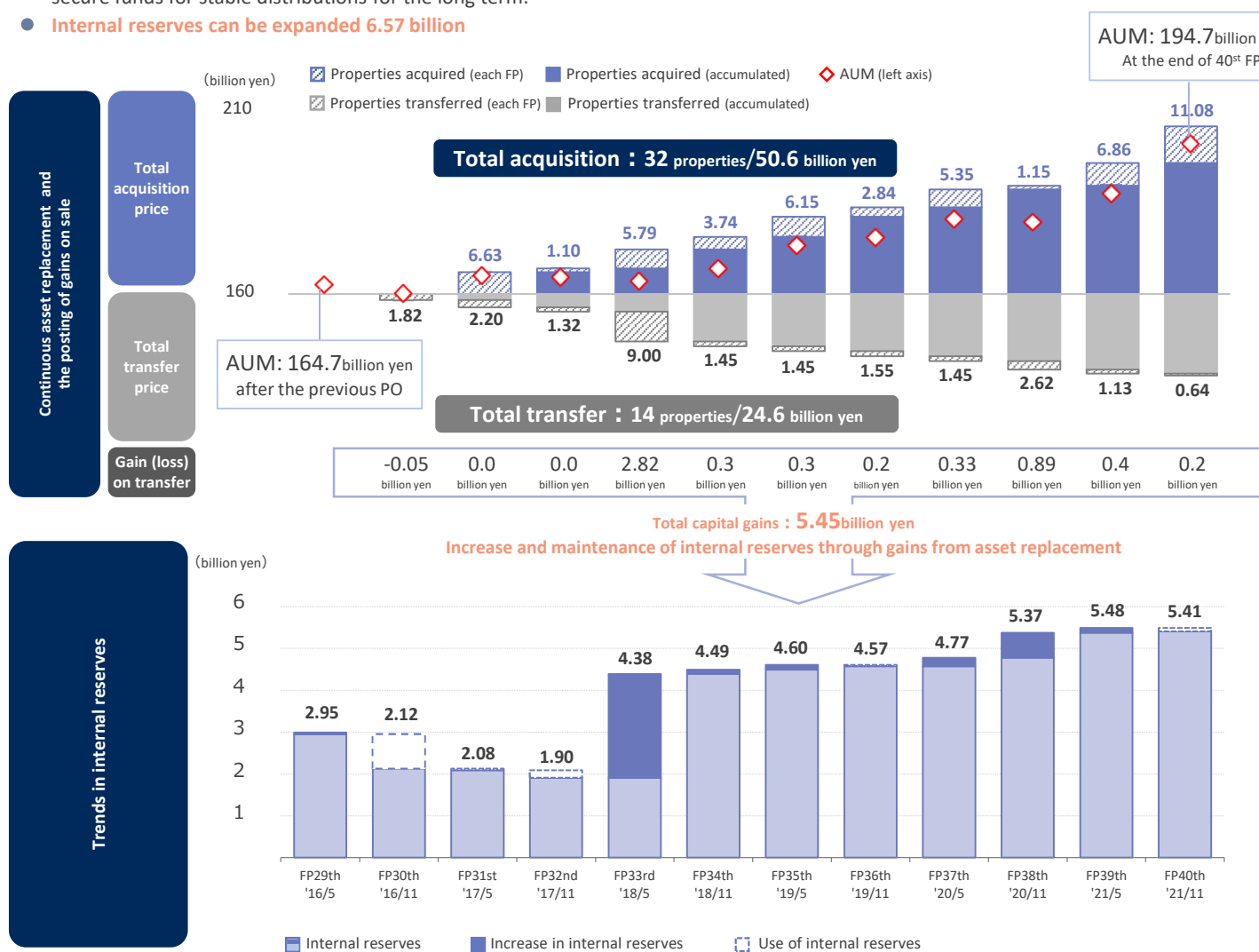
These forecasted figures are calculated based on certain assumptions made as of this date, and actual net income and dividends may vary in accordance with changes in conditions.

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



Continued portfolio replacement, posting of a gain on property sales, and the reinforcement of internal reserve

- Improving the quality of the portfolio through continuous portfolio replacement A total of 46 properties worth 75.2 billion yen (49 properties worth 79.2 billion yen including properties acquired at the beginning of the 41st Fiscal Period) were sold after the previous public offering.
- Part of **gains on property sales totaling 5.21 billion yen** resulting from portfolio replacement are allocated to distributions and the remaining amount is allocated to internal reserves to secure funds for stable distributions for the long term.
- Internal reserves can be expanded 6.57 billion**



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

6.47 billion yen

Maximum 11.8 billion yen

Internal reserve (as of the end of 40th FP)

5.41 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 6.47 billion yen.

Steady Growth & Sustainable Profit

NEXT VISION

Stage to increase the liquidity of investment units

The prolonged COVID-19 pandemic is causing the domestic economy to stall and is having an increasingly severe impact on the real estate market. While the Investment Corporation, too, is experiencing some effects, the impact on the entire portfolio has been limited and steady progress is being made in achieving the new medium- to long-term targets announced in July 2021.

Capital was increased through a public offering in the fiscal period under review, resulting in significant external growth. New properties acquired have large scope for a rise in rents and the occupancy rate of existing properties remains high. The environment for obtaining equity improved from the pre-COVID-19 level. Scope for borrowing based on abundant free cash and low LTV is available, enabling flexible external growth. There are also adequate internal reserves to provide funds for distribution.

A steady rise in the investment unit price after the public offering resulted in a successive inclusion into global indices, i.e., FTSE EPRA Nareit Global Real Estate Index Series in June and GPR 250 Index and GPR 250 REIT Index in September. The rating was raised to A+ (positive), making it feasible that AA could be reached in the future. An increase in the appeal of the Investment Corporation to a range of investors, including foreign investors, the Bank of Japan, and regional financial institutions, a rise in the liquidity of investment units, and positive effects on the investment unit price can be expected in the future.

The Investment Corporation will take advantage of the situation and will increase distributions and investor value.

DPU

GOAL **3,300**

41st FP(forecast) **2,940**

40th FP **2,890**

39th FP **2,800** (unit: yen)

We will continue to pay distributions per unit that exceed EPU, using ample internal reserves. If there are changes in performance trends in the short term, we will not change the forecast DPU. Using ample resources for growth, including a rent gap, we aim for a sustainable and stable increase in distributions.

AUM

GOAL **3,000**

41st FP(forecast) **1,987**

40th FP **1,947**

39th FP **1,841** (unit: yen)

The sponsor will take steps to strengthen the pipeline. We aim to acquire 15 billion yen to 20 billion yen's worth of properties annually, including properties replacing existing assets. We will procure funds flexibly, taking advantage of high liquidity on hand and a low LTV ratio and using the primary market.

Rating

A A-
GOAL

A+(positive)
40th FP

A+(stable)
39th FP

We aim for an upgrade to AA by expanding assets under management and improving financial position. We aim to expand demand for investment units and improve liquidity, taking advantage of a reduction in financing costs associated with the upgrading and the inclusion in the investment universe of the Bank of Japan and regional financial institutions.

Shift to renewable energy (note)

40th FP **100%**

39th FP
0%

Electric power used at all properties (note) held by the Investment Corporation was replaced with renewable energy-based power with the aim of contribution to the reduction in risks associated with climate change. Going forward, the Investment Corporation aims to replace the power at properties acquired within a year of acquisition.

(Note) The ratio of renewable power is the ratio at all properties except properties where a management association manages power, such as properties whose ownership is shared and properties owned by unit owners, and properties where contracts with tenants are unusual. The individually owned portions of residential properties are excluded.

External Growth

- Full-year contribution of properties acquired in the 40th Fiscal Period and at the beginning of the 41st Fiscal Period
- Acquisition of properties using cash on hand and free cash flow
- Acquisition of properties using borrowing capacity

+236_{yen}

Acquisition of new properties: It is assumed that a property whose NOI yield is 4.3% is acquired using cash on hand of 5.0 billion yen and borrowings of 10.0 billion yen.

Internal Growth

- Reduction of a large rent gap
- Impact of passing years: Reduction in depreciation and amortization that exceeds repair expenses
- Others

+99_{yen}

Rent gaps: Based on the assumption that all tenants' rents are replaced by market rents
Impact of passing years, utility cost: Changes in the next three years

Cost Reduction

- Reduction of interest expenses
- Reduction in other overhead expenses

+15_{yen}

Expected financing cost reduction in the next 4.5 years

Internal Reserves

- Continued return of ample internal reserves
- Payment of stable distributions in a contingency and when a loss from transfer of properties is posted

Balance
5,125
yen per unit

Future Initiatives

- Continuous asset replacement and the posting of gains on sale
- Development of properties for REIT by the sponsor
- Access to the primary market
- A recovery in supply and demand in the market and in occupancy rate in residence
- Continuous efforts to cut expenses
- Efforts for a rating upgrade and a reduction in procurement costs as the result

NEXT VISION

3,300
yen

40

II . Status of Operations

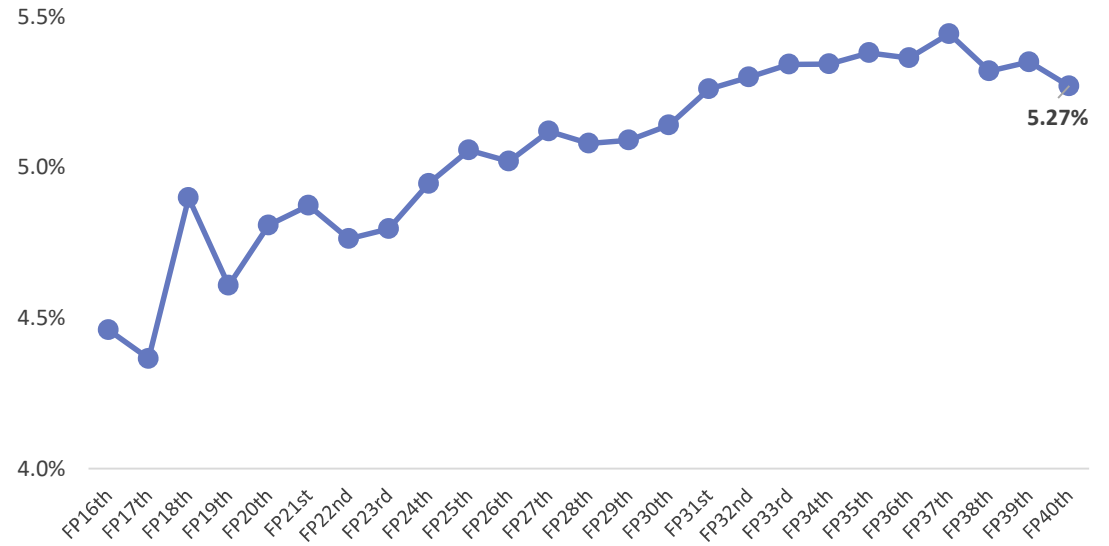


40th Fiscal Period (Nov. 2021)			
	Overall	Office	Residence
Asset size at the end of period (million yen)	194,791	89,072	105,719
Number of properties (buildings) at the end of the period	114	35	79
Occupancy rates (%)	End of the period	97.70	98.42
	Period average	97.29	98.78
Portfolio NOI yield (%) (Note 1)	5.27	5.25	5.30
NOI yield after depreciation (%) (Note 2)	4.23	4.43	4.06

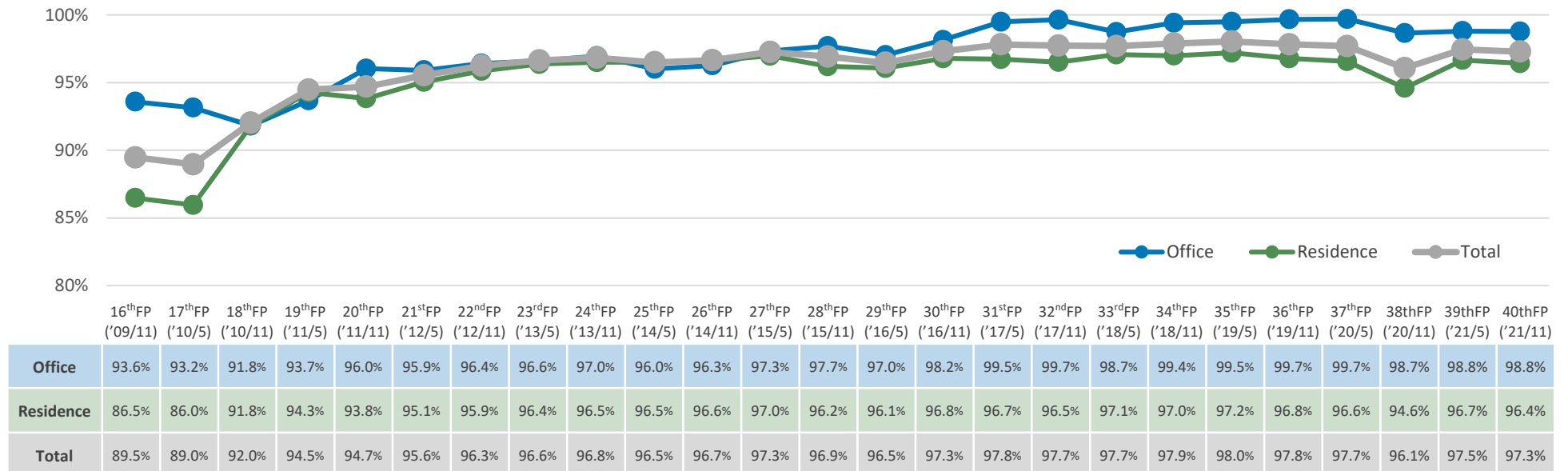
(Note 1) NOI Yield = Actual NOI (Annualized) ÷ ((beginning of BV + end of BV) ÷ 2)

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

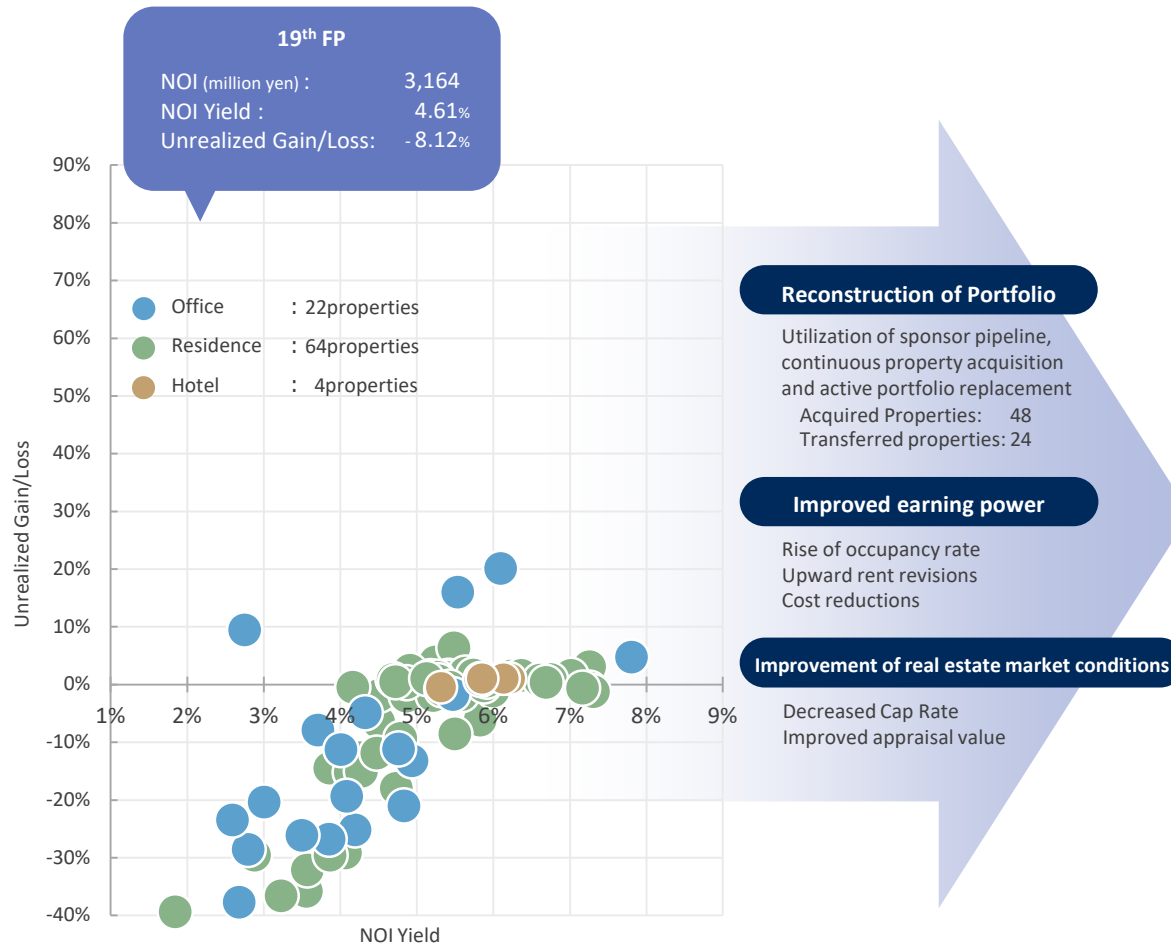
History of NOI Yield



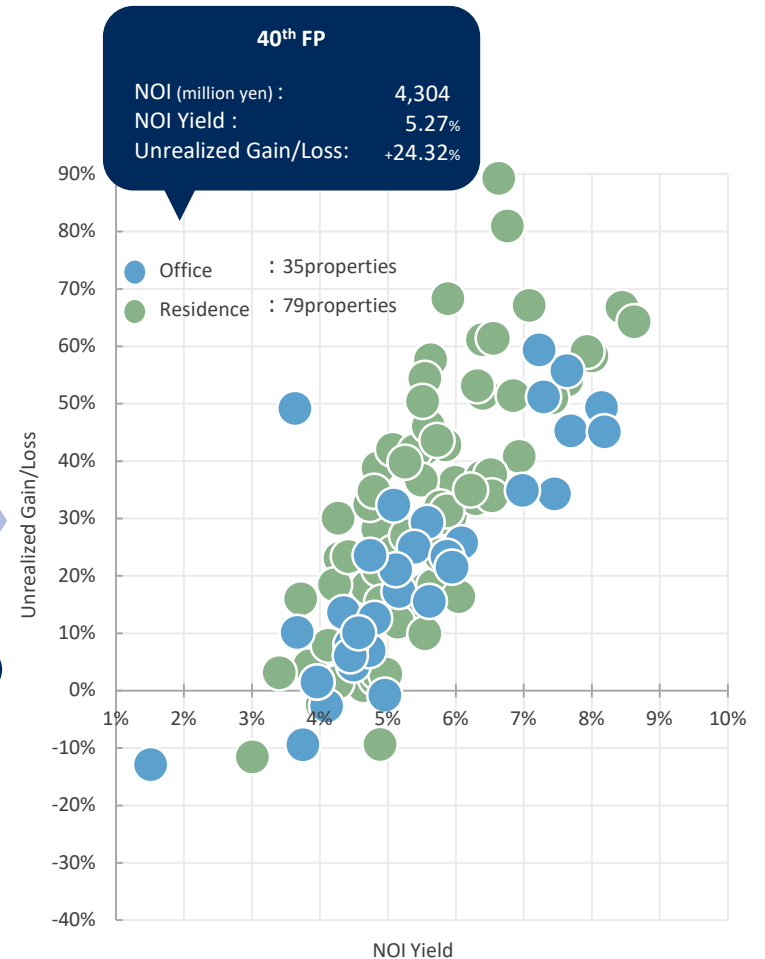
Overall Average Occupancy Rate During the Period



► Performance in the 19th FP (after merger with JSR, 31 May 2011)



► Performance in the 40th FP



(Note) This investment corporation absorbed Japan Single-residence REIT Inc. (JSR) on October 1, 2010, in the 18th 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 19th period (Fiscal Period May 2011).

(Note) For HF SENDAI ICHIBANCHO BUILDING, HF HAKATA-HIGASHI RESIDENCE and HF FUKUOKA RESIDENCE EAST, which is acquired in the 39th Fiscal Period, OSAKI CN BUILDING, Faret Easet Building, HF SHOKOJI AKABANE RESIDENCE II, HF YAHIRO RESIDENCE, HF SETAGAYAKAMIMACHI RESIDENCE and HF SOKA RESIDENCE, which is acquired in the 40th Fiscal Period, and HF SENDAI HONCHO RESIDENCE, where leasing needs to be completed before simultaneous completion and acquisition, 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.

► A series of initiatives from the 39th FP to the 40th FP

October 27, 2020 Press Release

Acquisition: HF SENDAI ICHIBANCHO BUILDING



December 25, 2020 Press Release

Transfer: HF TAKANAWA RESIDENCE



March 12, 2021 and May 17, 2021 Press Release

Public Offering and acquisition of 8 properties



September 24, 2021 Press Release

Acquisition: HF SOKA RESIDENCE



September 24, 2021 Press Release

Acquisition: Faret East Building



November 9, 2021 Press Release

Transfer: HF KYUDAIBYOINMAE RESIDENCE



► Objectives and Effects

1

Expansion of assets under management

+ 16.79 billion yen

2

Expansion of total market value

period-end investment unit price multiplied by the number of investment units issued and outstanding

+ 42.30 billion yen

3

Improvement of EPU

Ordinary basis

+ 149 yen/unit

4

Improvement of NAV per unit

period-end value after deducting distributions

+ 7,352 yen/unit

5

Increase in ratio of investment by sponsor

Acquisition of an additional 8,000 investment units

+ 0.04 %

6

Improvement of rating outlook

A + (positive)

7

Inclusion in Global Indices

FTSE EPRA Nareit Global Real Estate Index Series
GPR 250 Index, GPR 250 REIT Index

PO

OSAKI CN BUILDING



Warehousing

Location	Shinagawa-ku, Tokyo
Total Floor Space*	4,779.40㎡
Acquisition Date	4 June, 2021
Construction Date	2 October, 1992
Acquisition Price	5,160 million yen
Appraisal Value	5,430 million yen
NOI yield / After depreciation (Note)	4.22%/3.90%

*Total Floor Space : Co-ownership Interest 7,816/10,000

PO

HF SHOKOJI AKABANE RESIDENCE II



Sponsor's Development

Location	Kita-ku, Tokyo
Total Floor Space*	2,764.49㎡
Acquisition Date	4 June, 2021
Construction Date	31 January, 2020
Acquisition Price	1,690 million yen
Appraisal Value	1,880 million yen
NOI yield / After depreciation (Note)	5.13%/4.00%

PO

HF SETAGAYAKAMIMACHI RESIDENCE



Sponsor's Development

Location	Setagaya-ku, Tokyo
Total Floor Space*	1,070.10㎡
Acquisition Date	4 June, 2021
Construction Date	30 November, 2020
Acquisition Price	700 million yen
Appraisal Value	821 million yen
NOI yield / After depreciation (Note)	4.53%/3.81%

PO

HF YAHIRO RESIDENCE



Sponsor's Development

Location	Sumida-ku, Tokyo
Total Floor Space*	2,151.30㎡
Acquisition Date	4 June, 2021
Construction Date	27 November, 2020
Acquisition Price	1,220 million yen
Appraisal Value	1,390 million yen
NOI yield / After depreciation (Note)	5.18%/4.03%

HF SOKA RESIDENCE



Location	Soka City, Saitama
Total Floor Space*	3,229.29㎡
Acquisition Date	29 September, 2021
Construction Date	18 February, 2010
Acquisition Price	1,300 million yen
Appraisal Value	1,410 million yen
NOI yield / After depreciation (Note)	5.00%/3.91%

Faret East Building



Location	Tachikawa City, Tokyo
Total Floor Space*	2,075.28㎡
Acquisition Date	29 October, 2021
Construction Date	15 December, 1994
Acquisition Price	1,010 million yen
Appraisal Value	1,210 million yen
NOI yield / After depreciation (Note)	5.52%/4.75%

*Total floor space: Indicates the portion held by the Investment Corporation out of 16,206.34 m2 per building







PO

Acquired through a public offering

(Note) NOI Yield = $\text{NOI} \div \text{Acquisition price}$ NOI Yield After Depreciation = $(\text{NOI} - \text{Depreciation}) \div \text{Acquisition price}$ 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

Establishment of pipeline utilizing sponsor support

The Investment Corporation and Heiwa Real Estate, its sponsor, is actively developing residential properties for the Investment Corporation. Starting with HF TABATA RESIDENCE completed in 2015, a total of eight projects have been started. Remaining project is progressing steadily and will support the Investment Corporation's future pipeline. A total of five properties, including two warehousing properties and three properties directly purchased from third parties, was added to the pipeline.

	Sponsor's Development		Warehousing	Direct acquisition from Third Parties (Acquired in December 2021)		
	HF KAWAGUCHI EKIMA RESIDENCE	Higashi Ogu PJ (temporary name)	Office (Iwamotocho) (2 buildings)	Faret East Building	Inter Planet ESAKA Building	HF UENO IRIYA RESIDENCE
Type	RESIDENCE	RESIDENCE	Office	Office	Office	RESIDENCE
Appearance						
Location	Sakaecho Kawaguchi City Saitama	Higashi-Ogu Arakawa-ku Tokyo	Iwamotocho Chiyoda-ku, Tokyo	Tachikawa City Tokyo	Suita City Osaka	Taito-ku Tokyo
Total Floor Space (Note1) (No. of units)	3,086.11㎡ (90)	2,724.83㎡ (49)	3,979.10㎡ Total of two buildings	1,662.34㎡ (Note2)	4,025.10㎡	1,146.77㎡ (33)
Construction Date	October. 2021	Scheduled for February. 2022	Aug. 1992 (left) Sep. 1986 (right)	December. 1994	June. 2008	August. 2016

Additional acquisition

(Note1) Floor space (number of units) is based on initial design and may fluctuate prior to acquisition.

(Note2) The co-ownership space is listed. The total floor space of the entire the building is 16,206.34㎡

▶ Building a pipeline using general land leasehold rights

Heiwa Real Estate, the sponsor of the Investment Corporation, is actively developing residential properties using general land leasehold rights. The first building was completed in 2015 and it continues to develop new properties. Seven buildings have been completed to date. The Investment Corporation acquired three of these properties by the 38th Fiscal Period and acquired three other properties through the public offering at the beginning of the 40th Fiscal Period.

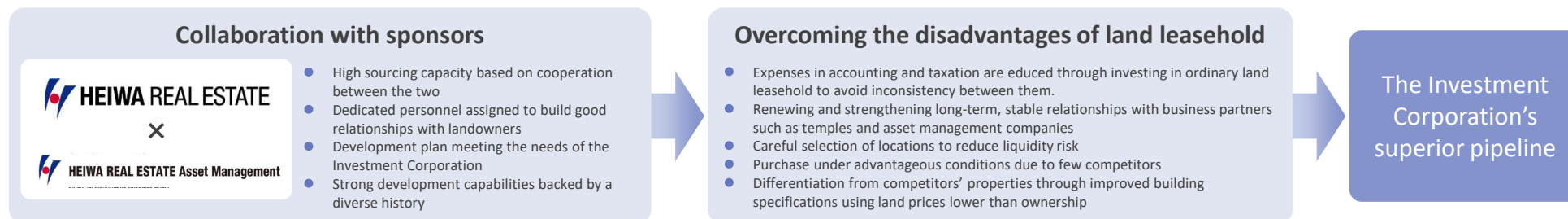


(Note) As of the date of this document, the Investment Corporation has not negotiated to purchase the two properties tentatively named the HF KAWAGUCHI EKIMAE RESIDENCE Project and Higashiogu Project. It does not plan to purchase these assets. Therefore, there is no guarantee that these assets will be included in the Investment Corporation's portfolio in the future. The schedule for the completion of the tentatively named Higashiogu Projects is based on the current plan, which may vary from the actual completion date.

▶ Characteristics of land leasehold

	Land leasehold	General land leasehold	Fixed-term land leasehold
Advantages	<ul style="list-style-type: none"> Property can be purchased at a price lower than having ownership. 	<ul style="list-style-type: none"> A basic assumption of the system is that the contract will be renewed and there is no obligation to return the leased land while the building exists. Investment value does not decrease to zero even after the contract expires. 	<ul style="list-style-type: none"> Rights can be acquired at lower prices compared with common leasehold rights.
Disadvantages	<ul style="list-style-type: none"> More complex relationships between rights Low liquidity Fewer investment opportunities 	<ul style="list-style-type: none"> Generally, a renewal fee is charged at the time of renewal and a transfer approval fee is charged at the time of transfer. 	<ul style="list-style-type: none"> The land is returned as a vacant lot following the expiration of the contract. Investment value decreases over time and becomes zero when the contract expires.
Accounting/Tax		<ul style="list-style-type: none"> Depreciation in accounting and taxation is the same as if the property were purchased for ownership and there are no inconsistencies between accounting and taxation, making it easier for J-REITs. 	<ul style="list-style-type: none"> Depreciation expenses are high in accounting, asset retirement obligations must be posted, and there is inconsistency between accounting and taxation, making it difficult for J-REITs.

Overcoming the disadvantages of land leasehold through cooperation with sponsors. Also build a scheme to maximize the benefits of land leasehold.



► Increase in portfolio value due to additional acquisition of properties for co-ownership and sectional ownership

The Investment Corporation is adding properties for co-ownership and sectional ownership as part of its portfolio. This gives a benefit of providing a high yield and large unrealized profit while sacrificing certain liquidity. The Investment Corporation aims to eliminate this disadvantage by wholly owning properties through careful consultations with other holders of sectional ownership.

May 28, 2018

March 19, 2021

March 23, 2021

December 24, 2021

HF YUSHIMA BUILDING



- Acquisition of land from leaseholders
- **Ownership became 100%**
- Value added by total ownership of 19 million yen
- Conversion from unrealized losses to unrealized gains

Unrealized Gain (ratio)	111million yen(7.0%)
NOI yield	4.90%

ACROSS SHINAKWA BUILDING



- Acquisition from other holders of sectional ownership
- Ownership became 34.5%
- NOI yield of 6.7% on additionally acquired sections, ratio of unrealized gains of 50.0%

Unrealized Gain (ratio)	491million yen (12.6%)
NOI yield	4.76%

KABUTO-CHO UNI-SQUARE



- Acquisition from other holders of sectional ownership
- **Ownership became 100%**
- Increase in value through total ownership and increase in appraisal value through expense reduction amount to 160 million yen.

Unrealized Gain (ratio)	366million yen (10.1%)
NOI yield	4.55%

Faret East Building



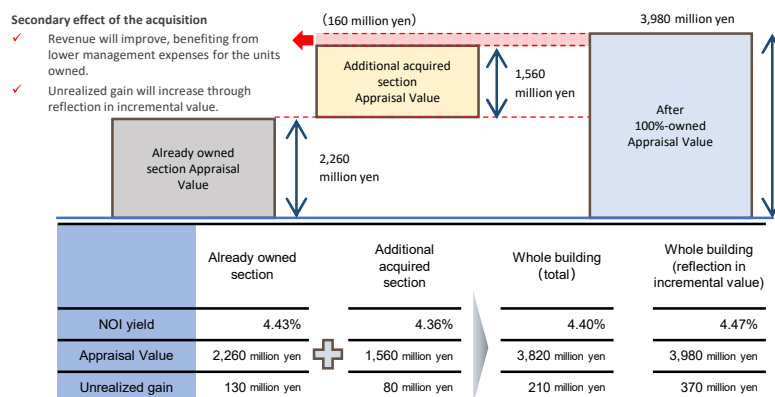
- Acquisition from other holders of sectional ownership
- Ownership became 23.1%
- NOI yield of 6.7% on additionally acquired sections, ratio of unrealized gains of 34.2%

Unrealized Gain (ratio)*	405million yen (23.8%)
NOI yield**	5.94%

* The book value of units additionally acquired cannot be calculated due to the shortness of period after acquisition. Therefore, the difference between appraisal value and acquisition price is posted for the units additionally acquired.

** 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 due to the inability to calculate accurate values caused by the unavailability of taxes and public dues as a result of the shortness of the operation period.

► Recent case : KABUTO-CHO UNI-SQUARE



Note: The entire building (simple total) numbers were calculated by the Asset Management Company based on the sum of the appraisal values as of November 30, 2020, in the appraisal report on the area held and the appraisal values as of February 28, 2021, in the appraisal report on the area additionally acquired; therefore, these values are not provided in the appraisal report.

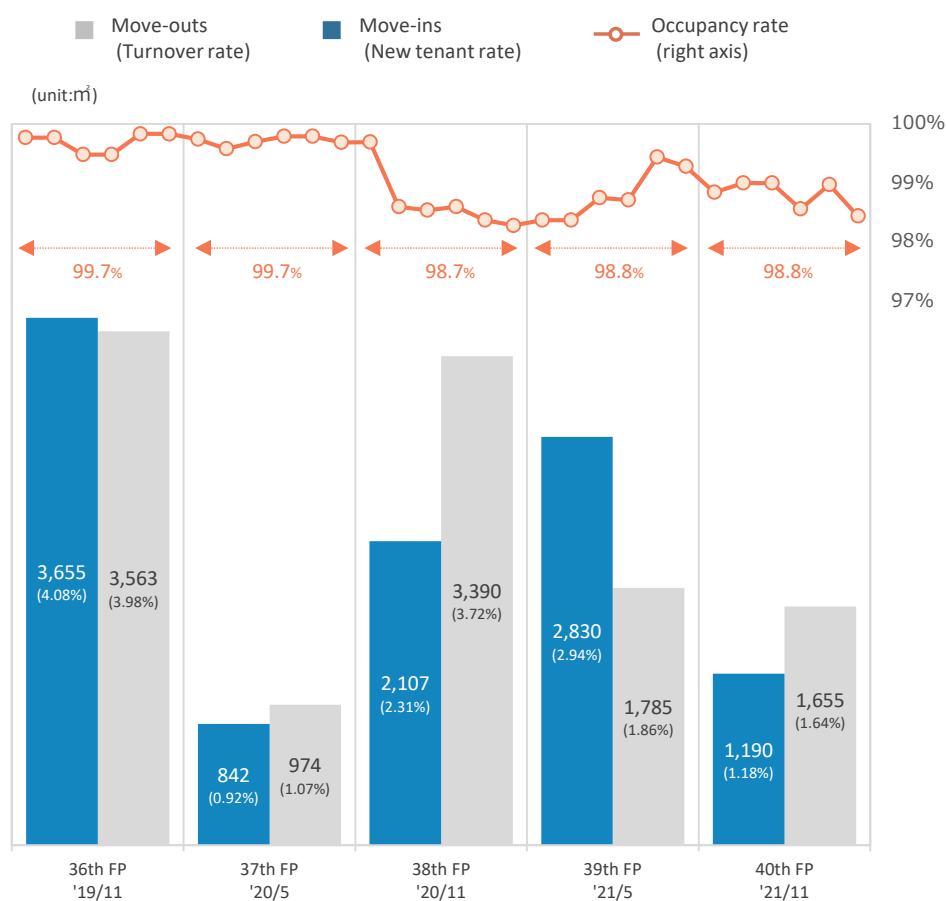
► Purposes and effects of additional acquisition

- 1 Enables acquisition at undervalued prices excluding market competition
- 2 Raises portfolio profitability through high yields
- 3 Raises liquidity through total ownership
- 4 Adds value through total ownership and increases unrealized gains
- 5 Accelerates decision making and implementation of business strategy through total ownership
- 6 Facilitates improved efficiency in management and operation and reduced expenses through total ownership

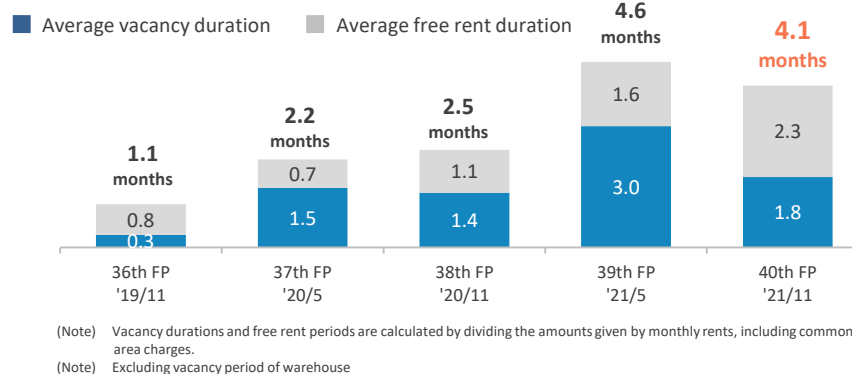
The office attendance ratio of tenant employees recovered to the pre-COVID-19 level while the pandemic persisted.

- The average occupancy rate during the period was **98.8%**.
- Tenants' leasing periods were reduced and the average vacancy period decreased to 1.8 months. Free rent was used flexibly as a leasing promotion tool.
- Office attendance of tenants' employees estimated from water expenses remained on a recovery trend even during the state of emergency and **returned to the pre-COVID-19 level in October** following the lifting of the state of emergency.

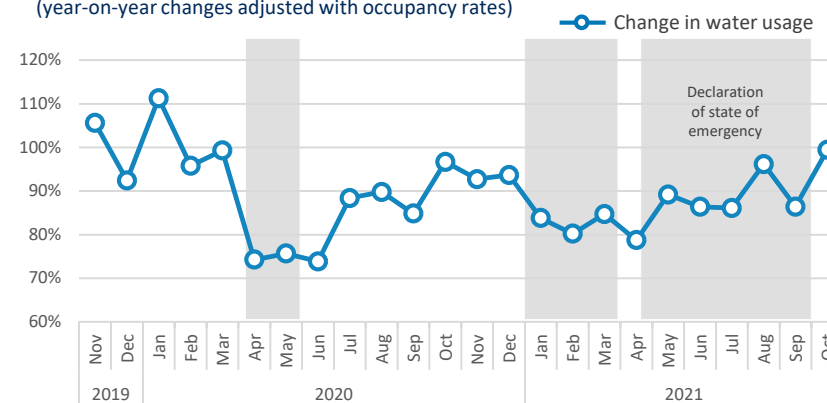
► Status of monthly occupancy rates and office moving in/out



► Vacancy duration and Free rent



► Trends in water supply and sewerage charges (year-on-year changes adjusted with occupancy rates)



- (Note) Master lease properties and unit ownership properties whose water usage is managed by an association, properties whose water usage has been reduced substantially due to large system repair works, and properties for buying and selling are excluded.
(Note) To make a comparison with the situation before the COVID-19, data in and after April 2021 are compared with the same month two years ago.

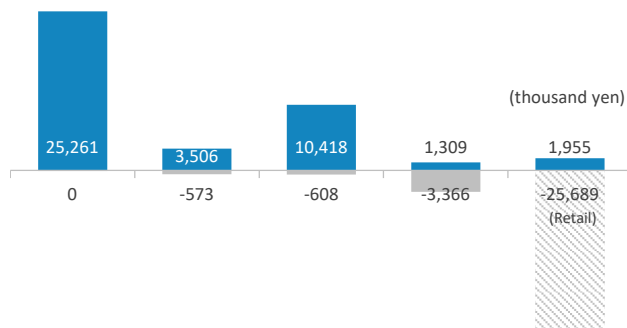
(注) 緊急事態宣言期間は東京都における発令期間を示しています

Despite a fall in the number of rent revisions due to the prolonged state of emergency, progress was made in the negotiations as soon as the state of emergency was lifted.

- The rate of rent revision due to tenant replacement was **-27.6%**. Rents for two commercial store lots were revised downward. In particular, the replacement of stores at M2 HARAJUKU had a significant impact. **All rents for lots exclusively for office use were revised upward.**
- With the state of emergency covering much of the fiscal period under review, opportunities for rent negotiations with existing tenants were scarce and the rent increase declined. However, as of January 18, 2022, the financial impact on the 41st period and thereafter has recovered to the highest level in two years thanks to progress made in the negotiations for rent revision following the lifting of the state of emergency in October.

► Status of newly leased office tenants' rent

■ Increase in rent (per fiscal period)
■ Decrease in rent (per fiscal period)



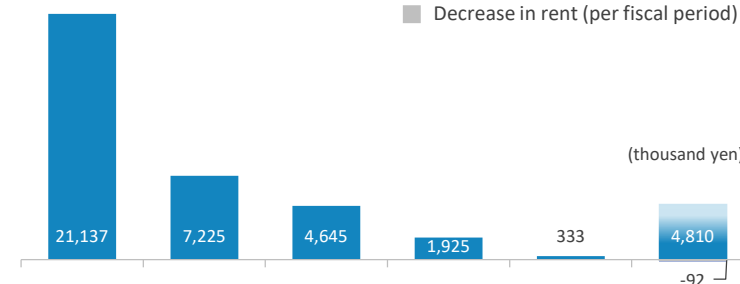
(thousand yen)

	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
Tenants with increased rent	11	6	6	4	3
Number of tenants	12	9	8	12	5
% of tenants with increased rent	98.7%	82.8%	91.6%	18.8%	54.0%
Amount of rent increase/decrease(rate)	25,261 (0.97%)	2,932 (0.11%)	9,810 (0.36%)	-2,057 (-0.08%)	-23,734 (-0.84%)
Total Change rate	26.17%	14.40%	15.69%	-2.57%	-27.55%
Increase revision rate	26.44%	20.86%	17.74%	8.70%	9.66%
Decrease revision rate	0.02%	16.12%	23.08%	6.88%	38.98%
Impact on DPU	+ 24.9yen	+ 2.9yen	+ 9.8yen	- 2.1yen	- 22.5yen

(Note) Impact on DPU is calculated based on the number of issued investment units at the end of each period.

► Status of rent revisions

■ Increase in rent (per fiscal period)
■ Decrease in rent (per fiscal period)



(thousand yen)

	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11	After 41 st FP '21/12 -
Tenants with increased rent	29	20	4	7	1	7
Number of tenants	61	72	80	63	84	-
% of tenants with increased rent	52.0%	27.2%	11.2%	9.4%	1.7%	-
Amount of rent increase/decrease(rate)	21,137 (0.81%)	7,225 (0.27%)	4,645 (0.17%)	1,925 (0.07%)	333 (0.01%)	4,810 (-)
Total Change rate	10.18%	5.13%	5.09%	5.15%	4.35%	9.64%
Increase revision rate	10.18%	5.13%	5.09%	5.15%	4.35%	10.37%
Decrease revision rate	-	-	-	-	-	3.57%
Impact on DPU	+ 20.8yen	+ 7.1yen	+ 4.6yen	+ 1.9yen	+ 0.3yen	+ 4.5yen

(Note) Excludes temporary reduction revision due to COVID-19

(Note) Impact on DPU is calculated based on the number of issued investment units at the end of each period.

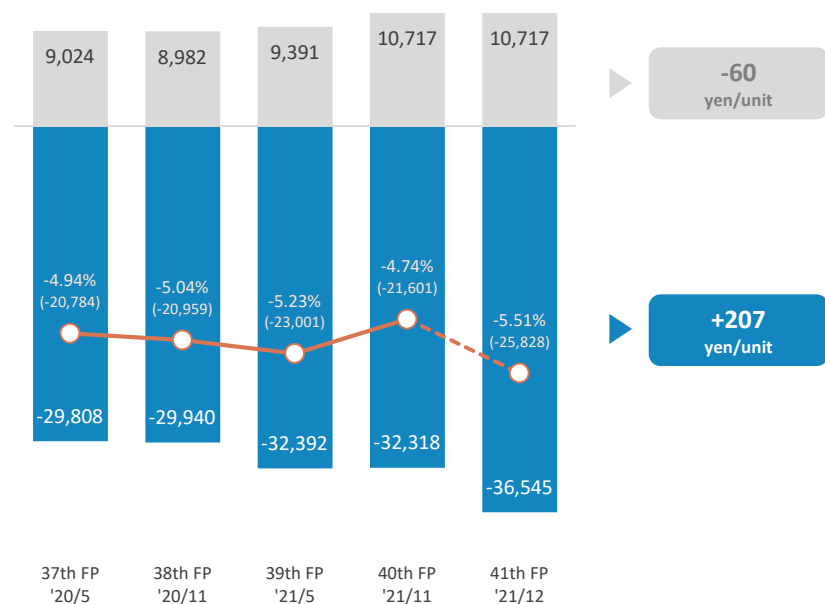
(Note) Data stated for the 41st and subsequent fiscal periods are data that have been agreed on as of January 18, 2022. Items not confirmed or calculated at the point stated above, including the number of tenants, are not stated.

Adequate rent gaps still remain despite a fall in the market rents for some properties.

- Rent gaps decreased due to a fall in market rents for eight of 35 properties and no period-on-period change in rents for 27 properties.
- The net gap at the end of the fiscal period under review was up 122 yen per unit**, leaving adequate room for growth despite the impact of the COVID-19 pandemic.

Rent Gap Trends

- Lower than market rent
- Higher than market rent
- Rent gap

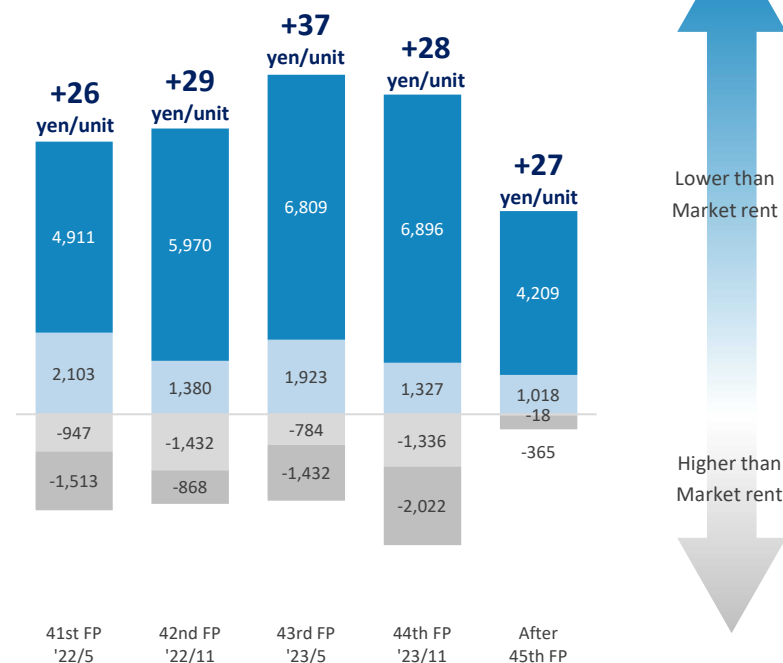


(Note) Excludes KAYABACHO HEIWA bldg.

Schedule for Renewal of Agreement and Rent Gap

- Lower than -10%
- Between -10% to 0%
- Between 0% to 10%
- Higher than 10%

(thousand yen/ month)



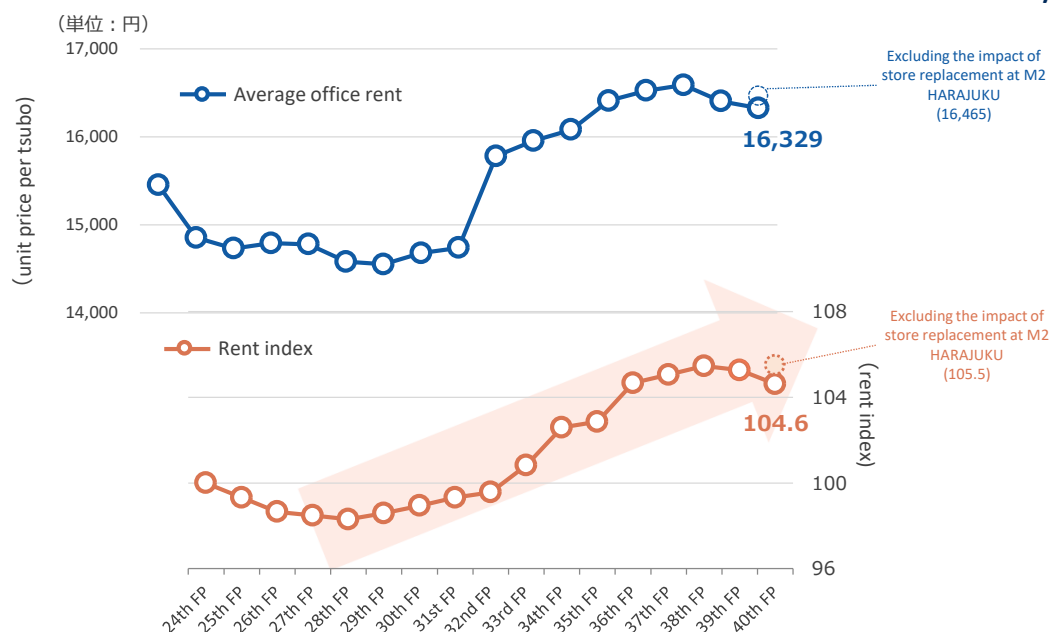
(Note) Excludes KAYABACHO HEIWA bldg.

(Note) Rents for lots for which contract termination has been notified are posted for the periods that include the scheduled termination dates regardless of renewal periods.

Rents for office lots increased despite a slight fall in the average office rent unit price due to the replacement of commercial stores.

- The average rent unit price stood at 16,329 yen, slightly lower than that at the end of the previous period, reflecting the replacement of stores at M2 Harajuku.
- The office portfolio rent (contracted rent index) fell, but was still 105.5, a slight improvement from the end of the previous fiscal period when the impact of M2 Harajuku is excluded.
- The autonomous expansion of rent revenue associated with the elimination of free rents is expected to be equivalent to the distributions per unit of **+11 yen** per period for the next five periods.

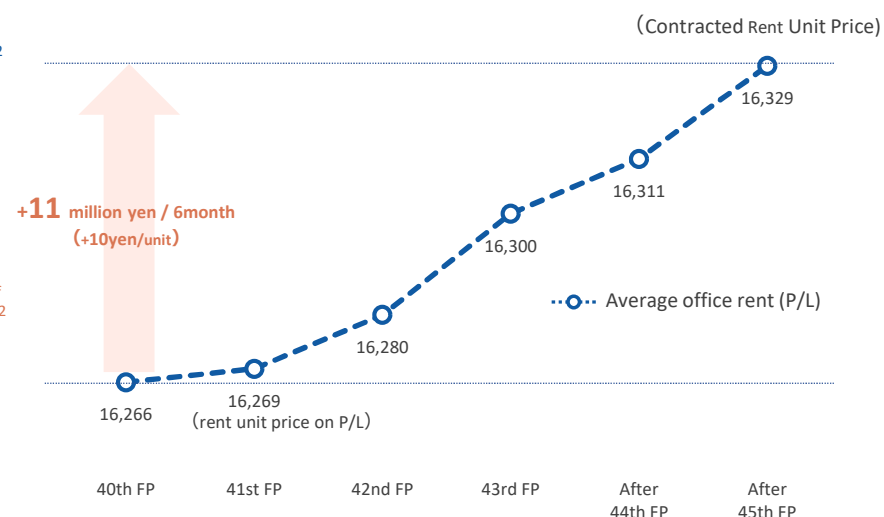
Transition of Contracted Average Rent unit price and Contracted Rent Index



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, shows a stable improvement amid the COVID-19 pandemic.

Average rent unit price at the end of the 39th fiscal period and prospects for P/L rent unit price



(Note) The impact on DPU is calculated using the number of investment units issued after the capital increase in the 40th period, 1,055,733.

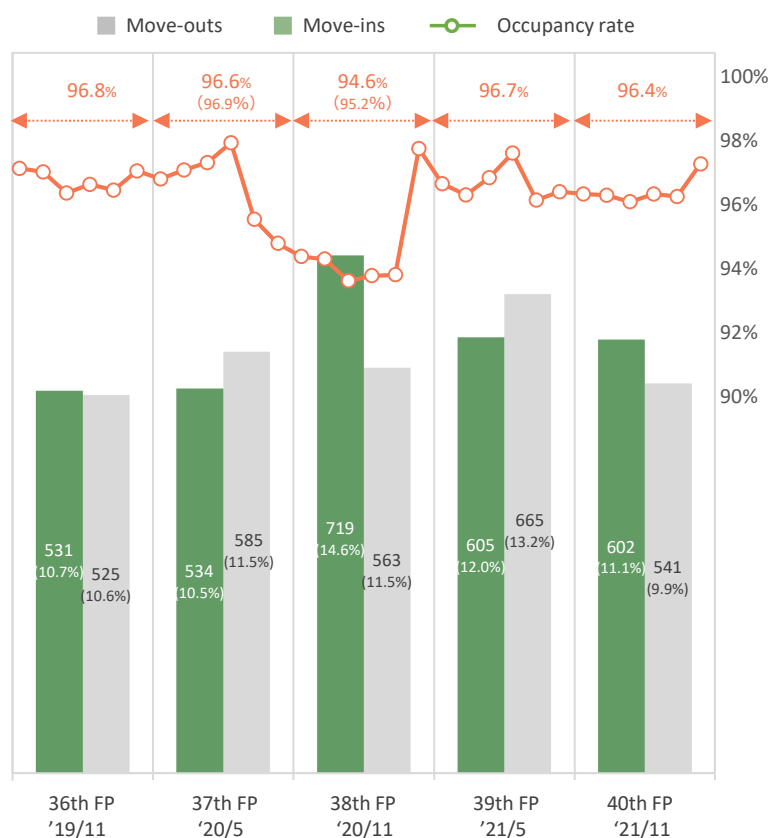
Average rent unit price and prospects for P/L rent unit price

- 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.

The period-end occupancy rate was 97.28%. The occupancy rate during the period remained above 96%, despite including the two new properties before ordinary operation.

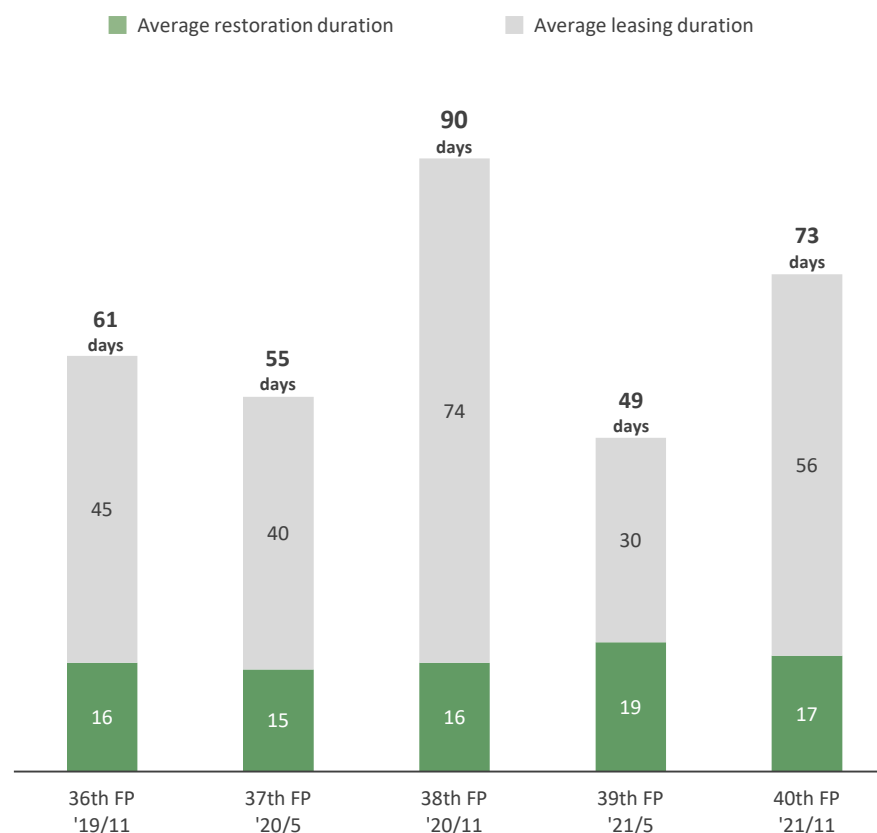
- Two newly built properties were acquired at the beginning of the fiscal period under review. A level above 96% was stably maintained despite downward pressure during the period of signing lease contracts.
- The occupancy rates of the two newly built properties reached 97.37% at HF YAHIRO RESIDENCE in July (100% in September) and 100% at HF SETAGAYAKAMIMACHI RESIDENCE in August, and **the signing of lease contracts was completed as scheduled.**
- Leasing measures were taken at the end of the fiscal period and the period-end occupancy rate rose to **97.28%**. **The third highest rate** for the month was achieved prior to the busy season in the following fiscal period.

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



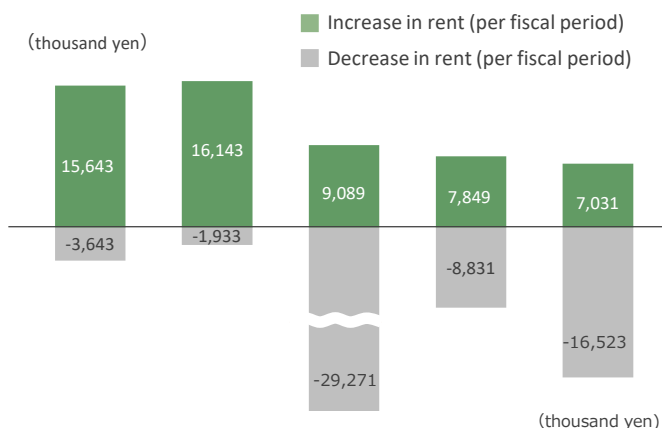
(Note) Average restoration duration is measured from the day of lease termination to the day of restoration work completion.

(Note) The figures for the 38th FP and 39th FP are for the properties excluding HF SENDAI HONCHO RESIDENCE.

Leasing measures were taken for some properties. Rate of rent revision at the time of contract renewal exceeded the pre-COVID-19 level.

- Rent revision when signing new contracts: **-2.57%** Strong nationwide growth of **6.01%** was achieved despite the impact of flexible rent settings for some properties in central Tokyo implemented as leasing measures.
- The rate of rent revision when renewing contracts rose **1.08%** and the amount increased **5.3 million yen** after revision, continuing to exceed the pre-COVID-19 level.
- The average rent gap at the end of the 40th Fiscal Period was **-0.90%**, totaling **+27 million yen per period (+26 yen per unit)**. For this reason, revenue growth from rent revision is expected in the future.

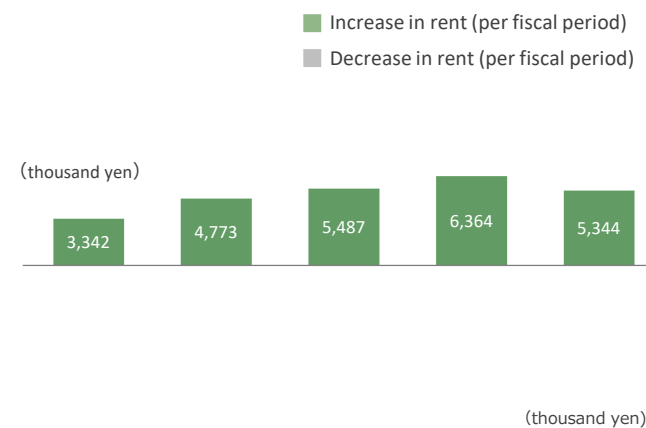
▶ Rent Trends at Units replacements (excluding non-residential properties)



	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
Units with increased rent	354	398	247	241	178
Number of replacement units	531	534	719	605	602
% of units with increased rent	66.7%	74.5%	34.4%	39.9%	29.6%
Amount of rent increase/decrease(rate)	12,000 (0.40%)	14,210 (0.47%)	-20,182 (-0.66%)	-982 (-0.03%)	-9,492 (-0.20%)
Total Change rate	3.54%	4.38%	-4.60%	-0.27%	-2.57%
Increase revision rate	6.35%	6.30%	5.48%	5.29%	6.01%
Decrease revision rate	5.58%	4.39%	12.20%	5.60%	7.85%
Impact on DPU(yen)	+11.8	+14.0	-20.2	-0.9	-8.9

(Note) Impact on DPU is calculated based on the number of issued investment units at the end of each period.

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



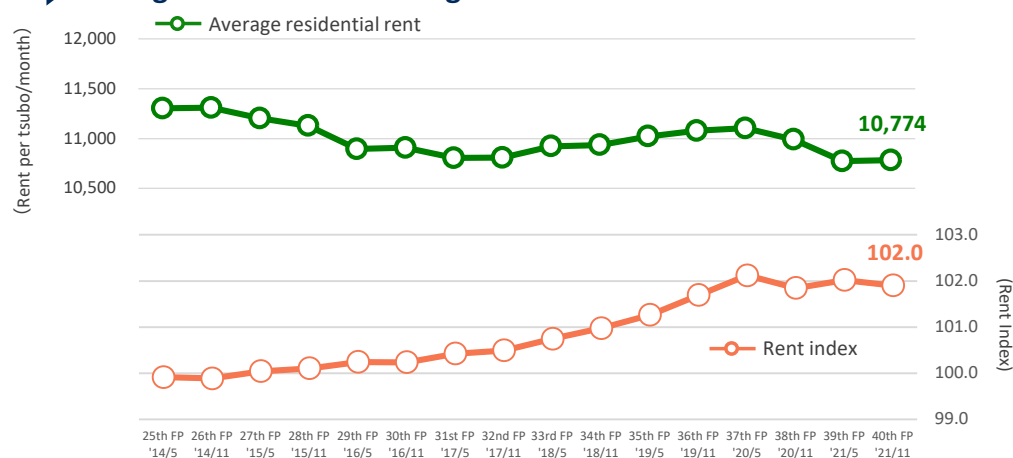
	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
Units with increased rent	152	222	271	343	290
Number of renewal units	731	1,003	688	920	772
% of units with increased rent	20.8%	22.1%	39.4%	37.3%	37.6%
Amount of rent increase/decrease(rate)	3,342 (0.11%)	4,773 (0.16%)	5,487 (0.18%)	6,364 (0.21%)	5,344 (0.17%)
Total Change rate	0.71%	0.74%	1.26%	1.12%	1.08%
Increase revision rate	2.93%	2.82%	2.95%	2.77%	2.59%
Decrease revision rate	-	-	-	-	-
Impact on DPU(yen)	+3.3	+4.7	+5.5	+6.3	+5.0

(Note) Impact on DPU is calculated based on the number of issued investment units at the end of each period.

Period-end occupancy rates for all areas and all property types recovered to the pre-COVID-19 level.

- The contracted rent index declined slightly due to the flexible rent settings implemented as leasing measures in central Tokyo.
- Occupancy in all areas recovered to the pre-COVID-19 levels by the end of the fiscal period, thanks in part to the effect of the measures.

Change in Residence Average Rents and Rent Index



Trends in Key money, Renewal Fees and Credit loss rate

		36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
Key money	Number of units (Receiving ratio)	257 (48.4%)	333 (62.4%)	279 (38.8%)	278 (46.0%)	226 (37.6%)
	Number of months	1.02	1.02	1.01	1.06	1.01
Rental fees	Number of units (Renewal ratio)	731 (79.2%)	1,003 (81.5%)	688 (78.1%)	920 (79.9%)	772 (80.4%)
	Number of months	0.87	0.84	0.85	0.80	0.85
Credit loss rate		0.052%	0.004%	0.000%	0.000%	0.000%

(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 40 th FP/Ratio of Total floor space	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11	At the end of 40 th FP
Sapporo	1棟 3.2%	96.60%	97.02%	94.86%	96.56%	99.09%	98.91%
Sendai	9棟 12.1%	96.14%	90.83%	88.38%	96.50%	96.80%	98.19%
Tokyo Central 5 Wards	20棟 22.9%	96.83%	97.16%	94.44%	95.96%	95.46%	96.78%
Tokyo23 Wards	28棟 30.3%	97.24%	97.75%	96.41%	97.26%	96.58%	97.32%
Tokyo Metro. Area	7棟 9.1%	96.92%	97.40%	97.18%	97.16%	96.97%	96.27%
Nagoya	3棟 5.1%	94.55%	96.29%	91.09%	97.08%	96.88%	98.27%
Kyoto	3棟 3.8%	99.05%	98.34%	96.07%	96.38%	96.51%	97.72%
Osaka	3棟 2.3%	96.11%	96.74%	96.23%	96.57%	95.50%	98.17%
Fukuoka	5棟 11.2%	96.63%	98.08%	97.13%	96.41%	96.44%	96.78%

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

	At the end of 40 th FP	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
Single Type (Under 40㎡)	82.23%	96.53%	94.21%	97.67%	96.47%	96.97%
Compact Type (Between 40㎡ to 60㎡)	14.34%	98.77%	95.62%	97.89%	96.18%	97.42%
Family Type (Above 60㎡)	3.43%	96.81%	96.74%	97.97%	96.41%	99.04%
Total		97.02%	94.72%	97.74%	96.40%	97.24%

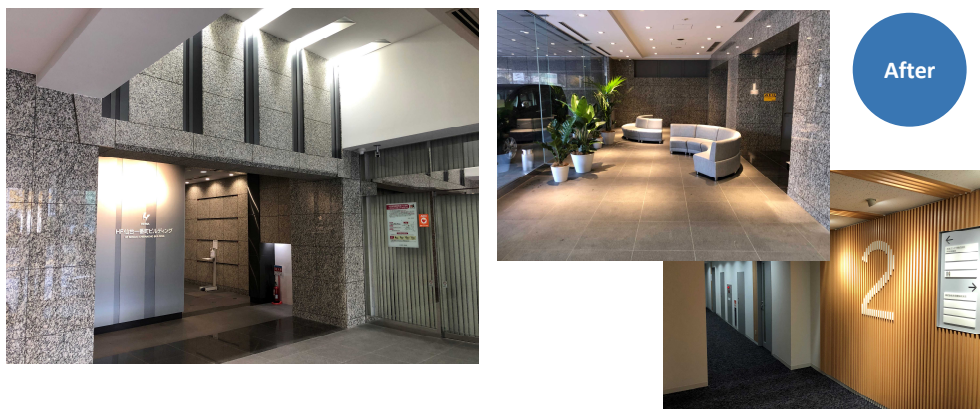
(Note) Ownership ratio is calculated based on the number of rentable units

(Note) Excluding shops and office areas.

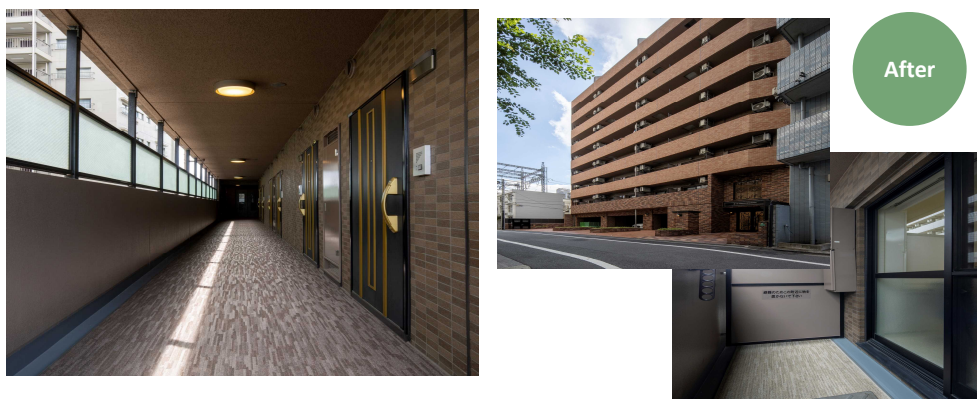
Renovation Works: To strengthen the market competitiveness and to improve the asset value of properties

- Reduction of environmental loads through the installation of LED lighting and the introduction of highly efficient air-conditioning equipment and plumbing facilities, etc.
- Increase in customer satisfaction through the introduction of free Internet

HF SENDAI ICHIBANCHO BUILDING: Renovation of common areas



HF NERIMA RESIDENCE Renovation of outward walls and common areas



Free Internet

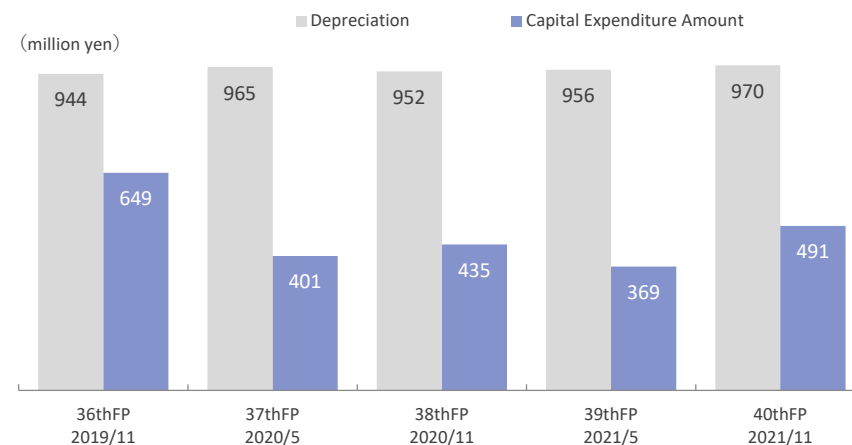
Made capital investment to raise tenant satisfaction.

78 properties / 79 properties
completed

Rent revision: 3,016yen per month and unit
Invested expenses: 639yen per month and unit

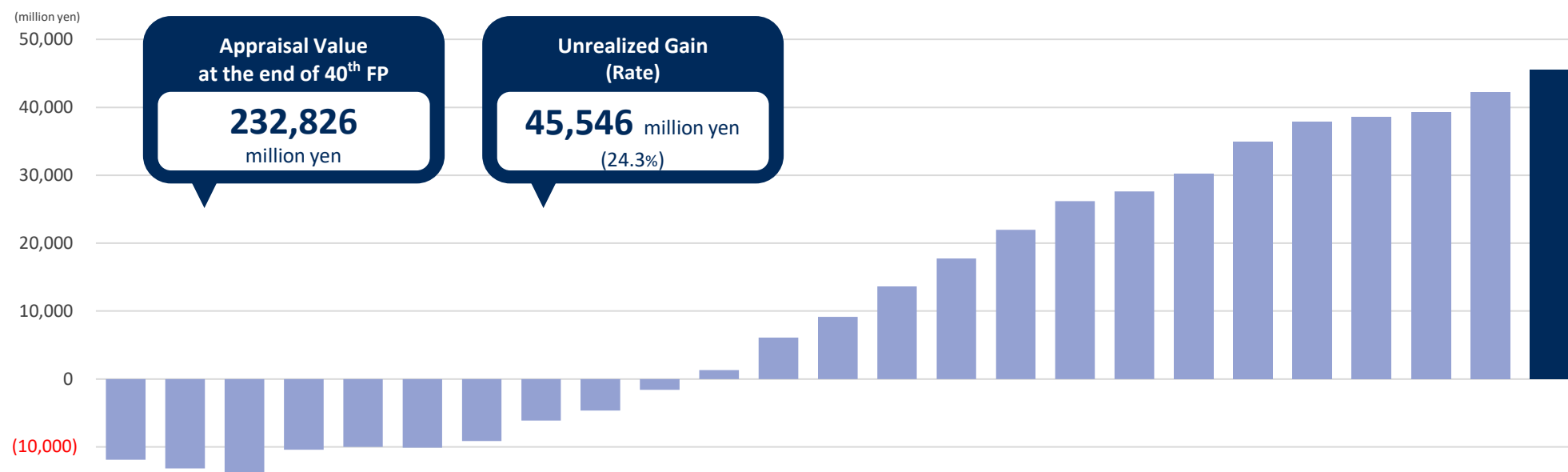
- * Installation completed for all properties excluding properties available for whole building rentals.
- * Amounts and the number of units are the sum of the increased amount and the number of units for properties to which free internet access was installed at the time of renewal. There were no rent reductions for subject tenants.
- * Expenses were calculated by adding running costs to numbers calculated by dividing expenses for installation work by depreciation periods.

History of Capital Expenditure



Unrealized gain is growing and cap rates particularly of residences tend to decline.

- Unrealized gain grew 3,248 million yen from the previous fiscal period, to 45,546 million yen. The unrealized gain rate improved 0.37 percentage points period on period, to 24.3%.
- The acquisition of new properties contributed to an increase in unrealized gain (695 million yen). We expect an unrealized gain of 454 million yen (compared with acquisition price) from three properties to be acquired at the beginning of the 40th period.
- The cap rate of residences decreased. The appraisal value and unrealized gain continue to improve.



	16 th FP '09/11	17 th FP '10/5	18 th FP '10/11	19 th FP '11/5	20 th FP '11/11	21 st FP '12/5	22 nd FP '12/11	23 rd FP '13/5	24 th FP '13/11	25 th FP '14/5	26 th FP '14/11	27 th FP '15/5	28 th FP '15/11	29 th FP '16/5	30 th FP '16/11	31 st FP '17/5	32 nd FP '17/11	33 rd FP '18/5	34 th FP '18/11	35 th FP '19/5	36 th FP '19/11	37 th FP '20/5	38 th FP '20/11	39 th FP '21/5	40 th FP '21/11
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	170,653	176,621	187,279
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	210,006	218,920	232,826
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	39,353	42,298	45,546
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%	23.1%	23.9%	24.3%
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	8,856	9,151	9,603
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%	4.14%	4.10%	4.04%

*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.

Sound financial position is maintained amid the COVID-19 pandemic: improvement in rating outlook

- Financing costs in the fiscal period under review were **0.571%**, substantially lower than the cost of existing financing. The average financing period was extended.
- Public offering was made. The Chiba Bank was invited to become a lender, and **the number of lenders expanded to 16 (17 as of January 28, 2022). LTV was lowered, and the fixed interest ratio rose. Rating interest outlook improved.**

Summary of Interest-bearing Liabilities (at the end of 40th FP)

Average Interest Rate	Long-term Loan Ratio	LTV ^(note1)	Appraisal-based LTV
0.739%	100%	44.7%	39.0%
Fixed interest Rate Ratio ^(note3)	Average Loan Term	Average Remaining Term to Maturity	Issuer Rating
91.3%	7.11 ^{year}	3.97 ^{year}	A+(positive)

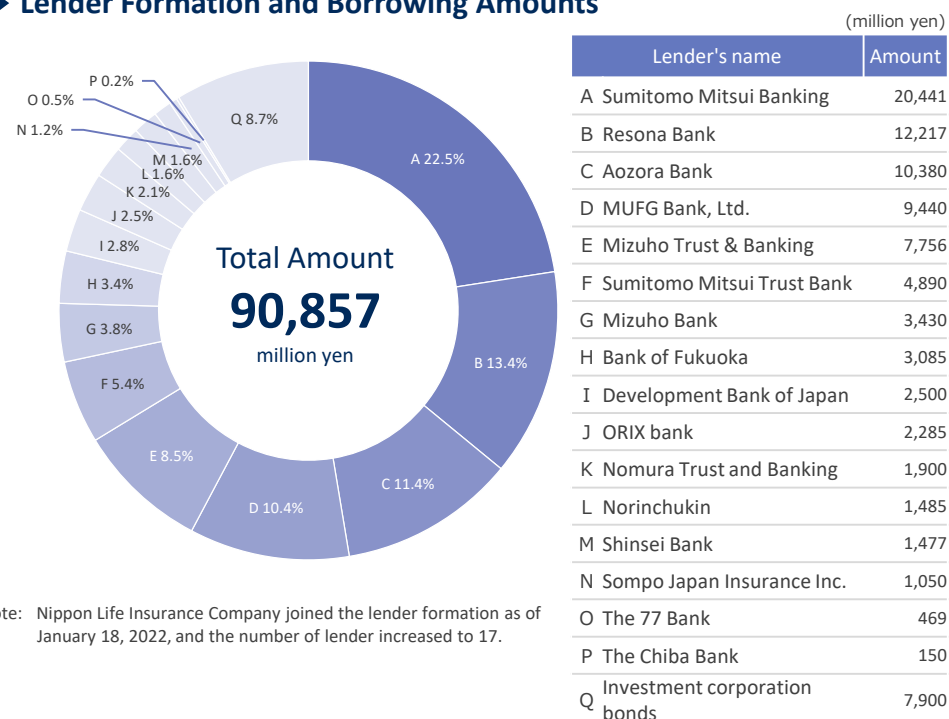
(Note 1) LTV = Interest-bearing liabilities as of FP End / Total Assets as of FP End

Financing status of 40th FP

Term Loan	Loan Amount (million yen)	Interest Rate	Borrowing Date	Maturity Date	Term (year)
52	400	3M Tibor+0.345%	2021/6/4	2024/10/31	3.4
53	1,390	3M Tibor+0.500%	2021/9/29	2028/11/30	7.2
54	1,000	3M Tibor+0.620%		2029/11/30	8.1
55A	480	1M Tibor+0.200%		2022/10/31	1.0
55B	780	3M Tibor+0.310%	2021/10/29	2024/10/31	3.0
55C	900	3M Tibor+0.450%		2026/11/30	5.1
55D	3,860	3M Tibor+0.450%		2028/10/31	7.0
Total/Average	8,810	0.571% (note)	-	-	6.1

(Note) The average interest rate is calculated using the base rate at the end of November 2021.

Lender Formation and Borrowing Amounts



Note: Nippon Life Insurance Company joined the lender formation as of January 18, 2022, and the number of lender increased to 17.

Credit Commitment Lines

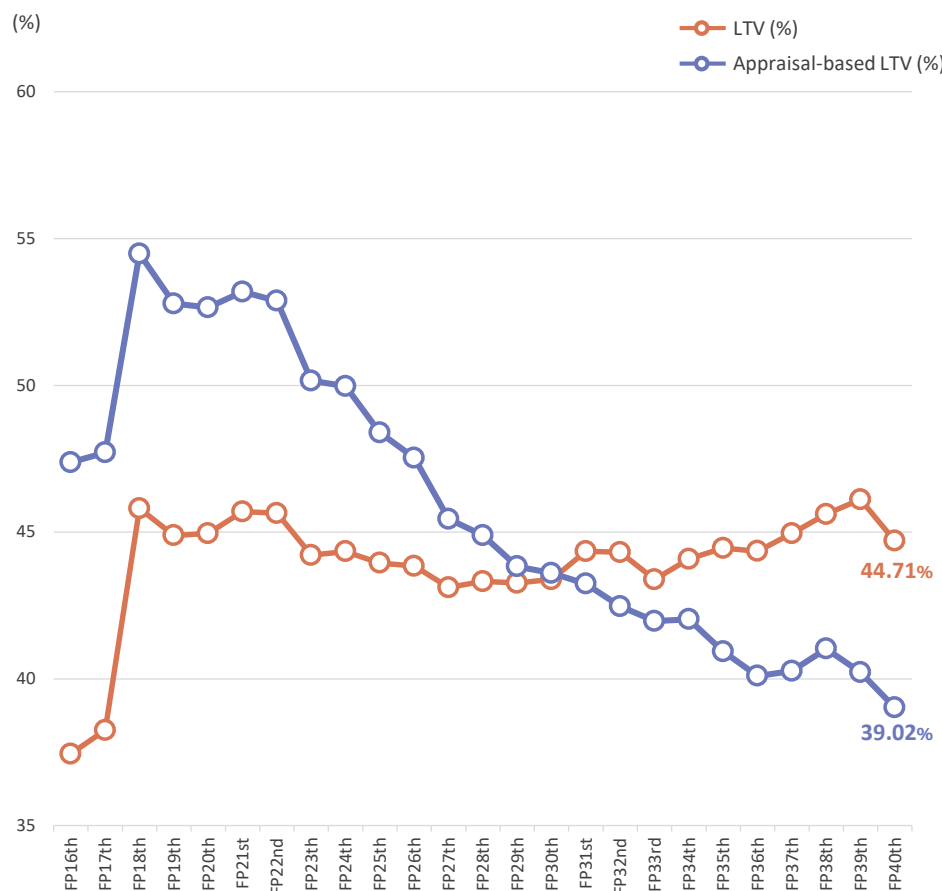
Bank	Loan Commitment	Commitment Period	Remarks
Sumitomo Mitsui Banking MUFG Bank, Ltd. Mizuho Bank Resona Bank	7,000 million yen	From: June 1, 2021 To: May 31, 2022	Unsecured, Unguaranteed

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

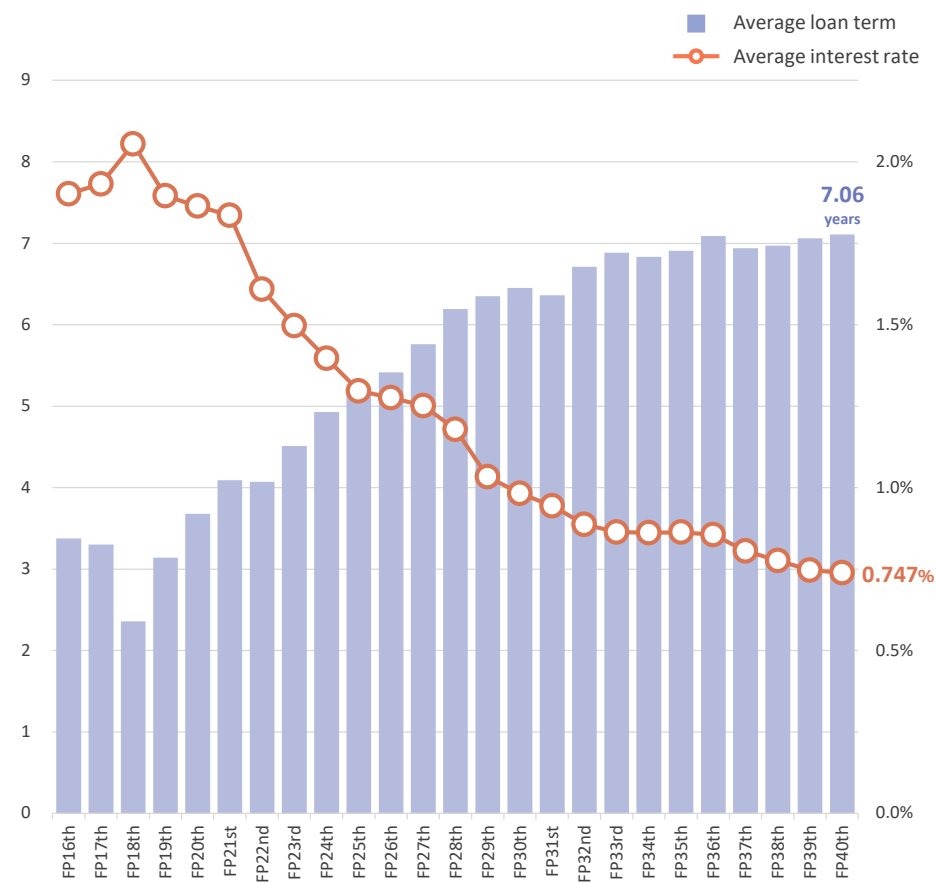
A sound financial position is maintained: lower LTV and borrowing rate

- Average financing cost at end of period was **0.739%**. Decreased from **0.747%** at the end of the previous period to **a new record low**.
- Appraisal LTV will be lowered to 39.02% after the public offering**. Borrowing capability is **25.2 billion yen** (LTV=45%).

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



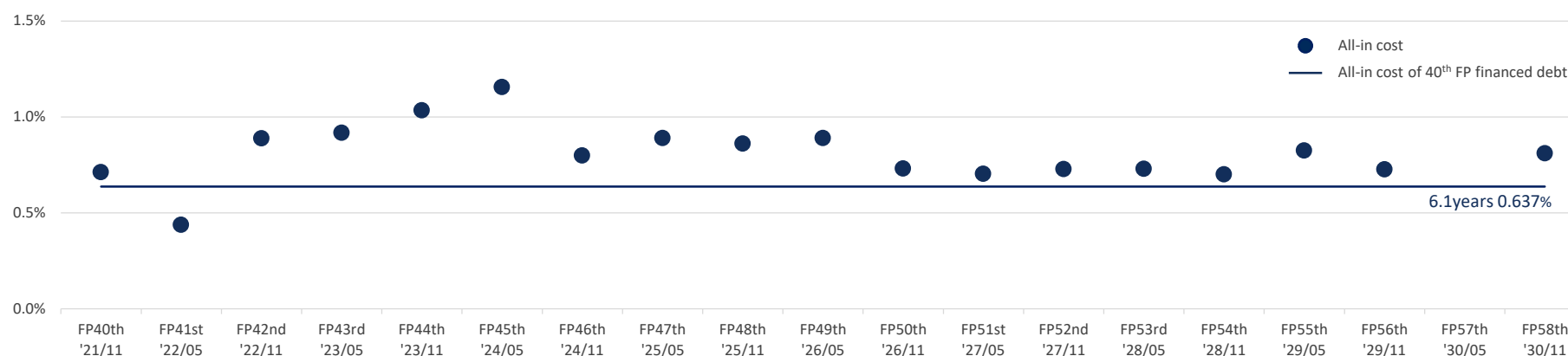
► Change in Average Loan Maturity and Average Interest Rate



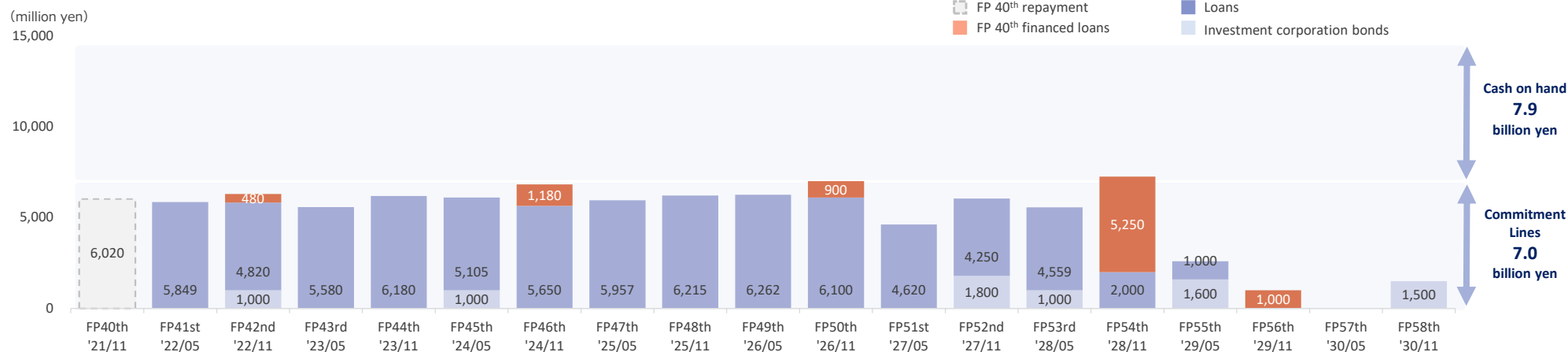
A sound financial position is maintained: stable repayment structure and adequate short-term liquidity

- Loans with the highest interest rates in the Investment Corporation's loan portfolio will reach maturity in May 2021 (39th FP).
- A stable loan repayment schedule is set (with the average repayment of 5,721 million yen per fiscal period). The Investment Corporation has prepared for unforeseen circumstances with sufficient credit commitment lines and cash on hand (**total 14.9 billion yen**).

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

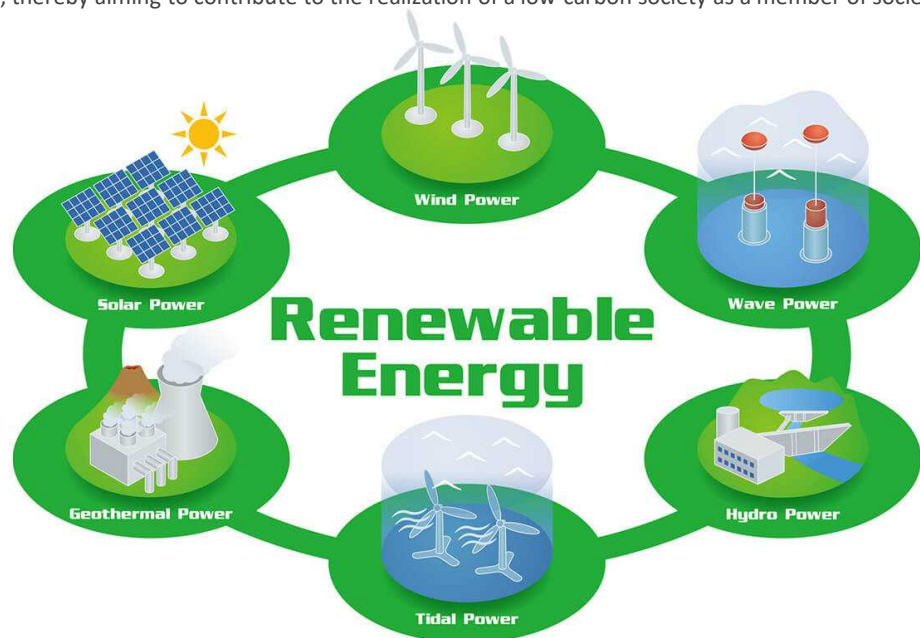


► Loan maturity diversification, cash on hand and credit commitment lines



Toward the Realization of Low-carbon Society : Shift to renewable energy

The Investment Corporation will change the power used in all properties that it owns to power from renewable energy. Shift generally to power plans conforming to the RE100 standards was completed at all 106 properties subject to the shift by the end of the fiscal period under review. The shift is expected to result in the reduction of CO₂ emissions by 8,631 tons (down 97.3%) compared to the level in 2020. The Investment Corporation plans to apply the shift to properties acquired from now on. It aims to reduce CO₂ emissions by 90% compared to the level in 2020 in the future and as a member of society, contributing to the realization of a low-carbon society. The Investment Corporation will continue to apply the shift to properties that will be acquired going forward, thereby aiming to contribute to the realization of a low-carbon society as a member of society.



Source : The Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry



CO₂ Reductions achieved

Reduction of CO₂ emissions through shift to renewable energy-based power

CO₂ emissions (note)

-8,631t
(-97.3%)

(comparison to 2020)

(Note) Renewable power will be introduced at all properties except properties where a management association manages power, such as properties whose ownership is shared and properties owned by unit owners, and properties where contracts with tenants are unusual. The individually owned portions of residential properties are excluded.

Toward the Realization of Low-carbon Society : Shift to renewable energy

Heiwa Real Estate Asset Management Co., Ltd., Asset Management Company of the Investment Corporation, announced its support for the proposals of the TCFD and joined the TCFD Consortium in December 2021. The Investment Corporation announced its planned efforts to help realize a low-carbon society in its medium- to long-term management targets, NEXT VISION, and is promoting environmentally friendly business operation.



The TCFD was established by the Financial Stability Board as a private-sector taskforce on the disclosure of financial information related to climate in response to the request of government leaders at the 2015 G20 summit. TCFD proposes recommendations to companies and other organizations for the disclosure of their governance, strategy, risk management, and metrics and targets concerning climate change-related risks and opportunities.

The Investment Corporation and the Asset Management Company understand that climate change is an important issue that brings about drastic changes to natural environmental conditions and social structures, seriously affecting the Company's operations as well as businesses overall. Based on this understanding, the Company will respond to climate change-related risks and opportunities and increase the resilience of its businesses and strategies against climate-related issues. To this end, it announced its support for the TCFD recommendations.



Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Sustainability

Participate in GRESB Assessment



GRESB 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 received for the fifth 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 2020. Figure on the right is an extract of GRESB Standing Investment Benchmark Report from GRESB 2020. The score has been continuously improving except in 2020 when the evaluation standard was significantly changed.

Sustainability

Initiatives of Heiwa Real Estate Group



The Group promotes engagement with all stakeholders in order to mutually strengthen bonds with everyone who has a stake in its business. At the same time, the Group endeavors to improve urban environments, bring value to communities and help people benefit economically with a view to help make society more sustainable. The Investment Corporation and the Asset Management Company also strive to gain the trust of their stakeholders.

Sustainability

Determining materiality

Sustainability promotion rules were established in March 2020. In April, a committee meeting was held. The committee has identified material issues at the Investment Corporation. The chart below describes material issues and the process for determining material issues.

Materiality identification process

STEP 1

Identify issues

Identify a broad range of issues based on awareness of SDGs and other social issues, various guidelines (GRI, etc.), and ESG evaluation items in the real estate sector (GRESB, etc.)

STEP 2







Narrow down the proposed issues and prioritize

Narrow down and prioritize issues by taking into account their importance to HEIWA REAL ESTATE REIT, Inc. and stakeholders, their impact on the economy, society, and the environment, and their economic practicality.

STEP 3

Discuss, validate, and approve at the Sustainability Promotion Committee

After discussing and verifying the appropriateness of the materiality identified in Step 2, a decision is made by the Sustainability Promotion Committee, chaired by the President and CEO of Heiwa Real Estate Asset Management Co., Ltd., which has the final authority in decision making.

	Materiality	Basic Policy	Main initiatives	Applicable SDGs
Environment	Environmentally friendly business operations	<ul style="list-style-type: none"> Environmentally friendly business operations Climate change mitigation (improvement of building performance and equipment capacity for energy conservation) Adapting to climate change (flood control measures) Confirming the results of sustainability activities by obtaining external certification 	<ul style="list-style-type: none"> Formulating greening policy for properties under ownership Paperless meetings, introducing vegetable oil ink, switching to non-plastic materials Obtaining regular engineering reports and systematically carrying out large-scale repairs Acquiring properties located outside the areas on the flood hazard map Obtaining energy conservation-related certifications such as CASBEE and BELS 	  
Social	<ul style="list-style-type: none"> Providing tenants with security and peace of mind Contributing to local communities Creating a rewarding work environment 	<ul style="list-style-type: none"> Tenants: Improving tenant satisfaction and increasing the value of properties under ownership by providing safety and security through barrier-free and disaster preparedness measures Local community: Managing properties that help solve problems faced by local communities and that create livable urban developments, by utilizing libraries, health-care, and government facilities J-REIT industry: Fostering the future investor base and contributing to the development of the J-REIT industry through J-REIT industry educational activities PM, BM: Promoting sustainability in cooperation with PM companies and operators that manage working assets Executives: Creating strong business results through employees' healthy minds and bodies and enhanced expertise, by managing health, improving the workplace environment, enhancing work-life balance, and providing support to undergo training and obtain qualifications 	<ul style="list-style-type: none"> Improving the safety functions of elevators, installing emergency supplies cabinets, conducting evacuation drills Acquiring properties with barrier-free access and parking spaces for the physically disabled, installing AEDs Conducting regular tenant satisfaction surveys Using disaster prevention, healthcare, childcare support, and government-related facilities to attract tenants Providing sites for community events, and donating to and participating in those events Obtaining Green Star rating in GRESB evaluation Participating in J-REIT awareness seminars and endowment lectures through industry associations and private companies such as securities companies Conducting environmental training for PM and BM companies Ongoing certification as a healthy company Improving work environment, introducing stress checks, enhancing work-life balance, conducting employee satisfaction surveys 	     
Governance	Strengthening corporate governance	<ul style="list-style-type: none"> Promoting initiatives to ensure corporate ethics across the board Establishing a governance system that ensures the impartiality and diversity of investment corporation directors Promoting investment management with an emphasis on unitholder returns Ensuring transparency 	<ul style="list-style-type: none"> Conducting corporate ethics training Conducting internal audits by external experts Appointing directors of the investment corporation from outside the Heiwa Real Estate Group, ensuring diversity of gender, work experience, qualifications, etc. Establishing a BCP system that includes a pandemic response Promoting same boat investments by sponsors, asset management companies, and executives and employees Same day disclosure of documents in Japanese and English Obtaining external assessment of the level of SDG initiatives through ongoing participation in GRESB 	    

Environment

Promotion of Green lease contract

The Investment Corporation aims for a win-win relationship that benefits both building owners and tenants through reduced utilities expenses by establishing written agreements and memoranda on the reduction of environmental burdens through efforts such as energy conservation at properties owned and improvement of the working environment in cooperation with tenants. As of now, it has signed a contract with one tenant. The Investment Corporation will strive to achieve this goal despite difficulties in implementing this in medium-sized offices.



Source : MLIT

Environment

Eco-friendly initiatives

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 112 properties of all 114 properties owned, excluding properties that have been acquired recently. Equipment that consumes less energy will be introduced during air-conditioner replacement.



HF HAKUSAN RESIDENCE

Environment

Eco-friendly initiatives: FSC paper and Glassine

Glassine, FSC-certified paper and Vegetable Ink

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. FSC-certified paper and Vegetable ink are used for those documents, and glassine is used for the window section of an envelope used for mailing them. FSC is an abbreviation of the Forest Stewardship Council, an international organization. FSC has established standards for cutting down trees necessary for economic activity, while curbing deforestation and preserving forest resources for future generations. The Investment Corporation uses FSC-certified products to eliminate the risk of being involved in environmental destruction and contribute to preserving forest resources. Glassine is a translucent paper material. Unlike the window section made of plastic, a glassine window section does not need to be separated from paper for disposal. The whole envelope can be recycled without the need for separation. It is an environmentally friendly product.



Source : FSC Japan





Source : Japan Printing Ink Makers Association



Environment

Environmental Certificates - Total floor area ratio 20.3% (overlaps eliminated)

HF SAKURADORI BUILDING	KAYABACHO HEIWA BUILDING	ARK Mori Building	HF NIHONBASHI HAMACHO BUILDING	HF TABATA RESIDENCE
 DBJ Green Building 2018 〇〇〇〇	 DBJ Green Building 2020 〇〇	 		

Social

Community Involvement

■Supplying drinking water at the time of disaster

The Investment Corporation has concluded an agreement on supplying drinking water at the time of disaster with Chuo-ku, Tokyo and a neighborhood disaster mitigation association. If drinking water is in short supply due to a major earthquake, the Investment Corporation will supply drinking water from a water receiving tank installed in HF HATCHOBORI BUILDING, through the Bureau of Waterworks.

*The right image is a photo of a page about the availability of drinking water at the time of disaster on the website of Chuo-ku, Tokyo. (Only available in Japanese)



■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. *It was canceled in 2020 due to the effects of the COVID-19.



■Supporting local restaurants

As the COVID-19 pandemic is prolonged, declines in the performance of restaurants, in particular, are getting more and more serious. In this environment, the Heiwa Real Estate Group supports restaurants in the Nihonbashi-kabutocho area, where Heiwa Real Estate is based. The Group pays half of the prices of lunches and take-out meals on business days for officers and employees, thereby encouraging them to use local restaurants and aiming to contribute to maintaining local business performance.



Social

Community Involvement

■Sponsoring a jazz event

A jazz event was held at the Tokyo Stock Exchange (TSE Hall) on December 15, 2021. It was a live concert with the themes of “a fusion of music and financial services” and “the development of young musicians,” where young and talented musicians, who will carry on the future jazz culture, gathered and played together. It involved the local community and many residents participated. Continuing from last year, the Asset Management Company and Heiwa Real Estate, as the sponsor, also cooperated in the event.



Social

Governance

Promotion of 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 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 (incl. duplication)

Real estate notary	22
ARES Certified Master	19
Certified Building Administrator	14
CMA	3
Certified real estate consulting master	2
Class-1 Architect	1
Tax accountant	1
Real estate appraiser (incl. external committee member)	1
Lawyer (incl. external committee member)	1

Social

Framework for employee motivation

■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 2021 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 third consecutive certification since FY2019. In addition, the company received Silver Certification as a Healthy Company by the Tokyo Federation of the National Federation of Health Insurance Societies. Moving forward, we will continue working to promote health management as we pursue further operational achievements.



■Improvement of work environment

The Asset Management Company relocated its office and introduced telecommuting for the purpose of improving work environment.

It will raise operation efficiency and promote communication by gathering work spaces on a single floor, enable flexible working styles by introducing, hotdesking, telecommuting, and a workflow system, and promote paperless operations. Placement of a refreshing space allows a switch between work and rest in the office, helping employees reduce stress from their duties.



Refreshing room (image)

■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.

■Work-life balance

Asset Management Company encourages a balance between work and private life for each executive and employee by introducing programs such as childcare leave equally available to men and women, reduced working hours, long-term care leave, consecutive leave (five consecutive business days), promotion of paid leave (at least 70% of annual vacation days), paid leave on an hourly basis, flextime working, and telecommuting.

■List of employee programs

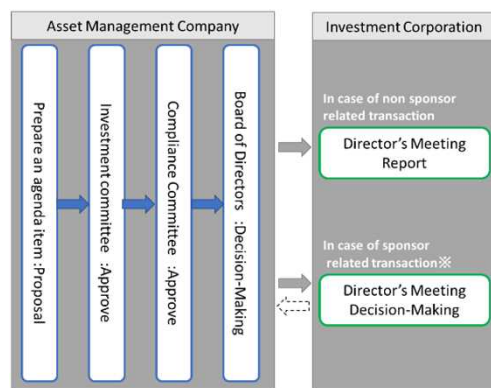
Programs
Gender-equal childcare leave
Caregiving leave
Child nursing care leave
Reserved paid leave
Short working hour system
Hourly paid leave
Maternity leave
Summer vacation system
Plus one leave system
Flextime
Telecommuting
Financial aid for regular medical checkups and health screening
Financial aid for medical checkups and PET scan of dependent spouse
Occupational health physician
Stress checks
Defined contribution pension plan
Cafeteria plan
Cumulative investment unit investment program

Governance

Corporate 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.

■ Use of outside experts in internal audits (Asset Management Company)

The Asset Management Company conducts its internal audits jointly with outside experts. It ensures objectivity in audits and responds to new or complex risks.

Governance

Principles For Customer-Oriented Business Conduct



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/>

Governance

Three-tiered same-boat investment

■ Same-boat investment by the Sponsor

Heiwa Real Estate's same-boat investment ratio is one of the highest in the REIT industry. Heiwa Real Estate is supporting the administration of the Investment Corporation, taking on great responsibilities as its sponsor. The number of investment units held by Heiwa Real Estate increased to 143,845 (13.63%) at the end of the fiscal period under review with additional 8,000 units acquired through a public offering in June 2021.

■ Same-boat investment by the Asset Management Company

Heiwa Real Estate Asset Management holds 3,334 units (0.32%) of the Investment Corporation's investment units and that works as an incentive to manage assets from the perspective of unitholders.

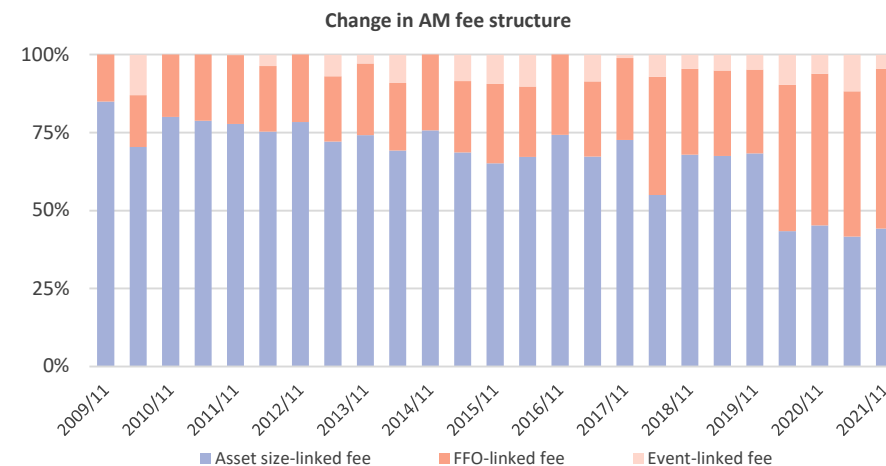
■ Same-boat investment by employees

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 that works as an incentive to manage assets from the perspective of unitholders.

Governance

Change in AM fee structure

The Investment Corporation has been reforming its asset management fee structure. It works to increase correlation between investor interests and profit of Asset Management Company by reducing the ratio of asset size-linked compensation and raising the ratio of performance-linked remuneration such as distribution-linked pay.



External Growth

■ Continued healthy and steady external growth

- Carefully selective investment in properties that will contribute to the improvement of portfolio quality and profitability, without being swayed by an overheated market.
- Employ diverse methods to expand opportunities for acquisition by collaborating with sponsors in development, etc.
- Utilize free cash and borrowing capacity to flexibly acquire properties.

■ Continuous replacement strategies

- In order to improve portfolio quality and profitability, replacement from low profitability properties, small-scale residences, etc. to blue-chip offices and residences

■ Carefully selected Asset type/ Area

- Policy of carefully selective investment in blue-chip offices and residences.
- Retain Tokyo wards as main area, but also carry out selective investment in large regional cities where support from sponsors can be obtained.

Internal Growth

■ Maintain and improve high occupancy rate

- Collaborate with sponsors and PM in initiatives to create tenant demand by implementing appropriate and timely leasing measures.
- Prevent tenants from leaving through high quality operation and management, and CS measures.
- Shorten downtime.

■ Initiatives for increasing rents

- Promote rent increases (revisions) when tenancy changes or when lease is renewed.

■ Implement strategic CAPEX investment

- Systematically implement added value renovations resulting in upward rent revisions and improved CS.

■ Continue to increase subsidiary revenue and make cost reductions

Financial Operation

■ Create a solid financial structure

- Create a solid financial structure that is not vulnerable to fluctuations in market interest rates, by extending loan periods, diversifying debt maturities, and fixing interest rates on borrowings.
- Aim for improvement of creditworthiness and expansion of unitholders that make long-term stable investment through upgrade of rating to AA

■ Control of LTV

- Seek continuous expansion of portfolio and earnings through the stable acquisition of properties not influenced by the financial environment by property controlling LTV.

■ Diversify methods of procuring funds

- Create access to various kinds of funds, such as equity procurement through public offering, creation of a lender formation comprising a wide range of industries, issuing of investment corporation bonds, commitment lines, and commitment-type term loans.

■ Reduce financial costs

ESG

■ Environment

- Work on saving energy at owned properties, greening them, reducing the use of fossil fuels and cutting greenhouse gas emissions.
- The power used at all properties will change to power from renewable energy.

■ Social

- Advance activities for promoting and popularizing J-REIT in collaboration with industrial organizations.
- Advance activities for promoting and popularizing J-REIT in collaboration with industrial organizations.

■ Governance

- Support investment decisions and corporate governance from objective viewpoints by appointing experts as outside directors.
- Maintain asset management motivation at high levels through same-boat investment consisting of three tiers: sponsors, the Asset Management Company and employees.
- Increase the percentage of performance-linked fees through changes made to the structure of asset management fees.

Investor Return

■ Return of ample internal reserves

- Internal reserves of 5.48 billion yen in total will be used as the funds for future distribution payments.

■ Using cash on hand

- By using cash on hand for the acquisition of properties and the repayment of debts, the ordinary distribution level will be improved. Acquire own investment units when a surplus fund is sufficient and their acquisition is judged to produce large effects.

■ Increase liquidity

- Aim to improve the liquidity of investment units by seeking for an improvement in recognition and an upgrade to AA through inclusion in the Global Index.

Forecast DPU

41st FP : 2,940 yen/unit

42nd FP : 2,940 yen/unit

Activities to achieve the NEXT VISION

While the COVID-19 pandemic has a certain level of impact, the impact on the entire portfolio has been limited and steady progress is being made to achieve the new medium- to long-term targets. Capital was increased through a public offering in the fiscal period under review, resulting in significant external growth. New properties acquired have large scope for a rise in rents and the occupancy rate of existing properties remains high. The environment for obtaining equity improved from the pre-COVID-19 level. Scope for borrowing based on abundant free cash and low LTV is available, enabling flexible external growth. There is also adequate internal reserves to provide funds for distribution. After the public offering, the Investment Corporation was included in global indices in response to growth in market capitalization, its rating was raised to A+ (positive), and the achievement of AA in the future became feasible. An increase in the appeal of the Investment Corporation to a range of investors, including foreign investors, the Bank of Japan, and regional financial institutions, a rise in the liquidity of investment units, and positive effects on the investment unit price can be expected in the future. The Investment Corporation will take advantage of the situation and will increase distributions and investor value.

NEXT VISION

DPU : 3,300 yen/unit

AUM : 300 billion yen



Miwa Saito

General Manager,
Office Asset Management Department

Career

Engaged in sale and management at a condominium developer in April 1987. Assigned to work at the Japan Single residence Asset Management Corp. in July 2005 and transferred there in January 2008. Transferred to Heiwa Real Estate Asset Management in October 2010 due to the merger of the investment corporation operated by Japan Single residence Asset Management Corp. and the Investment Corporation.

Engaged in the asset management of residential properties, general affairs, personnel management, and other duties before being assigned to office asset management. Current position since September 2021.

Raise customer satisfaction through cooperation with property management companies!

The primary duties of the Office Asset Management Department include 1, development and implementation of plans for the management and operation of working assets and risk management, 2, preparation of reports and management of income and expenditure of each asset, 3, selection and collaboration with property management companies and other contractors, and 4, surveys and analysis of trends in the real estate market and other general operations related to internal growth. Public interest in ESG has been rising rapidly in recent years, and the ratio of ESG activities has been growing significantly.

In the implementation of operation plans, property management companies and other contractors play important roles. We highly value this collaboration with our contractors. Last fall, we renewed our recognition through a tenant attitude survey that tenants highly appreciated the daily responses of property managers. We will continue to thoroughly monitor and operate property management in cooperation with our contractors while bearing in mind that accumulation of steady daily activities will help raise customer satisfaction, leading to the support for profit growth.

Uncertainty is growing in the office rental market in the Tokyo metropolitan area due to large supply scheduled in 2023 and 2025 in addition to the current COVID-19 pandemic. There is a famous line by Kotaro Takamura, which reads, "Progress is very slow and uncertain. It will suddenly appear in front of you. But it will be after several years of groping in the dark." We will value repeated trial and error, particularly in this harsh environment, and take steps to increase customer satisfaction, consideration for the environment, etc. in cooperation with property management companies. We will engage in our daily operations on the belief that this process of trial and error will contribute significantly to the growth of the Investment Corporation in the recovery phase that is sure to follow this difficult period.

Cherish all stakeholders and buildings under management

I joined this company when Crescendo Investment Corporation, the predecessor of the Investment Corporation, started preparing to list its shares. While REITs are now recognized by the public, real estate investment by funds was not widely known back then. When I explained to customers considering tenancy that the building was owned by a fund, they would worry about the preservation of security deposits or would be concerned about a complex scheme in which the building owner and lessor were different. I have engaged in operations for many years since then. During these time, I was temporarily transferred to the property management division of our sponsor, Heiwa Real Estate, and had the opportunity to directly listen to the voices of tenants, which is a rare experience in an asset management company. I had other important experiences, such as directly hearing about and witnessing the hardships of people engaging in property management.

What I believe after engaging in operations for many years is that all stakeholders are important. We strive in our daily activities to ensure that developing good relationships with tenants, winning the trust and recognition of investors, having reliable superiors and colleagues in the workplace, and having relationships for consultations with property management companies, building management companies, companies specializing in law, construction, and real estate, and other companies in the same industry are all well balanced and to maintain stable operation by, for example, treating the buildings with good care as if they were our personal properties.

Futoshi Maeda

General Manager,
Office Asset Management Department

Career

Joined then Canal Investment Trust (current Heiwa Real Estate Asset Management) in May 2004. At the current position since September 2021 after temporary transfer to Heiwa Real Estate (sponsor) for approximately two years. Has always engaged in real estate management since joining the company. Has strengths particularly large construction and repair projects.





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

Direct acquisition from Third Parties

17 Properties **28,583** million yen



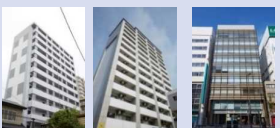
HF WAKAMATSU KAWADA RESIDENCE HF HAKATA-HIGASHI RESIDENCE HF SENDAI-ITSUTSUBASHI RESIDENCE ARK Mori Building HF SENDAI-NAGAMACHI RESIDENCE HF SENDAI-HONCHO RESIDENCE



KABUTO-CHO UNI-SQUARE KINSHICHO SQUARE BUILDING HF OHORI RESIDENCE BAYSIDE HF SENDAI-ICHIBANCHO BUILDING HF HAKATA-HIGASHI RESIDENCE II HF FUKUOKA RESIDENCE EAST



HF SOKA RESIDENCE Faret East Building



HF BANSUIDORI RESIDENCE HF NISHIKOEN RESIDENCE HF KANDA OGAWAMACHI BUILDING

(Sponsors Brokerage Properties)

Bridge Fund
2 Properties **4,750** million yen



HF UENO BUILDING KOJIMACHI HF BUILDING

Total Acquired prices
since sponsor change

97,995

million yen
(As of 30 Nov. 2021)

Sponsor's Support

Direct Acquisitions from Sponsor

15 properties **26,473** million yen



KAYABACHO HEIWA BUILDING KOBE KYUKYORYUCHI BUILDING SAKAE MINAMI BUILDING HF TABATA RESIDENCE HF RYOGOKU RESIDENCE Nihonbashi Horidomecho First HAMACHO HEIWA BUILDING



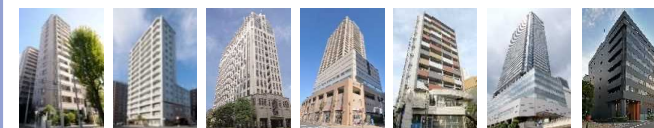
HF MITA RESIDENCE II HF MONZEN-NAKACHO RESIDENCE HF MINAMI-SUNAMACHI RESIDENCE HF SHOKOJI AKABANE RESIDENCE HF YAHIRO RESIDENCE HF SETAGAYA-KAMIMACHI RESIDENCE

Acquisition through warehousing and taking over contractual positions from Heiwa Real Estate

15 properties **38,189** million yen



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 SHINAKAWA BUILDING SENJU MILDIX II HF HACHIOJI RESIDENCE SOUTHERN SKY TOWER HACHIOJI OSAKI CN BUILDING

(Note) HIROKOJI AQUA 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.

40

III. Appendix



■ Assets

(unit: thousand yen)

Period Category	39th Fiscal Period May 31, 2021		40th Fiscal Period November 30, 2021		Variation	
	Amount	Share (%)	Amount	Share (%)	Amount	Change (%)
(Assets)						
I						
Cash and deposits	9,860,611		11,223,174		1,362,563	
Cash and deposits in trust	3,598,834		3,679,559		80,725	
Accounts receivable-trade	45,813		49,214		3,401	
Prepaid expenses	123,590		133,505		9,915	
Consumption taxes receivable	23,524		-		-23,524	
Other	8,869		2,291		-6,578	
Allowance for doubtful accounts	-65		-		65	
Current assets	13,661,177	7.2	15,087,745	7.4	1,426,568	10.4
II						
1. Property, plant and equipment	Note 1					
Buildings	12,482,393		14,434,170		1,951,777	
Structures	37,407		45,303		7,896	
Machinery and equipment	80,874		77,926		-2,948	
Tools, furniture and fixtures	116,230		128,555		12,325	
Land	35,263,625		37,030,448		1,766,823	
Construction in progress	-		-		-	
Buildings in trust	34,687,355		34,525,360		-161,995	
Structures in trust	157,677		151,098		-6,579	
Machinery and equipment in trust	307,202		337,428		30,226	
Tools, furniture and fixtures in trust	385,161		386,764		1,603	
Land in trust	87,877,511		92,536,504		4,658,993	
Total property, plant and equipment	171,395,438	89.7	179,653,561	88.4	8,258,123	4.8
2. Intangible assets						
Leasehold right	1,910,049		4,310,194		2,400,145	
Leasehold rights in trust	3,315,665		3,315,665		-	
Software	5,818		5,054		-764	
Other	227		227		-	
Total intangible assets	5,231,760	2.7	7,631,141	3.8	2,399,381	45.9
3. Investments and other assets						
Guarantee deposits	14,617		19,617		5,000	
Long-term prepaid expenses	229,149		244,361		15,212	
Derivatives	29,163		77,088		47,925	
Other	379,056		408,934		29,878	
Total investments and other assets	651,987	0.3	750,002	0.4	98,015	15.0
Total noncurrent assets	177,279,735	92.8	188,034,705	92.5	10,755,519	6.1
III Deferred assets						
Investment unit issuance expenses			41,820			
Investment corporation bonds issuance expenses	46,459		42,355		-4,104	
Total deferred assets	46,459	0.0	84,175	0.0	37,716	81.2
Total assets	190,986,824	100.0	203,206,627	100.0	12,219,803	6.4

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

■ Liabilities and net assets

(unit: thousand yen)

Period Category	39th Fiscal Period May 31, 2021		40th Fiscal Period November 30, 2021		Variation	
	Amount	Share (%)	Amount	Share (%)	Amount	Change (%)
(Liabilities)						
I Current Liabilities						
Accounts payable	352,179		575,667		223,488	
Current portion of long-term loans payable	11,869,000		12,149,000		280,000	
Accrued expenses	715,622		749,663		34,041	
Income taxes payable	595		275		-320	
Accrued consumption taxes	-		76,297		76,297	
Advances received	1,104,773		1,152,702		47,929	
Other	14,020		36,119		22,099	
Total current liabilities	14,056,190	7.4	14,739,726	7.3	683,536	4.9
II Noncurrent liabilities						
Investment corporation Bonds	7,900,000		6,900,000		-1,000,000	
Long-term loans payable	68,298,200		71,808,200		3,510,000	
Tenant leasehold and security deposits	823,499		898,601		75,102	
Tenant leasehold and security deposits in trust	4,514,754		4,557,342		42,588	
Derivatives liabilities	210,744		110,052		-100,692	
Total noncurrent liabilities	81,747,198	42.8	84,274,196	41.5	2,526,998	3.1
Total liabilities	95,803,389	50.2	99,013,923	48.7	3,210,534	3.4
(Net assets)						
I Unitholders' equity						
1. Unitholders' capital	Note 2					
2. Surplus						
Capital surplus	7,406,652	3.9	7,406,652	3.6	-	
Capital surplus deduction amount	-1,699,990		-1,699,990		-	
Capital surplus (net base)	5,706,661	3.0	5,706,661	2.8	-	0.0
Voluntary retained earnings						
Reserve for reduction entry	415,683		415,683			
Reserve for temporary difference adjustment	2,002,699		1,962,702		-39,997	
Total Voluntary retained earnings	2,418,382	1.3	2,378,385	1.2	-39,997	(1.7)
Unappropriated retained earnings	5,871,290	3.1	6,083,325	3.0	212,035	3.6
Total surplus	13,996,334	7.3	14,168,371	7.0	172,037	1.2
Total unitholders' equity	95,367,050	49.9	104,231,778	51.3	8,864,728	9.3
II Valuation and translation adjustments						
Deferred gains or losses on hedges	-183,615		-39,074		144,541	
Total valuation and translation adjustments	-183,615	△ 0.1	-39,074	△ 0.0	144,541	(78.7)
Total net assets	Note 3					
Total liabilities and net assets	190,986,824	100.0	203,206,627	100.0	12,219,803	6.4

Note 1 The cumulated depreciation is directly subtracted from property, plant and equipment cumulated depreciation
39th fiscal period : 19,084,706 thousand yen 40th fiscal period : 19,963,343 thousand yen

Note 2 Total outstanding investment units
39th fiscal period : 999,933 units 40th fiscal period : 1,055,733 units

Note 3 Net assets per investment unit
39th fiscal period : 95,189yen 40th fiscal period : 98,692yen

(unit: thousand yen)

(Unit : thousand yen)

Category	Period		39th Fiscal period (Nov 30, 2020-May 31, 2021)		40th Fiscal period (May 31, 2021-Nov 30, 2021)		Variation	
			Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Operating revenue	Note 1							
Rent revenue-real estate			5,831,007		6,132,363			
Other lease business revenue			494,939	100.0	499,776	100.0		
Gain on sales of real estate properties			404,961	100.0	244,114	100.0	145,345	2.2
Operating expenses	Note 2							
Expenses related to rent business			2,617,359		2,697,443			
Asset management fee			600,615		617,975			
Asset custody fee			11,626		11,979			
Administrative service fees			27,705		29,968			
Directors' compensations			6,293		6,102			
Audit fee			11,660		11,660			
Other operating expenses			146,594	3,421,854	139,167	3,514,297	92,443	2.7
Operating income (loss)				49.2		3,361,956	52,903	1.6
Non-operating income								
Interest income			1,110		928			
Reversal of dividends payable			457		425			
Insurance income			4,612		9,601			
Other			628	6,809	809	11,764	4,955	72.8
Non-operating expenses								
Interest expenses			317,120		309,550			
Borrowing related expenses			50,599		49,462			
Amortization of investment unit issuance			-		8,364			
Interest expenses on corporate bonds			25,085		25,085			
Amortization of corporate bonds			4,104		4,104			
Other			2,122	399,032	4,700	401,266	2,234	0.6
Ordinary income (loss)				43.3		2,972,454	55,624	1.9
Income (Loss) before income taxes				43.3		2,972,454	55,624	1.9
Income taxes-current			605		605		-	-
Income taxes				0.0		605	-	-
Net income (loss)				43.3		2,971,849	55,624	1.9
Retained earnings brought forward						3,111,475	156,410	
Unappropriated retained earnings (undisposed)						6,083,325	212,035	

* 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 182 days for the 39th fiscal period and 183 days for the 40th fiscal period.

Note 2 The depreciation costs of this total are 955,925 thousand yen for the 39th fiscal period and 970,080 thousand yen for the 40th fiscal period.

40 th FP ('21/11)	Office	Residence	Total
Rents and common expenses	2,896,426	3,235,937	6,132,363
Other income	308,325	191,450	499,776
Rental business income total	3,204,752	3,427,387	6,632,139
PM fees	340,472	336,145	676,617
Public charges and taxes	233,639	180,107	413,747
Utilities	166,154	39,532	205,687
Maintenance and repair fees	57,119	190,713	247,833
Insurance fees	3,843	4,783	8,627
Trust fees	10,748	21,504	32,252
Other expenses	104,422	38,174	142,597
Rental business expenses total	916,400	810,962	1,727,362
NOI	2,288,351	2,616,424	4,904,776
Depreciation	356,950	613,129	970,080
Rental business profit	1,931,400	2,003,295	3,934,696

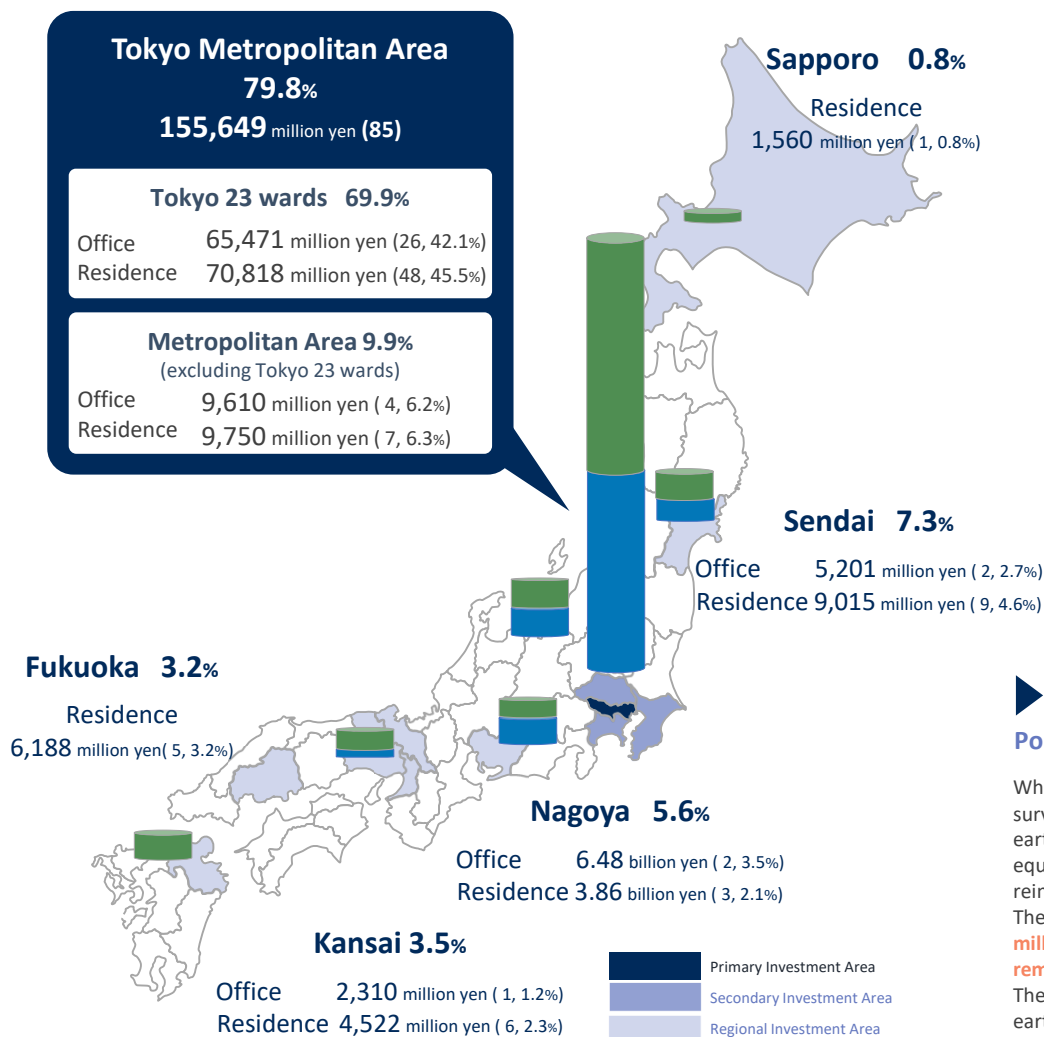
39 th FP ('21/5)	Office	Residence	Total
Rents and common expenses	2,779,423	3,051,583	5,831,007
Other income	287,232	207,707	494,939
Rental business income total	3,066,656	3,259,290	6,325,946
PM fees	329,029	343,403	672,432
Public charges and taxes	225,710	175,572	401,283
Utilities	143,678	36,899	180,577
Maintenance and repair fees	48,770	186,261	235,032
Insurance fees	3,632	4,423	8,055
Trust fees	10,798	22,052	32,851
Other expenses	95,786	35,412	131,199
Rental business expenses total	857,407	804,026	1,661,433
NOI	2,209,249	2,455,264	4,664,513
Depreciation	348,422	607,503	955,925
Rental business profit	1,860,826	1,847,761	3,708,587

(As of November 30, 2021)

	Breakdown	Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description		
	Lender							
Long-term loans, Investment Corporation Bonds payable Due within One Year	Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. The Bank of Fukuoka ORIX Bank Corporation The Nomura Trust and Banking Co., Ltd. The Norinchukin Bank Sampo Japan Nipponkoa Insurance	2,880	0.47700	October 31, 2017	May 31, 2022	Unsecured and Unguaranteed		
	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. The Bank of Fukuoka ORIX Bank Corporation							
	The Nomura Trust and Banking Co., Ltd. The Norinchukin Bank Sampo Japan Nipponkoa Insurance	2,969	0.26700	May 31, 2019	May 31, 2022			
	Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. The Bank of Fukuoka	1,920	1.17500	October 31, 2014	October 31, 2022			
	Development Bank of Japan Inc. Aozora Bank, Ltd.	900 1,000	1.24348 0.65900	December 04, 2014 May 31, 2016	October 31, 2022 October 31, 2022			
	Sumitomo Mitsui Banking Corporation Mizuho Trust & Banking Co., Ltd.	1,000	0.35409	March 31, 2020	October 31, 2022			
	Sumitomo Mitsui Banking Corporation	480	0.27545	October 29, 2021	October 31, 2022			
	Subtotal	11,149						
	Unsecured Investment Corporation Bond #1	1,000	0.30000	June 30, 2017	June 30, 2022		Unsecured and Unguaranteed	
	Subtotal	1,000						
	Long-term loans payable	Resona Bank, Limited. MUFG Bank, Ltd. Shinsei Bank, Limited. Mizuho Bank, Ltd.	2,880	1.18750	May 29, 2015		May 31, 2023	Unsecured and Unguaranteed
		Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited. Mizuho Bank, Ltd.	4,400	1.13300	October 29, 2015		October 31, 2023	
		Sumitomo Mitsui Banking Corporation Resona Bank, Limited. MUFG Bank, Ltd.	4,880	1.20800	October 30, 2015	May 31, 2024		
Sumitomo Mitsui Banking Corporation Resona Bank, Limited. MUFG Bank, Ltd.		3,850	0.91770	May 31, 2016	October 31, 2024			
Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Resona Bank, Limited. MUFG Bank, Ltd. ORIX Bank Corporation		3,857	0.93670	October 31, 2016	May 31, 2025			
Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Shinsei Bank, Limited. MUFG Bank, Ltd.		2,765	0.90850	May 31, 2017	November 28, 2025			
Aozora Bank, Ltd. Resona Bank, Limited. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.		3,700	0.97750	October 31, 2017	May 31, 2026			
Mizuho Bank, Ltd.		800	0.68740	December 15, 2017	October 31, 2024			
Sumitomo Mitsui Banking Corporation		900	0.78630	March 28, 2018	May 31, 2025			
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited. Resona Bank, Limited. Aozora Bank, Ltd. MUFG Bank, Ltd. The Bank of Fukuoka The 77 Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd.		4,000	0.74700	May 31, 2018	November 30, 2026			
The Bank of Fukuoka The 77 Bank, Ltd. Resona Bank, Limited. Aozora Bank, Ltd. Mizuho Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.		1,750	0.76850	October 31, 2018	November 30, 2025			

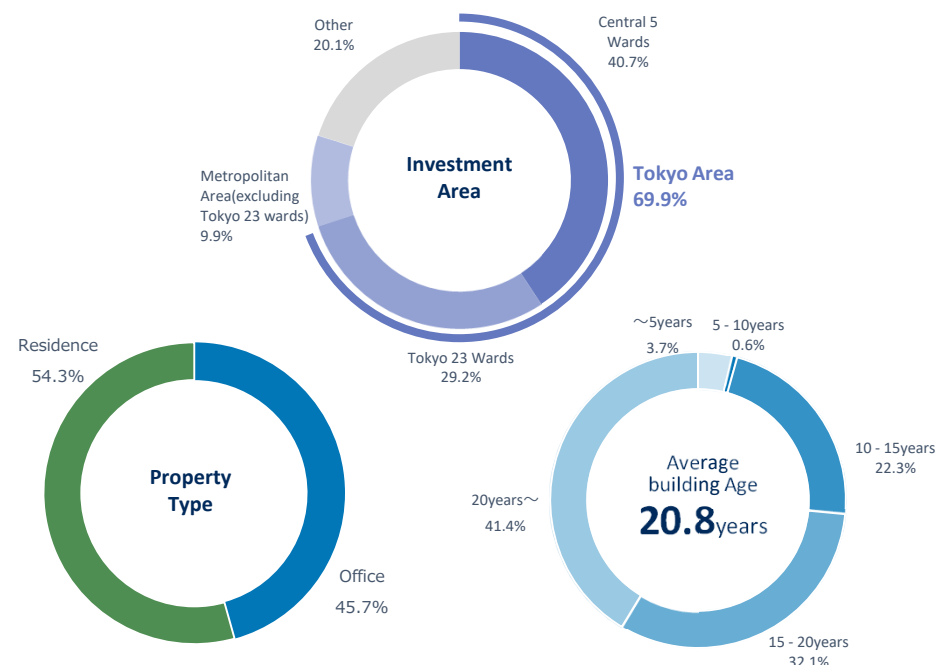
	Breakdown	Balance at Period End (million yen)	Interest Rate (%)	Borrowing Date	Repayment Date	Description
	Lender					
Long-term loans payable	Mizuho Bank, Ltd. The Bank of Fukuoka	1,000 700	0.63850 0.63850	December 14, 2018 December 14, 2018	November 30, 2025 November 30, 2025	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. MUFG Bank, Ltd. The Bank of Fukuoka ORIX Bank Corporation The Norinchukin Bank	2,562	0.60000	May 31, 2019	May 31, 2026	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Sumitomo Mitsui Trust Bank, Limited. The Nomura Trust and Banking Co., Ltd. Shinsei Bank, Limited.	2,700	0.32500	October 31, 2019	May 31, 2023	
	Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation	1,200	0.50500	October 31, 2019	May 30, 2025	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Aozora Bank, Ltd. MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited. Shinsei Bank, Limited.	2,100	0.57700	October 31, 2019	November 30, 2026	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited.	1,000	0.47100	March 31, 2020	October 31, 2024	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Mizuho Trust & Banking Co., Ltd. The 77 Bank, Ltd.	3,520	0.66475	March 31, 2020	May 31, 2027	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. MUFG Bank, Ltd.	1,100	0.56475	April 24, 2020	May 31, 2027	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. MUFG Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.	1,780	0.38200	October 30, 2020	October 31, 2023	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.	4,250	0.66900	October 30, 2020	October 29, 2027	
	The 77 Bank, Ltd.	1,000	0.68500	December 17, 2020	November 30, 2028	
	The Bank of Fukuoka, Ltd.	1,000	0.66500	May 24, 2021	November 30, 2028	
	Shinsei Bank, Limited	1,000	0.68500	May 24, 2021	May 31, 2029	
	MUFG Bank, Ltd.	225	0.37800	May 31, 2021	May 31, 2024	
	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Trust Bank, Limited.	3,559	0.65800	May 31, 2021	May 31, 2028	
	Development Bank of Japan	1,000	0.64125	May 31, 2021	May 31, 2028	
	Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd.	400	0.40500	June 04, 2021	October 31, 2024	
	Mizuho Trust & Banking Co., Ltd.	1,390	0.55727	September 29, 2021	November 30, 2028	
	MUFG Bank, Ltd.	780	0.36727	October 29, 2021	October 31, 2024	
	The Nomura Trust and Banking Co., Ltd. MUFG Bank, Ltd.	900	0.50727	October 29, 2021	November 30, 2026	
	Sumitomo Mitsui Banking Corporation Resona Bank, Limited. Aozora Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited. Mizuho Bank, Ltd. Shinsei Bank, Limited. Resona Bank, Limited.	3,860	0.65727	October 29, 2021	October 31, 2028	
	Subtotal	71,806				
Investment Corporation Bonds	Unsecured Investment Corporation Bond #2	1,800	0.65000	June 30, 2017	June 30, 2027	Unsecured and Unguaranteed
	Unsecured Investment Corporation Bond #3	1,000	0.70000	May 07, 2018	May 02, 2028	
	Unsecured Investment Corporation Bond #4	1,000	0.41000	June 04, 2019	May 31, 2024	
	Unsecured Investment Corporation Bond #5	1,600	0.82000	June 04, 2019	May 31, 2029	
	Unsecured Investment Corporation Bond #6	1,500	0.75000	November 25, 2020	November 25, 2030	
	Subtotal	6,900				
Total		90,857				

► Diversification of Investment Areas (as of November 30, 2021)



(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 and Percentage of acquisition price.

► Portfolio Breakdown (as of November 30, 2021)



► Risk of large-scale earthquake and its countermeasures

Portfolio PML : 3.5%

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 a office building of all 109 properties we own.

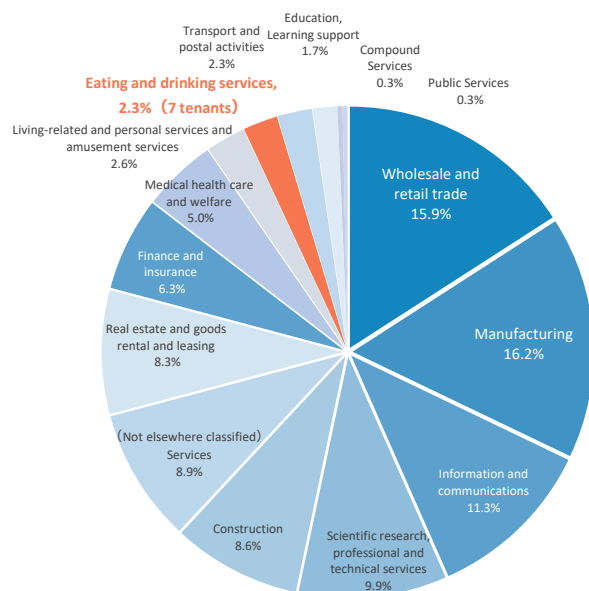
The PML of our portfolio is 3.5%, **but the maximum probable loss calculated based on this value is 2,761 million yen. This indicates that even if the portfolio is subjected to an earthquake of historic magnitude, it remains able to deal with it sufficiently by funds in hand.**

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.

► Distribution by Tenant Industry Sector

The percentage of business category that are strongly concerned about the impact of the COVID-19 is extremely small.



► List of top end tenants

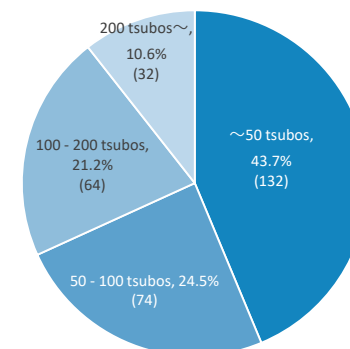
Ranking	Tenant	Property Name	Share of total rent
1	Company A	Kayabacho Heiwa Bldg.	3.22%
2	Company B	NISSO 5 Bldg.	1.33%
3	Company C	ARK Mori Bldg.	1.31%
4	Company D	HF SAKURADORI Bldg.	1.16%
5	Company E	FUNABASHI FACE Bldg.	1.03%
Total			8.04%

(Note) The figures are calculated based on the data as of November 30, 2021

Distribution by Tenant Leasing Area

Total Number of tenants
302

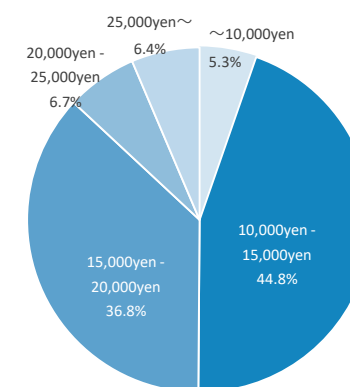
(Note) Figures in parenthesis indicate the number of office tenants by area.



Distribution by Rent (per tsubo)

Average Rent of tenants
16,329yen

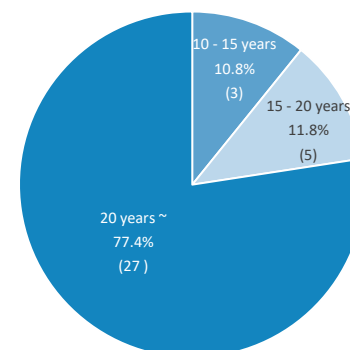
(Note) Based on the tenants' monthly rent per tsubo. Tenants leasing more than one property are counted as 1 tenant for each building.



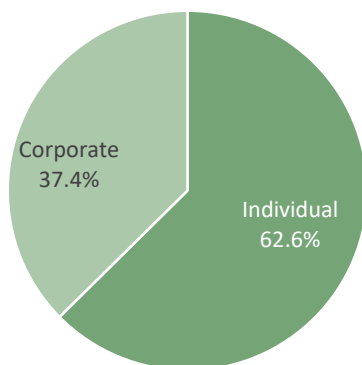
Age of Office Buildings

Average building age
27.3years

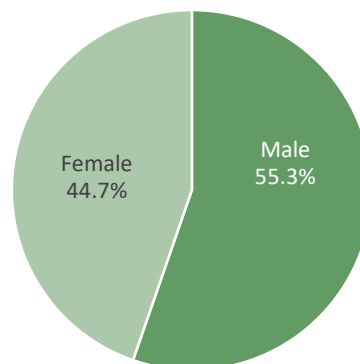
(Note) Figures in parenthesis indicate the number of office properties by building age.



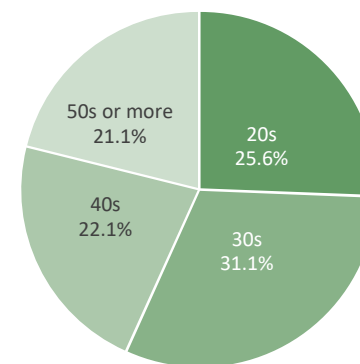
Agreement Categories



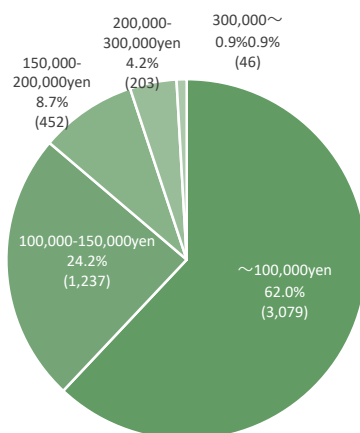
Breakdown for Individual Contracts



Age Distribution



Status by Monthly Rent

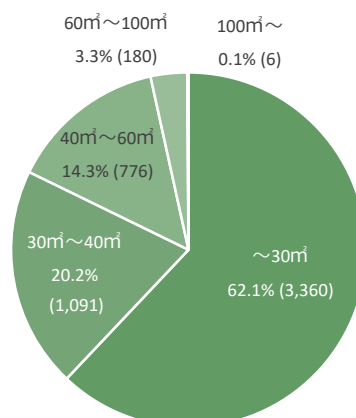


Number of tenants

5,256

(Note)
Figures in parenthesis are the number of residential tenants as of November 30, 2020. (Excluding shop and office areas.)

Status by Leasable Floor Space

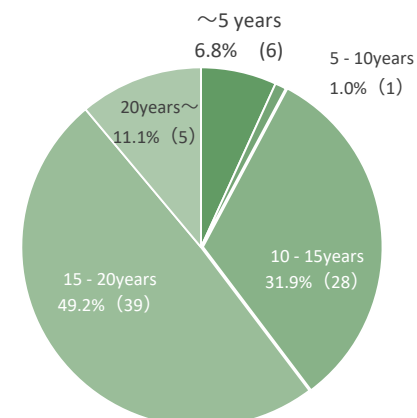


Number of leasable units

5,413

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

Age of Residence properties



Average age

15.2 years

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

Property Name	Of-05		Of-06		Of-07		Of-08		Of-09		Of-11		Of-12		Of-17		Of-18		Of-20	
	SUITENGU HEIWA BUILDING		HF MONZENNAKACHO BUILDING		HF HAMAMATSUCHO BUILDING		HF TAMEIKE BUILDING		GRACE BUILDING SENGAKUJIMAE		HF NIHONBASHI ODENMACHO BUILDING		HF HATCHOBORI BUILDING		HATCHOBORI MF BUILDING		M2 HARAJUKU		FUNABASHI FACE BUILDING	
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		Funabashi City, Chiba	
Lot Area (m ²)	316.73		748.36		294.50		533.32		538.50		520.69		543.31		205.83		264.36		488.13	
Total Floor Area (m ²)	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		4,033.72	
Constructed	August 1991		December 1990		December 1991		February 1992		June 1994		March 1988		October 1991		January 1988		January 1970		April 2003	
Period-end occupancy rate(%)	100		100		100		98.12		100		100		100		100		85.61		100	
Acquisition Price (mm yen)	1,550		2,500		1,530		2,700		1,220		2,150		3,092		1,110		3,418		3,900	
Appraisal Price (mm yen)	1,721		2,890		1,880		3,120		1,670		2,270		2,740		1,060		5,065		3,430	
Property Management Company	Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Toyo Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Toyo Real Estate Property Management	
PML (%)	10.0		5.7		8.0		7.3		7.5		16.5		12.5		14.7		9.8		5.9	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	53,051	53,015	78,408	86,078	51,855	52,215	73,230	76,815	53,227	53,181	60,205	60,205	69,139	69,139	29,600	30,670	90,966	60,701	115,331	115,331
Other income	4,981	5,813	6,343	8,099	4,217	4,489	4,244	6,889	7,354	6,713	7,140	7,221	6,726	6,385	1,858	1,972	5,378	7,187	4,769	4,806
Rental business income total	58,032	58,829	84,752	94,178	56,073	56,705	77,475	83,705	60,581	59,894	67,346	67,427	75,866	75,524	31,458	32,643	96,344	67,889	120,100	120,138
PM fees	6,777	6,551	15,314	11,718	4,617	4,559	7,222	5,988	4,851	5,017	5,914	6,716	5,377	5,385	3,687	3,796	5,041	9,783	17,908	17,391
Public charges and taxes	5,102	5,100	6,614	6,549	6,868	6,658	7,508	7,463	2,258	2,197	4,943	4,819	8,286	8,289	2,718	2,716	7,829	7,813	8,036	7,848
Utilities	3,425	4,089	4,433	5,245	2,738	2,994	3,163	3,654	3,202	3,322	3,439	3,795	3,715	4,173	1,780	1,973	2,670	2,993	8,087	8,435
Maintenance and repair fees	527	242	513	2,197	97	1,353	2,921	1,307	1,596	1,371	2,113	2,347	820	606	652	1,303	1,007	2,210	370	-
Insurance fees	60	61	112	113	55	56	84	84	68	68	88	89	94	95	36	36	44	45	105	106
Trust fees	400	400	400	400	400	400	850	850	535	535	650	650	-	-	-	-	400	400	-	-
Other expenses	62	310	121	581	190	334	141	376	7,157	7,242	277	1,916	356	390	173	459	179	70	8	130
Rental business expenses total	16,356	16,754	27,509	26,805	14,966	16,356	21,891	19,723	19,670	19,755	17,427	20,334	18,650	18,940	9,047	10,285	17,172	23,316	34,516	33,912
NOI (①－②)	41,676	42,074	57,242	67,372	41,106	40,348	55,583	63,981	40,911	40,139	49,919	47,092	57,216	56,584	22,411	22,357	79,171	44,573	85,584	86,225
Depreciation	8,094	8,091	17,446	17,754	8,245	8,237	8,504	8,647	6,970	6,955	15,398	15,548	8,992	8,975	5,076	5,131	9,201	9,273	10,747	10,298
Rental business profit	33,582	33,982	39,796	49,618	32,861	32,110	47,079	55,334	33,941	33,183	34,521	31,544	48,223	47,608	17,334	17,226	69,970	35,300	74,837	75,927

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Of-21 ADESSO NISHIAZABU		Of-23 HF IKEBUKURO BUILDING		Of-24 HF YUSHIMA BUILDING		Of-25 KAYABACHO HEIWA BUILDING		Of-27 KOBÉ KYUKYORYUCHI HEIWA BUILDING		Of-29 SAKAE MINAMI HEIWA BUILDING		Of-30 HF SAKURADORI BUILDING		Of-31 HF NIHONBASHI HAMACHO BUILDING		Of-32 HF SENDAI HONCHO BUILDING		Of-33 HF UENO BUILDING	
Property Photo																				
Address	Minato-ku, Tokyo		Toshima-ku, Tokyo		Bunkyo-ku, Tokyo		Chuo-ku, Tokyo		Kobe City, Hyogo		Nagoya City, Aichi		Nagoya City, Aichi		Chuo-ku, Tokyo		Sendai City, Miyagi		Taito-ku, Tokyo	
Lot Area (m ²)	125.91		188.31		400.86		811.59		1,008.86		707.05		1,662.49		599.34		1,598.83		718.47	
Total Floor Area (m ²)	371.59		1,376.66		2,393.53		5,038.57		7,743.98		3,959.12		13,160.83		4,226.25		8,988.49		6,212.84	
Constructed	October 2003		December 1993		July 1989		April 1992		February 1998		July 2002		February 2009		February 1987		September 2003		February 1990	
Period-end occupancy rate(%)	79.52		100		100		100		97.91		100		100		100		100		100	
Acquisition Price (mm yen)	640		1,314		1,624		4,798		2,310		1,580		4,900		1,900		2,700		3,400	
Appraisal Price (mm yen)	519		1,500		1,700		6,860		3,420		2,300		6,590		2,640		3,660		4,250	
Property Management Company	Heiwa Real Estate Property Management		Toyo Real Estate Property Management		Toyo Real Estate Property Management		Heiwa Real Estate		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management	
PML (%)	11.1		5.5		10.9		11.7		7.5		10.8		9.2		12.7		2.6		2.5	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	6,883	6,960	38,082	38,082	46,092	46,170	200,809	200,809	129,128	130,402	78,889	79,074	292,400	292,840	77,696	77,664	124,128	125,444	117,874	117,874
Other income	530	632	4,431	4,424	4,090	4,404	6,835	7,779	13,916	16,267	10,830	10,800	33,895	33,955	13,233	15,256	23,196	19,853	22,542	23,444
Rental business income total	7,413	7,593	42,513	42,506	50,182	50,574	207,644	208,588	143,045	146,670	89,720	89,874	326,295	326,795	90,929	92,921	147,324	145,297	140,416	141,318
PM fees	1,149	1,442	2,683	2,850	4,399	4,213	8,874	9,324	22,294	20,976	12,819	13,240	36,700	37,349	9,578	9,179	19,250	18,206	14,220	14,663
Public charges and taxes	808	809	2,236	2,213	3,833	3,752	9,283	9,194	12,451	12,358	7,509	7,485	14,829	14,780	6,937	6,922	10,170	10,126	11,155	10,690
Utilities	592	689	1,810	2,060	2,111	2,393	6,751	7,627	8,069	10,635	5,621	6,505	13,869	15,635	4,945	5,834	11,393	10,077	7,318	8,601
Maintenance and repair fees	175	274	544	3,268	3,300	841	236	45	2,056	6,901	10,322	1,265	3,583	937	1,195	910	334	2,590	1,773	5,654
Insurance fees	13	13	37	37	58	59	144	147	236	237	116	117	374	378	111	112	214	215	179	181
Trust fees	-	-	-	-	-	-	337	337	324	324	324	324	339	339	339	339	439	439	329	329
Other expenses	8	10	433	516	42	313	44	290	1,037	669	270	305	75,633	76,130	432	891	398	556	1,692	1,837
Rental business expenses total	2,747	3,238	7,744	10,947	13,746	11,573	25,672	26,966	46,471	52,104	36,984	29,243	145,330	145,552	23,539	24,189	42,200	42,211	36,669	41,958
NOI (①－②)	4,666	4,354	34,769	31,559	36,435	39,001	181,972	181,621	96,574	94,566	52,735	60,630	180,965	181,242	67,390	68,731	105,124	103,085	103,747	99,359
Depreciation	1,573	1,586	5,291	5,314	7,627	7,653	9,631	9,655	26,996	27,040	10,949	10,950	35,767	35,825	10,469	10,912	23,341	23,354	18,190	18,206
Rental business profit	3,092	2,767	29,477	26,245	28,808	31,348	172,340	171,965	69,577	67,525	41,785	49,680	145,198	145,417	56,920	57,819	81,782	79,731	85,556	81,153

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Of-34 KOJIMACHI HF BUILDING		Of-35 HF KUDAN MINAMI BUILDING		Of-36 HF KANDA OGAWAMACHI BUILDING		Of-37 NISSO 5 BUILDING		Of-38 ACROSS SHINKAWA BUILDING		Of-39 SENJU MILDIX II		Of-40 ARK Mori Building		Of-41 Nihonbashi Horidomecho First		Of-42 SOUTHERN SKY TOWER HACHIOJI		Of-43 HAMACHO HEIWA BUILDING	
Property Photo																				
Address	Chiyoda-ku, Tokyo		Chiyoda-ku, Tokyo		Chiyoda-ku, Tokyo		Yokohama City, Kanagawa		Chuo-ku, Tokyo		Adachi-ku, Tokyo		Minato-ku, Tokyo		Chuo-ku, Tokyo		Hachioji City, Tokyo		Chuo-ku, Tokyo	
Lot Area (m ²)	409.15		530.00		432.54		1,029.42		561.90		549.85		346.57		436.25		496.76		554.80	
Total Floor Area (m ²)	3,314.53		3,836.10		3,016.16		5,893.08		6,148.97		2,905.48		2,039.12		2,690.16		5,720.23		4,133.47	
Constructed	March 1994		March 1991		March 2008		July 1987		June 1994		February 2004		March 1986		July 1995		September 2010		September 1993	
Period-end occupancy rate(%)	87.82		100		100		100		98.85		100		100		100		100		88.01	
Acquisition Price (mm yen)	1,350		2,720		3,150		3,100		3,750		1,650		3,085		2,140		1,600		3,100	
Appraisal Price (mm yen)	2,160		3,320		4,250		3,950		4,380		1,940		3,450		2,330		1,890		3,310	
Property Management Company	Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		—		Heiwa Real Estate Property Management		Heiwa Real Estate Property Management		Mori Building		ITOCHU Urban Community		Toyo Real Estate Property Management		Heiwa Real Estate Property Management	
PML (%)	2.5		6.7		4.0		14.2		2.3		0.7		1.2		7.3		2.4		5.5	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	66,772	66,074	86,625	87,572	102,043	102,043	82,778	82,778	105,186	114,792	64,737	64,278	non-disclosure (note)		56,734	56,734	63,455	63,261	80,751	78,624
Other income	5,421	5,631	10,240	11,575	8,376	8,218	4,440	4,440	12,705	15,042	6,815	1,022			5,477	5,963	5,379	6,308	11,419	11,360
Rental business income total	72,193	71,706	96,866	99,147	110,420	110,262	87,218	87,218	117,892	129,835	71,553	65,301			62,211	62,697	68,835	69,569	92,170	89,984
PM fees	6,805	6,466	10,076	7,999	8,186	7,736	-	240	17,512	21,734	15,444	13,836			4,939	5,507	9,964	8,811	7,580	7,848
Public charges and taxes	11,155	10,908	10,752	10,723	10,744	10,731	8,988	8,987	8,627	8,467	3,600	3,577			4,206	4,214	6,096	6,094	7,360	7,354
Utilities	2,994	3,542	4,241	5,397	6,132	6,696	-	-	3,797	5,507	-	-			3,127	3,707	4,509	5,847	3,703	4,055
Maintenance and repair fees	1,156	1,056	2,180	1,292	480	2,407	819	2,153	128	724	1,373	49	non-disclosure (note)		204	1,355	1,243	157	644	2,579
Insurance fees	99	100	105	106	84	85	149	150	157	170	83	84			75	75	137	138	108	109
Trust fees	329	329	339	339	414	414	329	329	891	391	339	339			340	340	339	339	414	414
Other expenses	191	436	683	929	1,458	1,378	498	259	78	362	22	2,782			280	363	1,257	1,368	524	372
Rental business expenses total	22,733	22,840	28,379	26,786	27,500	29,449	10,785	12,120	31,193	37,359	20,864	20,669			13,173	15,564	23,547	22,757	20,336	22,733
NOI (①—②)	49,460	48,865	68,486	72,360	82,919	80,812	76,432	75,097	86,699	92,476	50,688	44,631	57,417	57,460	49,038	47,133	45,288	46,811	71,833	67,251
Depreciation	5,196	5,190	10,892	10,896	7,869	8,017	14,657	15,275	7,417	7,936	10,065	6,018	2,469	1,772	6,344	6,431	7,137	7,291	9,449	9,577
Rental business profit	44,264	43,674	57,594	61,464	75,049	72,794	61,775	59,822	79,281	84,539	40,622	38,612	54,947	55,688	42,693	40,702	38,150	39,520	62,384	57,673

(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.

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Portfolio Overview and Performance (Office)

Property Name	Of-44 KINSHICHO SQUARE BUILDING		Of-45 KABUTO-CHO UNI-SQUARE		Of-46 HF SENDAI ICHIBANCHO BUILDING		Of-47 OSAKI CN BUILDING		Of-48 Faret East Building		Of-49 Inter Planet ESAKA Building	
Property Photo												
Address	Sumida-ku, Tokyo		Chuo-ku, Tokyo		Sendai City, Miyagi		Shinagawa-ku, Tokyo		Tachikawa City, Tokyo		Suita City, Osaka	
Lot Area (m ²)	424.97		646.36		808.01		1256.73		542.12		666.62	
Total Floor Area (m ²)	2,932.42		4,229.47		4,944.22		4,779.40		3,737.36		4,025.10	
Constructed	September 1986		March 1993		March 1996		October 1992		December 1994		June 2008	
Period-end occupancy rate(%)	100		100		95.61		87.19		100		-	
Acquisition Price (mm yen)	2,840		3,580		2,501		5,160		3,737.36		2,500	
Appraisal Price (mm yen)	2,910		3,990		2,670		5,430		1,210		—	
Property Management Company	Taisay Building Management		Heiwa Real Estate Property Management		Toyo Real Estate Property Management		Taisay Building Management		Toyo Real Estate Property Management		Heiwa Real Estate Property Management	
PML (%)	10.8		5.9		1.6		4.5		3.6		12.7	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	166	183	-	180	-	33	-	-
Rents and common expenses	67,971	67,971	73,065	97,577	60,821	66,505	-	87,133	-	6,919	-	-
Other income	8,763	8,958	7,238	10,918	14,435	14,396	-	7,926	-	167	-	-
Rental business income total	76,734	76,929	80,304	108,495	75,257	80,901	-	95,059	-	7,087	-	-
PM fees	5,138	5,653	10,439	12,808	9,251	9,501	-	6,970	-	1,061	-	-
Public charges and taxes	4,496	4,495	-94	6,367	3,653	7,300	-	-	-	-	-	-
Utilities	6,806	7,187	3,762	4,431	5,461	5,391	-	3,604	-	49	-	-
Maintenance and repair fees	1,031	3,323	3,091	822	306	2,101	-	2,362	-	-	-	-
Insurance fees	72	74	76	100	107	110	-	97	-	38	-	-
Trust fees	390	390	409	429	-	-	-	429	-	-	-	-
Other expenses	703	629	491	971	924	597	-	626	-	2	-	-
Rental business expenses total	18,639	21,754	18,176	25,931	19,705	25,002	-	14,090	-	1,152	-	-
NOI (①—②)	58,095	55,174	62,127	82,564	55,552	55,899	-	80,969	-	5,934	-	-
Depreciation	6,116	6,238	3,826	4,834	8,460	8,720	-	8,221	-	1,114	-	-
Rental business profit	51,979	48,936	58,301	77,730	47,091	47,178	-	72,748	-	4,820	-	-

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

(Note) Of-49 Inter Planet ESAKA Building will be acquired on December 23, 2021.

Property Name	Re-03 HF ICHIKAWA RESIDENCE		Re-05 HF MEGURO RESIDENCE		Re-09 HF KASAI RESIDENCE		Re-11 HF WAKABAYASHI- KOEN RESIDENCE		Re-12 HF HIMONYA RESIDENCE		Re-14 HF MINAMIAZABU RESIDENCE		Re-16 HF GAKUGEIDAIGAKU RESIDENCE		Re-17 HF HIGASHIKANDA RESIDENCE		Re-18 HF HIGASHINIHONBASH I RESIDENCE		Re-19 HF NERIMA 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		Nerima-ku, Tokyo	
Lot Area (m ²)	218.22		213.45		416.87		2,892.06		856.19		279.73		268.70		262.07		312.76		368.67	
Total Floor Area (m ²)	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		1,200.77	
Constructed	March 2003		April 2003		November 2002		February 2004		February 2004		April 2004		March 2005		June 2005		June 2005		May 2005	
Period-end occupancy rate(%)	100		95.81		97.94		95.94		98.36		96.66		95.75		96.89		100.00		98.08	
Acquisition Price (mm yen)	430		660		650		3,610		1,560		1,370		1,000		1,100		1,210		690	
Appraisal Price (mm yen)	585		780		961		4,995		1,931		1,584		1,080		1,520		1,780		908	
Property Management Company	Haseko Livenet		RA Asset Management		Haseko Livenet		Haseko Livenet		Tokyu Housing Lease		RA Asset Management		Tokyu Housing Lease		Haseko Livenet		Apaman Property		Apaman Property	
PML (%)	6.2		6.2		8.8		6.7		6.4		3.6		9.8		5.7		10.0		5.5	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	17,280	17,280	19,540	19,077	23,266	23,596	109,800	112,084	41,090	41,528	34,589	35,192	26,312	25,639	35,810	34,629	39,027	41,341	24,043	23,679
Other income	6	18	605	313	2,506	3,023	9,613	9,649	2,084	2,596	419	1,297	831	1,459	1,352	1,794	2,074	1,159	1,586	561
Rental business income total	17,286	17,298	20,145	19,390	25,773	26,620	119,414	121,733	43,174	44,124	35,008	36,489	27,144	27,098	37,162	36,424	41,102	42,500	25,630	24,240
PM fees	1,081	1,081	2,409	2,341	2,442	2,592	9,415	9,316	4,678	4,217	3,645	3,377	1,922	2,582	3,506	4,147	5,782	3,050	2,395	2,474
Public charges and taxes	713	712	992	992	1,211	1,223	6,453	6,451	2,562	2,554	1,938	1,933	1,370	1,362	1,492	1,493	1,991	2,007	1,189	1,193
Utilities	118	128	232	227	177	186	989	1,017	288	362	240	302	189	235	215	229	297	325	194	224
Maintenance and repair fees	111	23	528	1,066	1,125	1,114	3,894	2,320	2,440	963	1,678	1,636	979	1,012	1,496	2,524	4,473	1,596	1,155	9,213
Insurance fees	18	19	20	21	27	27	155	156	51	51	36	36	34	34	40	41	53	54	31	31
Trust fees	401	401	401	401	401	401	414	414	401	401	402	402	426	426	426	426	426	426	376	376
Other expenses	20	20	114	109	357	352	419	569	270	216	170	237	134	129	117	112	74	188	118	146
Rental business expenses total	2,465	2,386	4,700	5,160	5,742	5,898	21,741	20,247	10,691	8,768	8,114	7,927	5,057	5,782	7,294	8,974	13,098	7,648	5,460	13,661
NOI (①－②)	14,821	14,912	15,445	14,229	20,031	20,722	97,672	101,486	32,482	35,356	26,894	28,562	22,086	21,315	29,867	27,449	28,003	34,851	20,169	10,578
Depreciation	2,224	2,225	2,572	2,576	3,448	3,456	18,884	18,791	5,867	5,839	4,228	4,267	3,361	3,364	10,870	7,501	11,511	8,197	6,938	5,268
Rental business profit	12,597	12,687	12,873	11,653	16,582	17,265	78,788	82,695	26,615	29,516	22,666	24,295	18,724	17,951	18,996	19,948	16,491	26,653	13,231	5,310

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-20 HF SHIROKANETAKANAW A RESIDENCE	Re-21 HF MEIDAIMAE RESIDENCE	Re-22 HF NIHONBASHI RESIDENCE	Re-23 HF KAMISHAKUJII RESIDENCE	Re-24 HF KINSHICHO RESIDENCE	Re-25 HF GINZA RESIDENCE EAST	Re-26 HF SHIN-YOKOHAMA RESIDENCE	Re-29 HF HAKUSAN RESIDENCE	Re-30 HF MAGOME RESIDENCE	Re-31 HF GAKUGEIDAIGAKU RESIDENCE II										
Property Photo																				
Address	Minato-ku, Tokyo	Setagaya-ku, Tokyo	Chuo-ku, Tokyo	Nerima-ku, Tokyo	Sumida-ku, Tokyo	Chuo-ku, Tokyo	Yokohama City, Kanagawa	Bunkyo-ku, Tokyo	Ota-ku, Tokyo	Meguro-ku, Tokyo										
Lot Area (m ²)	922.21	485.01	222.40	536.09	256.23	822.01	805.00	1,390.68	2,357.97	847.14										
Total Floor Area (m ²)	5,282.41	1,374.87	1,546.01	1,676.83	1,571.87	6,387.67	5,415.20	3,998.98	3,566.18	1,863.67										
Constructed	August 2005	June 2005	May 2005	May 2006	March 2005	March 2005	September 2006	January 2000	August 2001	January 2005										
Period-end occupancy rate(%)	99.35	97.93	97.04	97.09	98.23	96.76	96.80	98.53	97.36	100										
Acquisition Price (mm yen)	4,030	1,070	1,130	950	1,100	5,940	3,350	2,350	1,630	1,650										
Appraisal Price (mm yen)	5,520	1,080	1,260	1,080	1,290	5,670	2,930	2,150	1,490	1,390										
Property Management Company	Tokyu Housing Lease	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet	Haseko Livenet										
PML (%)	3.9	6.0	3.3	6.2	10.1	5.7	13.2	4.4	4.6	14.6										
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	108,845	115,140	28,025	27,565	31,824	31,050	31,157	30,523	30,956	32,363	122,307	118,264	79,432	78,682	55,399	53,471	39,307	40,566	35,564	35,033
Other income	5,412	8,384	1,067	1,100	2,314	2,021	971	1,239	1,527	927	10,422	11,146	7,349	5,411	4,417	2,866	4,096	5,606	1,337	869
Rental business income total	114,258	123,524	29,092	28,665	34,139	33,071	32,129	31,762	32,483	33,290	132,729	129,411	86,781	84,093	59,816	56,338	43,404	46,172	36,901	35,902
PM fees	10,426	7,394	2,829	2,571	3,540	3,683	2,929	3,336	4,057	2,832	10,309	12,608	7,937	9,018	6,123	5,812	3,117	4,005	3,262	3,003
Public charges and taxes	5,660	5,685	1,340	1,492	1,560	1,566	1,764	1,766	1,421	1,426	6,329	6,439	4,632	4,624	3,882	3,897	3,198	3,194	1,926	1,929
Utilities	825	861	161	175	378	416	294	318	311	332	918	993	310	357	442	502	323	423	187	242
Maintenance and repair fees	3,694	2,094	2,805	658	1,593	2,105	810	2,552	1,765	1,025	3,845	8,948	3,549	3,108	2,186	3,309	2,769	1,419	1,560	12,820
Insurance fees	147	148	35	36	40	41	45	45	40	41	160	162	122	123	90	91	79	80	45	45
Trust fees	-	-	-	-	454	454	-	-	-	-	-	-	-	-	-	-	-	-	414	414
Other expenses	1,004	738	406	401	577	416	526	134	339	174	836	408	1,038	634	229	247	203	163	450	138
Rental business expenses total	21,758	16,923	7,578	5,334	8,145	8,682	6,369	8,153	7,935	5,831	22,400	29,561	17,590	17,865	12,954	13,860	9,691	9,286	7,845	18,594
NOI (①－②)	92,499	106,600	21,513	23,330	25,993	24,389	25,759	23,609	24,548	27,458	110,329	99,850	69,191	66,227	46,862	42,478	33,712	36,886	29,055	17,307
Depreciation	21,838	16,992	3,871	3,942	4,569	4,317	6,547	6,024	4,774	4,566	30,224	25,213	20,512	20,761	11,674	11,644	9,454	9,494	6,849	5,953
Rental business profit	70,660	89,608	17,642	19,387	21,424	20,071	19,211	17,584	19,774	22,891	80,105	74,637	48,679	45,466	35,187	30,833	24,258	27,391	22,206	11,354

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-33 HF KAMEIDO RESIDENCE		Re-34 HF TANASHI RESIDENCE		Re-35 HF SHIBA-KOEN RESIDENCE		Re-36 HF MITA RESIDENCE		Re-38 La Residence de Shirokanedai		Re-39 HF GINZA RESIDENCE EAST II		Re-40 HF HATCHOBORI RESIDENCE II		Re-41 HF HATCHOBORI RESIDENCE III		Re-42 HF GINZA RESIDENCE		Re-43 HF KOMAZAWA- KOEN RESIDENCE TOWER	
Property Photo																				
Address	Koto-ku, Tokyo		Nishitokyo City, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo		Minato-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Chuo-ku, Tokyo		Setagaya-ku, Tokyo	
Lot Area (m ²)	246.34		1,639.65		311.02		303.10		344.25		368.35		427.32		203.98		175.16		2,425.44	
Total Floor Area (m ²)	1,782.74		3,414.75		1,362.79		1,705.22		1,180.73		2,334.73		3,351.26		1,756.88		1,375.97		11,468.94	
Constructed	January 2008		March 1989		August 2003		March 2004		February 2004		February 1999		January 2002		January 2004		July 2004		January 2001	
Period-end occupancy rate(%)	98.37		100		95.98		100		96.51		96.12		95.63		100		97.85		95.08	
Acquisition Price (mm yen)	1,050		911		836		1,080		730		1,460		1,890		793		944		6,520	
Appraisal Price (mm yen)	1,270		792		928		1,330		988		1,910		2,430		1,110		1,350		7,830	
Property Management Company	Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet		Tokyu Housing Lease		Apaman Property		Apaman Property		Nihon Housing		RA Asset Management		Apaman Property	
PML (%)	7.6		8.6		7.8		2.6		3.3		6.9		6.0		3.2		3.0		2.7	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	29,432	30,369	29,650	29,414	21,447	22,379	31,306	33,776	23,755	24,579	49,328	50,298	56,595	56,355	27,893	28,544	29,486	32,554	197,934	199,127
Other income	2,090	1,781	1,341	1,515	1,924	1,336	1,211	807	301	1,089	1,674	2,136	2,201	3,177	1,608	1,496	1,381	771	10,478	10,746
Rental business income total	31,523	32,150	30,991	30,930	23,372	23,715	32,518	34,583	24,056	25,668	51,002	52,434	58,796	59,532	29,502	30,041	30,867	33,325	208,412	209,874
PM fees	5,479	4,708	3,537	4,273	2,947	2,817	4,670	3,393	3,320	3,286	5,533	5,546	5,696	6,113	3,899	2,969	4,382	2,620	24,370	20,529
Public charges and taxes	1,744	1,790	2,430	2,423	1,640	1,630	2,323	2,313	1,576	1,568	2,061	2,056	2,970	2,975	1,821	1,818	1,627	1,623	11,347	11,286
Utilities	326	372	347	364	450	479	319	408	39	35	351	390	533	630	307	328	362	357	2,607	3,351
Maintenance and repair fees	4,156	1,751	2,712	2,502	1,107	1,352	3,351	1,253	1,274	589	3,343	3,978	5,348	4,772	1,057	670	2,844	1,461	11,035	7,653
Insurance fees	45	45	68	69	37	38	46	46	30	30	58	59	81	81	44	45	34	34	195	275
Trust fees	-	-	-	-	397	397	397	397	404	404	457	457	450	450	372	372	447	447	581	562
Other expenses	453	899	19	58	257	252	232	183	5	-	321	254	526	382	176	172	132	127	1,252	1,467
Rental business expenses total	12,206	9,567	9,115	9,691	6,837	6,967	11,340	7,995	6,649	5,914	12,127	12,742	15,607	15,408	7,679	6,375	9,831	6,672	51,390	45,127
NOI (①－②)	19,317	22,583	21,876	21,238	16,534	16,748	21,178	26,588	17,406	19,754	38,874	39,692	43,189	44,123	21,822	23,665	21,035	26,652	157,022	164,746
Depreciation	6,253	6,285	10,376	9,870	5,691	5,517	6,814	6,670	3,416	3,391	8,671	8,557	15,285	14,859	7,447	7,105	9,924	9,425	41,314	40,109
Rental business profit	13,063	16,297	11,500	11,367	10,842	11,231	14,363	19,917	13,989	16,362	30,203	31,134	27,904	29,264	14,374	16,560	11,111	17,227	115,707	124,637

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-45 HF NAKANOSHIMA RESIDENCE		Re-46 HF AWAZA RESIDENCE		Re-47 HF MARUNOUCHI RESIDENCE		Re-48 HF HIRAO RESIDENCE		Re-49 HF KAWARAMACHI NIJO RESIDENCE		Re-53 HF SHIJO KAWARAMACHI RESIDENCE		Re-54 La Residence de Sendagi		Re-55 HF SENDAGI RESIDENCE		Re-56 HF KOMAZAWA- KOEN RESIDENCE		Re-57 HF MUSASHIKOYAMA RESIDENCE	
Property Photo																				
Address	Osaka City, Osaka		Osaka City, Osaka		Nagoya City, Aichi		Fukuoka City, Fukuoka		Kyoto City, Kyoto		Kyoto City, Kyoto		Bunkyo-ku, Tokyo		Bunkyo-ku, Tokyo		Setagaya-ku, Tokyo		Shinagawa-ku, Tokyo	
Lot Area (m ²)	375.95		296.88		545.08		1,599.97		206.84		863.39		269.15		249.06		709.54		455.93	
Total Floor Area (m ²)	1,486.57		1,999.88		2,284.30		6,476.24		1,547.19		5,217.41		1,307.91		1,667.29		1,124.69		1,495.61	
Constructed	June 2001		March 2002		February 2004		March 2003		February 2005		March 2007		February 2006		February 2006		July 2006		November 2006	
Period-end occupancy rate(%)	100		95.44		97.24		95.62		98.06		96.90		98.19		100		97.22		100	
Acquisition Price (mm yen)	453		577		624		1,780		534		1,820		820		870		615		842	
Appraisal Price (mm yen)	518		729		759		2,290		620		2,440		1,030		1,090		740		1,190	
Property Management Company	Haseko Livenet		Apaman Property		Apaman Property		Miyoshi Asset Management		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property	
PML (%)	8.6		6.0		16.5		3.4		6.5		5.5		4.4		9.2		4.3		6.3	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	18,028	17,728	22,881	22,010	24,976	25,581	73,945	73,267	17,565	18,196	66,418	67,214	28,429	28,113	31,568	31,569	19,978	19,904	31,203	29,738
Other income	764	709	370	328	2,147	1,336	6,463	5,997	813	824	7,039	5,647	301	178	648	243	944	603	1,875	1,467
Rental business income total	18,792	18,437	23,251	22,339	27,123	26,917	80,409	79,265	18,378	19,021	73,458	72,861	28,731	28,291	32,216	31,812	20,922	20,508	33,079	31,206
PM fees	2,383	2,985	1,945	2,839	3,331	2,970	6,880	6,470	2,212	1,698	8,031	6,734	3,294	3,023	3,474	3,971	2,342	2,282	3,105	3,866
Public charges and taxes	1,342	1,338	1,703	1,699	1,654	1,654	5,429	5,427	1,173	1,172	4,485	4,484	1,303	1,309	1,586	1,589	1,341	1,342	1,525	1,524
Utilities	363	269	229	225	272	240	3,169	3,057	844	788	2,032	2,008	-	3	-	4	205	207	180	212
Maintenance and repair fees	982	1,615	505	4,241	2,604	1,393	5,549	7,006	352	387	2,286	1,456	865	650	977	319	711	639	786	1,952
Insurance fees	37	37	47	48	50	50	157	159	32	32	117	118	26	27	35	35	27	27	34	34
Trust fees	450	450	451	451	452	452	727	527	450	450	391	391	423	423	423	423	396	396	390	390
Other expenses	205	379	5	141	290	661	648	637	23	70	1,352	1,667	101	144	101	144	500	165	713	308
Rental business expenses total	5,766	7,076	4,889	9,647	8,655	7,422	22,562	23,285	5,088	4,600	18,696	16,860	6,015	5,582	6,598	6,487	5,526	5,061	6,737	8,289
NOI (①－②)	13,026	11,361	18,361	12,691	18,468	19,494	57,846	55,980	13,290	14,420	54,762	56,001	22,715	22,709	25,618	25,324	15,396	15,447	26,341	22,916
Depreciation	5,632	5,522	7,126	6,873	7,121	6,609	19,940	18,933	3,487	3,248	9,160	9,311	3,004	3,041	3,656	3,670	3,527	3,531	3,182	3,243
Rental business profit	7,394	5,838	11,235	5,818	11,347	12,884	37,906	37,046	9,802	11,172	45,601	46,689	19,711	19,668	21,961	21,654	11,869	11,915	23,159	19,673

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-58 HF KOKUBUNJI RESIDENCE		Re-59 HF HISAYADORI RESIDENCE		Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE		Re-61 HF NISHI-SHINJUKU RESIDENCE WEST		Re-62 HF NISHI-SHINJUKU RESIDENCE EAST		Re-63 HF HIGASHI- SHINJUKU RESIDENCE		Re-64 HF HIGASHI- SHINSAIBASHI RESIDENCE		Re-65 HF KITA-YOBANCHO RESIDENCE		Re-66 HF ATAGOBASHI RESIDENCE		Re-68 HF ASAKUSABASHI RESIDENCE	
Property Photo																				
Address	Kokubunji City, Tokyo		Nagoya City, Aichi		Kyoto City, Kyoto		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Shinjuku-ku, Tokyo		Osaka City, Osaka		Sendai City, Miyagi		Sendai-City, Miyagi		Taito-ku, Tokyo	
Lot Area (m ²)	257.06		362.02		471.10		575.67		347.29		313.96		343.80		475.70		717.53		267.42	
Total Floor Area (m ²)	1,295.58		3,633.19		1,362.90		2,979.31		1,787.97		2,233.42		1,295.71		2,834.54		2,381.24		1,341.38	
Constructed	January 2006		March 2006		March 2007		March 2006		March 2006		March 2007		September 2006		January 2007		January 2007		September 2006	
Period-end occupancy rate(%)	96.32		99.01		100		93.74		96.00		97.22		100		97.77		98.75		97.44	
Acquisition Price (mm yen)	839		1,080		572		1,990		1,170		1,360		566		809		684		771	
Appraisal Price (mm yen)	1,080		1,300		716		2,740		1,600		1,700		711		1,170		937		1,030	
Property Management Company	Nihon Housing		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property		Apaman Property	
PML (%)	6.3		9.3		9.9		4.6		3.5		2.6		10.3		1.0		1.0		6.3	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	28,583	29,783	40,703	40,538	21,230	21,244	65,059	65,845	38,285	40,461	45,363	43,796	21,144	21,620	36,108	37,208	30,277	31,047	25,320	25,967
Other income	1,556	1,133	1,411	1,462	1,423	979	3,869	4,142	3,476	2,455	2,082	2,091	139	221	2,044	1,695	2,369	1,782	1,074	1,514
Rental business income total	30,140	30,916	42,115	42,001	22,653	22,224	68,928	69,988	41,761	42,916	47,446	45,887	21,283	21,841	38,153	38,904	32,647	32,829	26,394	27,481
PM fees	3,638	2,473	3,618	4,292	2,266	1,954	6,909	7,119	6,161	4,156	6,299	6,786	2,327	1,824	4,053	3,473	2,675	2,471	3,705	2,607
Public charges and taxes	1,539	1,536	2,738	2,745	1,116	1,116	3,171	3,166	1,975	1,991	2,411	2,420	1,241	1,238	2,267	2,054	2,247	2,257	1,321	1,323
Utilities	203	219	338	376	510	520	474	525	647	715	343	466	138	120	591	646	613	599	264	286
Maintenance and repair fees	2,804	10,009	2,638	3,582	314	131	4,496	3,679	3,887	1,939	1,849	2,348	603	926	955	1,654	1,056	2,668	1,981	1,566
Insurance fees	33	34	76	77	31	32	76	77	46	47	53	54	30	30	62	62	59	59	36	36
Trust fees	414	414	399	399	391	391	414	414	414	414	401	401	401	401	401	401	401	401	401	401
Other expenses	137	139	628	885	136	511	933	486	803	330	693	179	5	71	380	527	109	250	195	140
Rental business expenses total	8,771	14,825	10,438	12,361	4,767	4,657	16,476	15,468	13,937	9,596	12,051	12,657	4,747	4,613	8,712	8,820	7,164	8,708	7,905	6,362
NOI (①－②)	21,368	16,090	31,676	29,640	17,886	17,566	52,452	54,519	27,823	33,320	35,395	33,230	16,535	17,227	29,441	30,084	25,482	24,120	18,488	21,119
Depreciation	4,065	4,215	6,682	6,761	2,793	2,798	7,270	7,444	4,651	4,753	6,629	6,702	2,518	2,555	6,586	6,871	6,228	6,364	3,110	3,143
Rental business profit	17,303	11,874	24,994	22,879	15,092	14,768	45,181	47,075	23,172	28,566	28,765	26,527	14,017	14,672	22,854	23,213	19,254	17,755	15,378	17,976

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-69 HF ICHIBANCHO RESIDENCE		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	Sendai City, Miyagi		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 ²)	398.14		538.53		820.34		319.83		412.42		1,133.39		733.98		401.19		435.27		939.72	
Total Floor Area (m ²)	2,404.41		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		February 2007		May 2007		May 2007		February 2004		July 2008		February 2006		March 2006		November 2006		August 2007	
Period-end occupancy rate(%)	98.82		95.44		94.49		91.05		96.35		96.97		99.03		100		99.14		98.27	
Acquisition Price (mm yen)	834		942		2,090		872		1,158		1,638		1,310		790		1,800		2,160	
Appraisal Price (mm yen)	1,170		1,140		2,800		1,140		1,740		2,020		1,450		912		2,280		2,310	
Property Management Company	Apaman Property		Nihon Housing		Haseko Livenet		Haseko Livenet		Tokyu Housing Lease		Apaman Property		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet	
PML (%)	1.1		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	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	37,741	37,062	30,346	30,747	72,570	71,608	30,428	28,473	36,298	36,714	62,383	63,944	40,644	40,483	25,508	26,625	56,449	58,533	55,647	56,334
Other income	2,880	1,753	1,395	1,203	3,724	4,128	1,228	797	3,464	3,822	5,059	3,629	3,213	3,285	1,728	1,583	7,261	5,629	6,961	6,183
Rental business income total	40,622	38,815	31,742	31,950	76,294	75,737	31,656	29,271	39,763	40,536	67,442	67,573	43,858	43,768	27,236	28,209	63,710	64,163	62,608	62,518
PM fees	4,427	3,848	3,273	3,231	12,024	12,711	4,338	5,776	3,571	3,976	7,351	5,285	3,162	3,755	2,497	2,303	7,078	4,235	5,698	6,330
Public charges and taxes	2,645	2,170	1,652	1,664	3,364	3,357	1,366	1,366	1,901	1,894	4,002	3,995	2,564	2,562	1,768	1,767	3,175	3,179	3,616	3,643
Utilities	351	466	218	229	602	666	339	373	226	281	709	855	447	437	266	258	714	769	1,273	1,185
Maintenance and repair fees	2,003	3,861	1,265	903	1,792	3,219	720	2,085	1,054	1,814	4,847	6,267	1,432	2,309	1,028	1,067	3,783	779	3,190	2,901
Insurance fees	60	60	39	39	88	88	35	35	46	47	107	108	63	63	40	41	82	82	92	142
Trust fees	401	401	392	392	413	413	415	415	440	440	331	331	416	416	416	416	391	391	320	320
Other expenses	244	238	167	176	744	733	407	367	328	343	762	611	-40	139	5	117	335	666	1,050	902
Rental business expenses total	10,134	11,048	7,008	6,637	19,029	21,189	7,623	10,420	7,570	8,798	18,112	17,454	8,045	9,684	6,023	5,972	15,560	10,103	15,241	15,425
NOI (①－②)	30,488	27,767	24,734	25,313	57,264	54,547	24,032	18,851	32,193	31,738	49,330	50,118	35,812	34,083	21,213	22,236	48,150	54,060	47,367	47,092
Depreciation	5,578	5,712	3,920	3,988	7,859	8,041	3,117	3,217	6,889	5,022	15,393	15,431	12,410	12,607	7,352	7,466	12,890	13,160	13,732	13,857
Rental business profit	24,910	22,054	20,813	21,324	49,405	46,506	20,915	15,633	25,303	26,715	33,936	34,686	23,401	21,475	13,860	14,769	35,259	40,899	33,634	33,234

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

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		Re-89 HF SENDAI NAGAMACHI 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		Sendai City, Miyagi	
Lot Area (m ²)	2,134.95		1,282.03		420.14		552.06		411.91		302.38		256.66		243.14		397.42		617.18	
Total Floor Area (m ²)	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		2,854.19	
Constructed	March 2008		September 2008		November 2006		December 2015		March 2017		February 2009		June 2006		February 2008		August 2007		November 2008	
Period-end occupancy rate(%)	98.91		100		96.37		95.84		98.78		94.75		97.47		100		100		98.38	
Acquisition Price (mm yen)	1,560		880		850		1,100		1,400		1,120		1,210		945		900		1,030	
Appraisal Price (mm yen)	1,740		963		913		1,460		1,720		1,260		1,430		1,180		1,050		1,120	
Property Management Company	Apaman Property		Miyoshi Asset Management		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet		Haseko Livenet	
PML (%)	0.1		8.0		2.0		3.5		10.2		7.1		5.8		7.0		6.1		1.7	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183	182	183
Rents and common expenses	52,101	52,757	27,198	27,866	24,642	24,110	39,474	38,797	48,272	48,927	31,569	32,019	29,297	29,453	27,635	26,192	25,547	25,975	31,454	31,721
Other income	5,425	5,116	2,218	1,964	1,617	2,220	2,060	2,857	4,656	2,172	2,757	1,206	1,067	1,098	1,326	689	1,583	4,150	2,349	2,169
Rental business income total	57,526	57,873	29,416	29,830	26,260	26,331	41,534	41,654	52,928	51,099	34,327	33,226	30,364	30,551	28,961	26,882	27,131	30,125	33,804	33,891
PM fees	5,162	5,227	2,801	2,035	2,862	3,842	2,060	2,749	6,238	4,263	4,152	2,987	3,486	3,662	3,546	3,276	2,466	3,605	3,525	3,205
Public charges and taxes	5,282	5,275	2,418	2,412	1,759	1,800	2,070	2,448	2,586	2,384	1,772	1,771	1,615	1,626	1,312	1,313	1,247	1,252	1,136	2,260
Utilities	1,509	570	264	221	512	448	467	487	383	398	1,089	1,237	206	212	191	207	385	418	495	492
Maintenance and repair fees	5,194	1,457	3,159	1,444	1,598	625	151	828	1,134	1,826	12,101	671	2,519	1,291	1,473	1,093	1,535	503	1,779	1,271
Insurance fees	113	114	59	60	47	47	53	54	60	61	39	39	31	32	32	33	32	32	55	56
Trust fees	340	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	301	378	108	316	80	534	2,067	2,002	1,865	2,094	188	158	154	137	470	413	440	482	425	194
Rental business expenses total	17,903	13,363	8,812	6,489	6,861	7,299	6,870	8,570	12,268	11,027	19,343	6,866	8,012	6,962	7,027	6,337	6,107	6,295	7,416	7,481
NOI (①－②)	39,623	44,510	20,604	23,340	19,398	19,031	34,663	33,083	40,660	40,072	14,984	26,360	22,351	23,589	21,933	20,545	21,024	23,830	26,388	26,409
Depreciation	12,580	12,646	5,594	5,594	6,077	6,114	7,731	7,731	8,975	8,975	5,221	5,271	3,132	3,171	4,138	4,111	4,221	4,212	7,910	8,190
Rental business profit	27,042	31,863	15,010	17,746	13,321	12,917	26,931	25,352	31,685	31,096	9,762	21,089	19,219	20,418	17,795	16,433	16,802	19,618	18,477	18,219

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

(Note) Property Management Company name is described by omitting a part of the official name of each company.

Property Name	Re-90 HF SHOKOJI AKABANE RESIDENCE		Re-91 HF SENDAI HONCHO RESIDENCE		Re-92 HF OHORI RESIDENCE BAYSIDE		Re-93 HF HAKATA-HIGASHI RESIDENCE II		Re-94 HF FUKUOKA RESIDENCE EAST		Re-95 HF SHOKOJI AKABANE RESIDENCE II		Re-96 HF YAHIRO RESIDENCE		Re-97 HF SETAGAYAKAMIMAC HI RESIDENCE		Re-98 HF SOKA RESIDENCE		Re-99 HF UENO IRIYA RESIDENCE	
Property Photo																				
Address	Kita-ku, Tokyo		Sendai City, Miyagi		Fukuoka City, Fukuoka		Fukuoka City, Fukuoka		Fukuoka City, Fukuoka		Kita-ku, Tokyo		Sumida-ku, Tokyo		Setagaya-ku, Tokyo		Soka City, Saitama		Taito-ku, Tokyo	
Lot Area (m ²)	390.72		719.06		1,476.10		1,802.87		2,308.60		508.14		501.11		267.52		1,757.08		206.24	
Total Floor Area (m ²)	1,879.61		1,917.04		3,420.89		3,653.80		4,283.07		2,764.49		2,151.30		1,070.10		3,229.29		1,146.77	
Constructed	February 2019		April 2020		November 2007		February 2006		January 2007		January 2020		November 2020		November 2020		February 2010		August 2016	
Period-end occupancy rate(%)	95.54		98.55		97.21		95.79		97.13		97.87		100		96.70		88.00		-	
Acquisition Price (mm yen)	1,150		1,070		1,150		1,198		1,180		1,690		1,220		700		1,300		900	
Appraisal Price (mm yen)	1,340		1,150		1,300		1,440		1,510		1,880		1,390		821		1,410		-	
Property Management Company	Tokyu Housing Lease		Haseko Livenet		Miyoshi Asset Management		Miyoshi Asset Management		Miyoshi Asset Management		Tokyu Housing Lease		Tokyu Housing Lease		Haseko Livenet		Haseko Livenet		Haseko Livenet	
PML (%)	6.1		1.2		4.5		2.9		2.1		6.3		11.8		6.1		3.1		9.6	
Rental business balance	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP	39 th FP	40 th FP
Operation days	182	183	182	183	182	183	69	183	69	183	-	180	-	180	-	180	-	63	-	-
Rents and common expenses	36,533	36,166	25,775	31,614	31,054	32,418	14,428	37,648	15,640	41,644	-	51,386	-	37,307	-	14,565	-	12,325	-	-
Other income	4,376	582	2,145	1,536	3,899	2,571	3,912	3,124	5,160	4,185	-	1,502	-	190	-	89	-	717	-	-
Rental business income total	40,910	36,748	27,920	33,151	34,954	34,990	18,341	40,773	20,800	45,830	-	52,889	-	37,497	-	14,654	-	13,043	-	-
PM fees	4,516	3,286	6,392	2,243	3,228	1,914	1,037	3,477	1,550	3,715	-	3,694	-	4,742	-	4,075	-	1,140	-	-
Public charges and taxes	-	2,174	1,306	2,611	1,263	2,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	304	280	430	257	736	638	108	397	102	318	-	399	-	331	-	188	-	135	-	-
Maintenance and repair fees	92	476	71	267	4,707	4,605	6,535	4,051	7,151	9,210	-	294	-	-	-	61	-	130	-	-
Insurance fees	38	40	31	32	51	52	28	60	33	69	-	46	-	37	-	17	-	28	-	-
Trust fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	2,451	2,049	2,298	360	589	94	513	797	547	810	-	2,669	-	1,634	-	1,024	-	14	-	-
Rental business expenses total	7,403	8,309	10,530	5,772	10,576	9,852	8,223	8,784	9,384	14,125	-	7,103	-	6,745	-	5,366	-	1,448	-	-
NOI (①－②)	33,506	28,439	17,390	27,379	24,377	25,137	10,117	31,989	11,416	31,704	-	45,785	-	30,752	-	9,288	-	11,594	-	-
Depreciation	6,638	6,672	6,455	6,501	5,405	5,769	2,529	5,134	4,537	9,149	-	10,100	-	7,376	-	2,677	-	3,544	-	-
Rental business profit	26,868	21,767	10,934	20,877	18,971	19,367	7,588	26,854	6,878	22,554	-	35,685	-	23,375	-	6,611	-	8,050	-	-

(Note) Figures for rental business balance are the actual numbers for each period where values below 1,000 yen are rounded off. (Note) Property Management Company name is described by omitting a part of the official name of each company.

(Note) Re-99 HF UENO IRIYA RESIDENCE will be acquired on December 22, 2021

Property Name	Appraisal Value(mn yen)			Direct cap (NCF cap)		DCF discount rate		DCF terminal cap		40th 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		40th FP Book Value (mn yen)	Unrealized Profits and Losses		
	40th FP	39th FP	Change	40th FP	Change	40th FP	Change	40th FP	Change				40th FP	39th FP	Change	40th FP	Change	40th FP	Change	40th FP	Change				
Of-05 SUTENGU HEIWA BUILDING	1,721	1,712	9	4.0%	0.0%	4.0%	0.0%	4.2%	0.0%	1,368	353	Re-38 La Residence de Shirokanedai	988	963	25	3.8%	-0.1%	3.6%	-0.1%	4.0%	-0.1%	697	291		
Of-06 HF MONZENNAKACHO BUILDING	2,890	2,860	30	4.2%	0.0%	4.1%	0.0%	4.4%	0.0%	2,235	655	Re-39 HF GINZA RESIDENCE EAST II	1,910	1,870	40	3.9%	-0.1%	3.7%	-0.1%	4.1%	-0.1%	1,337	573		
Of-07 HF HAMAMATSUSUCHO BUILDING	1,880	1,890	-10	3.7%	0.0%	3.6%	0.0%	3.8%	0.0%	1,504	376	Re-40 HF HATCHOBORI RESIDENCE II	2,430	2,370	60	3.8%	-0.1%	3.6%	-0.1%	4.0%	-0.1%	1,710	720		
Of-08 HF TAMEIKE BUILDING	3,120	3,120	0	3.7%	0.0%	3.6%	0.0%	3.8%	0.0%	2,746	374	Re-41 HF HATCHOBORI RESIDENCE III	1,110	1,080	30	3.8%	-0.1%	3.6%	-0.1%	4.0%	-0.1%	688	422		
Of-09 GRACE BUILDING SENGAKUJIMAE	1,670	1,680	-10	4.3%	0.0%	4.2%	0.0%	4.6%	0.0%	1,104	566	Re-42 HF GINZA RESIDENCE	1,350	1,310	40	3.7%	-0.1%	3.5%	-0.1%	3.9%	-0.1%	802	548		
Of-11 NIHONBASHI DAICHI BUILDING	2,270	2,270	0	3.8%	0.0%	3.7%	0.0%	3.9%	0.0%	2,173	97	Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	7,830	7,660	170	3.9%	-0.1%	3.7%	-0.1%	4.1%	-0.1%	6,309	1,521		
Of-12 HF HATCHOBORI BUILDING	2,740	2,760	-20	3.7%	0.0%	3.6%	0.0%	3.8%	0.0%	3,025	-285	Re-45 HF NAKANOSHIMA RESIDENCE	518	533	-15	4.7%	0.0%	4.5%	0.0%	4.9%	0.0%	413	105		
Of-17 HATCHOBORI MF BUILDING	1,060	1,060	0	3.8%	0.0%	3.7%	0.0%	3.9%	0.0%	1,089	-29	Re-46 HF AWAZA RESIDENCE	729	727	2	4.6%	-0.1%	4.4%	-0.1%	4.8%	-0.1%	480	249		
Of-18 M2 HARAJUKU	5,065	5,079	-14	3.2%	0.0%	3.2%	0.0%	3.4%	0.0%	3,395	1,670	Re-47 HF MARUNOUCHI RESIDENCE	759	751	8	4.7%	-0.1%	4.5%	-0.1%	4.9%	-0.1%	493	266		
Of-20 FUNABASHI FACE BUILDING	3,430	3,430	0	4.6%	0.0%	4.4%	0.0%	4.8%	0.0%	3,456	-26	Re-48 HF HIRAO RESIDENCE	2,290	2,260	30	4.8%	-0.1%	4.6%	-0.1%	5.0%	-0.1%	1,516	774		
Of-21 ADESSO NISHIAZABU	519	500	19	3.6%	-0.1%	3.5%	-0.1%	3.8%	-0.1%	596	-77	Re-49 HF KAWARAMACHI NIJO RESIDENCE	620	608	12	4.6%	-0.1%	4.4%	-0.1%	4.8%	-0.1%	476	144		
Of-23 HF IKBUKURO BUILDING	1,500	1,500	0	4.0%	0.0%	3.8%	0.0%	4.2%	0.0%	1,279	221	Re-53 HF SHUJO KAWARAMACHI RESIDENCE	2,440	2,380	60	4.4%	-0.1%	4.2%	-0.1%	4.6%	-0.1%	1,611	829		
Of-24 HF YUSHIMA BUILDING	1,700	1,710	-10	4.0%	0.0%	3.9%	0.0%	4.1%	0.0%	1,589	111	Re-54 La Residence de Sendagi	1,030	1,020	10	4.1%	-0.2%	3.9%	-0.2%	4.3%	-0.2%	756	274		
Of-25 KAYABACHO HEIWA BUILDING	6,860	6,860	0	4.5%	0.0%	4.4%	0.0%	4.6%	0.0%	4,721	2,139	Re-55 HF SENDAGI RESIDENCE	1,090	1,080	10	4.2%	-0.2%	4.0%	-0.2%	4.4%	-0.2%	794	296		
Of-27 KOBÉ KYUKORYUCHI HEIWA BUILDING	3,420	3,420	0	4.9%	0.0%	4.7%	0.0%	5.1%	0.0%	2,546	874	Re-56 HF KOMAZAWA-KOEN RESIDENCE	740	728	12	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	583	157		
Of-29 SAKAE MINAMI HEIWA BUILDING	2,300	2,300	0	4.8%	0.0%	4.6%	0.0%	5.0%	0.0%	1,477	823	Re-57 HF MUSASHIKOYAMA RESIDENCE	1,190	1,160	30	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	777	413		
Of-30 HF SAKURADORI BUILDING	6,590	6,590	0	4.6%	0.0%	4.4%	0.0%	4.8%	0.0%	4,413	2,177	Re-58 HF KOKUBUNJI RESIDENCE	1,080	1,060	20	4.4%	-0.1%	4.2%	-0.1%	4.6%	-0.1%	802	278		
Of-31 HF NIHONBASHI HAMACHO BUILDING	2,640	2,630	10	4.3%	0.0%	4.1%	0.0%	4.5%	0.0%	1,956	684	Re-59 HF HISAYAADORI RESIDENCE	1,300	1,300	0	4.5%	-0.1%	4.3%	-0.1%	4.7%	-0.1%	974	326		
Of-32 HF SENDAI HONCHO BUILDING	3,660	3,640	20	5.0%	0.0%	4.8%	0.0%	5.2%	0.0%	2,523	1,137	Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	716	702	14	4.7%	-0.1%	4.5%	-0.1%	4.9%	-0.1%	508	208		
Of-33 HF UENO BUILDING	4,250	4,240	10	4.2%	0.0%	4.0%	0.0%	4.4%	0.0%	3,443	807	Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	2,740	2,730	10	4.0%	-0.1%	3.8%	-0.1%	4.2%	-0.1%	1,926	814		
Of-34 KOJIMACHI HF BUILDING	2,160	2,160	0	3.6%	0.0%	3.4%	0.0%	3.8%	0.0%	1,355	805	Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	1,600	1,600	0	4.0%	-0.1%	3.8%	-0.1%	4.2%	-0.1%	1,128	472		
Of-35 HF KUDAN MINAMI BUILDING	3,320	3,310	10	3.8%	0.0%	3.6%	0.0%	4.0%	0.0%	2,741	579	Re-63 HF HIGASHI-SHINJUKU RESIDENCE	1,700	1,680	20	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	1,243	457		
Of-36 HF KANDA OGAWAMACHI BUILDING	4,250	4,240	10	3.6%	0.0%	3.4%	0.0%	3.8%	0.0%	3,212	1,038	Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	711	707	4	4.4%	-0.1%	4.2%	-0.1%	4.6%	-0.1%	516	195		
Of-37 NISSO 5 BUILDING	3,950	3,840	110	3.6%	-0.1%	3.4%	-0.1%	3.8%	-0.1%	3,195	755	Re-65 HF KITA-YOBANCHO RESIDENCE	1,170	1,170	0	4.6%	0.0%	4.4%	0.0%	4.8%	0.0%	701	469		
Of-38 ACROSS SHINKAWA BUILDING	4,380	4,370	10	3.9%	0.0%	3.7%	0.0%	4.1%	0.0%	3,889	491	Re-66 HF ATAGOBASHI RESIDENCE	937	936	1	4.8%	0.0%	4.6%	0.0%	5.0%	0.0%	570	367		
Of-39 SENUU MILDIX II	1,940	1,950	-10	4.2%	0.0%	4.0%	0.0%	4.4%	0.0%	1,596	344	Re-67 HF KYUDBAYOINMAE RESIDENCE	-	536	-	-	-	-	-	-	-	-	-		
Of-40 ARK Mori Building	3,450	3,570	-120	3.3%	0.0%	3.4%	0.0%	3.5%	0.0%	3,131	319	Re-68 HF ASAKUSABASHI RESIDENCE	1,030	1,010	20	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	705	325		
Of-41 Itopia Nihonbashi SA Building	2,330	2,330	0	3.8%	0.0%	3.9%	0.0%	4.0%	0.0%	2,157	173	Re-69 HF ICHIBANCHO RESIDENCE	1,170	1,170	0	4.6%	0.0%	4.4%	0.0%	4.8%	0.0%	735	435		
Of-42 SOUTHERN SKY TOWER HACHIOJI	1,890	1,890	0	4.4%	0.0%	4.2%	0.0%	4.6%	0.0%	1,635	255	Re-70 HF HIGASHI-NAKANO RESIDENCE	1,140	1,120	20	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	864	276		
Of-43 HAMACHO HEIWA BUILDING	3,310	3,310	0	3.7%	-0.1%	3.5%	-0.1%	3.9%	-0.1%	3,119	191	Re-72 HF WASEDA RESIDENCE	2,800	2,760	40	3.8%	-0.1%	3.6%	-0.1%	4.0%	-0.1%	1,950	850		
Of-44 KINSHICHO SQUARE BUILDING	2,910	2,930	-20	3.8%	0.0%	3.6%	0.0%	4.0%	0.0%	2,866	44	Re-73 HF WASEDA RESIDENCE II	1,140	1,120	20	3.8%	-0.1%	3.6%	-0.1%	4.0%	-0.1%	815	325		
Of-45 KABUTO-CHO UNI-SQUARE	3,990	3,990	0	3.7%	0.0%	3.5%	0.0%	3.9%	0.0%	3,624	366	Re-74 HF WAKAMATSUKAWADA RESIDENCE	1,740	1,690	50	3.7%	-0.1%	3.5%	-0.1%	3.9%	-0.1%	1,157	583		
Of-46 HF SENDAI ICHIBANCHO BUILDING	2,670	2,670	0	4.2%	0.0%	4.0%	0.0%	4.4%	0.0%	2,645	25	Re-75 HF SENDAI RESIDENCE EAST	2,020	1,980	40	4.9%	-0.1%	4.7%	-0.1%	5.1%	-0.1%	1,508	512		
Of-47 OSAKI CN BUILDING *1	5,430	-	-	3.7%	-	3.8%	-	3.9%	-	5,191	239	Re-76 HF NISHIKOEN RESIDENCE	1,450	1,440	10	4.5%	-0.1%	4.3%	-0.1%	4.7%	-0.1%	1,286	164		
Of-48 Faret East Building *2	1,210	-	-	4.2%	-	4.0%	-	4.4%	-	1,028	182	Re-77 HF BANSUIDORI RESIDENCE	912	910	2	4.5%	-0.1%	4.3%	-0.1%	4.7%	-0.1%	775	137		
Total Office Buildings 106,475 99,811 24												88,023	18,452	Re-78 HF KANNAI RESIDENCE	2,280	2,220	60	4.0%	-0.1%	3.8%	-0.1%	4.2%	-0.1%	1,736	544
Re-03 HF ICHIKAWA RESIDENCE	585	573	12	4.4%	-0.1%	4.2%	-0.1%	4.7%	-0.1%	369	216	Re-79 HF MEIEKI-KITA RESIDENCE	2,310	2,310	0	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	2,129	181		
Re-05 HF MEGURO RESIDENCE	780	773	7	3.5%	-0.1%	3.5%	-0.1%	3.7%	-0.1%	609	171	Re-80 HF HIGASHI-SAPPORO RESIDENCE	1,740	1,730	10	4.7%	-0.1%	4.5%	-0.1%	4.9%	-0.1%	1,470	270		
Re-09 HF KASAI RESIDENCE	961	940	21	4.1%	-0.1%	3.9%	-0.1%	4.3%	-0.1%	575	386	Re-81 HF HAKATA-HIGASHI RESIDENCE	963	942	21	4.4%	-0.1%	4.2%	-0.1%	4.6%	-0.1%	914	49		
Re-11 HF WAKABAYASHI— KOEN RESIDENCE	4,995	4,771	224	3.6%	-0.1%	3.6%	-0.1%	3.8%	-0.1%	3,099	1,896	Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE	913	912	1	4.4%	-0.1%	4.2%	-0.1%	4.6%	-0.1%	900	13		
Re-12 HF HIMONYA RESIDENCE	1,931	1,872	59	3.5%	-0.1%	3.5%	-0.1%	3.7%	-0.1%	1,391	540	Re-83 HF TABATA RESIDENCE	1,460	1,420	40	4.2%	-0.1%	4.0%	-0.1%	4.4%	-0.1%	1,082	378		
Re-14 HF MINAMIAZABU RESIDENCE *2	1,584	1,555	29	3.4%	-0.1%	3.4%	-0.1%	3.6%	-0.1%	1,287	297	Re-84 HF RYOGOKU RESIDENCE	1,720	1,680	40	4.3%	-0.1%	4.1%	-0.1%	4.5%	-0.1%	1,390	330		
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	1,080	1,050	30	3.8%	-0.1%	3.7%	-0.1%	3.9%	-0.1%	881	199	Re-85 HF HACHIOJI RESIDENCE	1,260	1,240	20	4.3%	-0.1%	4.1%	-0.1%	4.5%	-0.1%	1,221	39		
Re-17 HF HIGASHIKANDA RESIDENCE	1,520	1,480	40	3.8%	-0.1%	3.7%	-0.1%	3.9%	-0.1%	840	680	Re-86 HF MITA RESIDENCE II	1,430	1,400	30	3.5%	-0.1%	3.2%	-0.1%	3.6%	-0.1%	1,232	198		
Re-18 HF HIGASHINIHOHONBASHI RESIDENCE	1,780	1,730																							

Property Name	35th FP ('19/5)	36th FP ('19/11)	37th FP ('20/5)	38th FP ('20/11)	39th FP ('21/5)	40th FP ('21/11)
Of-05 SUITENGU HEIWA BUILDING	5.60	5.58	5.55	6.10	6.04	6.13
Of-06 HF MONZENNAKACHO BUILDING	6.03	5.99	6.33	6.55	5.13	6.03
Of-07 HF HAMAMATSUCHO BUILDING	4.47	4.81	5.30	5.42	5.43	5.35
Of-08 HF TAMEIKE BUILDING	4.22	4.24	4.24	3.89	4.04	4.66
Of-09 GRACE BUILDING SENGAKUJIMAE	7.35	7.29	8.02	7.12	7.34	7.25
Of-11 HF NIHONBASHI ODNMACHO BUILDING	4.09	4.37	4.71	4.64	4.63	4.36
Of-12 HF HATCHOBORI BUILDING	3.53	3.60	3.67	3.75	3.77	3.74
Of-17 HATCHOBORI MF BUILDING	4.27	4.43	4.25	4.17	4.10	4.10
Of-18 M2 HARAJUKU	5.01	5.07	5.06	4.58	4.65	2.62
Of-20 FUNABASHI FACE BUILDING	4.62	4.83	4.81	5.47	4.93	4.98
Of-21 ADESSO NISHIAZABU	3.27	3.13	2.71	2.36	1.56	1.46
Of-23 HF IKEBUKURO BUILDING	5.04	4.97	4.99	5.39	5.41	4.93
Of-24 HF YUSHIMA BUILDING	4.91	4.37	4.86	4.20	4.55	4.90
Of-25 KAYABACHO HEIWA BUILDING	7.58	7.59	7.63	7.66	7.69	7.69
Of-27 KOBE KYUKORYUCHI HEIWA BUILDING	6.64	6.92	7.29	7.13	7.50	7.40
Of-29 SAKAE MINAMI HEIWA BUILDING	7.75	7.92	8.14	8.01	7.09	8.19
Of-30 HF SAKURADORI BUILDING	6.63	7.06	7.45	7.42	8.11	8.18
Of-31 HF NIHONBASHI HAMACHO BUILDING	6.59	6.42	6.94	7.15	6.92	7.04
Of-32 HF SENDAI HONCHO BUILDING	7.59	7.73	7.69	7.74	8.23	8.14
Of-33 HF UENO BUILDING	5.49	5.53	5.89	5.92	5.98	5.76
Of-34 KOJIMACHI HF BUILDING	6.35	7.07	7.22	7.33	7.26	7.20
Of-35 HF KUDAN MINAMI BUILDING	5.12	5.23	5.04	4.63	4.97	5.27
Of-36 HF KANDA OGAWAMACHI BUILDING	4.94	4.80	5.11	5.04	5.15	5.03
Of-37 NISSO 5 BUILDING	4.81	4.61	4.81	4.80	4.78	4.70
Of-38 ACROSS SHINKAWA BUILDING	4.34	3.91	4.57	4.68	4.86	4.76
Of-39 SENJU MILDIX II	5.59	6.04	5.94	6.12	6.31	5.58
Of-40 ARK Mori Building	3.83	3.50	3.38	3.70	3.67	3.67
Of-41 Nihonbashi Horidomecho First	4.80	4.36	4.50	4.45	4.55	4.37
Of-42 SOUTHERN SKY TOWER HACHIOJI	5.70	5.38	5.57	5.72	5.51	5.71
Of-43 HAMACHO HEIWA BUILDING	5.01	4.59	4.65	4.70	4.60	4.31
Of-44 KINSHICHO SQUARE BUILDING	-	4.28	4.49	3.95	4.07	3.86
Of-45 KABUTO-CHO UNI-SQUARE	-	-	4.48	4.89	4.59	4.55
Of-46 HF SENDAI ICHIBANCHO BUILDING	-	-	-	-	4.65	4.24
Of-47 OSAKI CN BUILDING *1	-	-	-	-	-	3.16
Of-48 Faret East Building *2	-	-	-	-	-	6.39
Total Office Buildings	5.44	5.37	5.52	5.51	5.48	5.25
Re-03 HF ICHIKAWA RESIDENCE	7.24	7.74	7.61	7.80	7.95	8.05
Re-05 HF MEGURO RESIDENCE	4.58	4.39	5.12	5.40	5.05	4.67
Re-09 HF KASAI RESIDENCE	6.34	6.88	6.92	6.98	6.95	7.21
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	5.97	5.62	6.07	6.27	6.26	6.53
Re-12 HF HIMONYA RESIDENCE	5.51	5.28	5.75	5.09	4.64	5.07
Re-14 HF MINAMIAZABU RESIDENCE	4.63	4.41	2.58	3.74	4.16	4.43
Re-16 HF GAKUGEDAIGAKU RESIDENCE	4.55	4.54	4.38	4.30	4.99	4.83
Re-17 HF HIGASHIKANDA RESIDENCE	6.85	6.78	6.41	6.55	7.01	6.51
Re-18 HF HIGASHINIHOHONBASHI RESIDENCE	7.34	7.30	6.69	7.43	5.89	7.38
Re-19 HF NERIMA RESIDENCE	6.91	6.90	6.66	4.76	7.46	3.80
Re-20 HF SHIROKANETAKANAWA RESIDENCE	5.54	5.02	5.52	5.83	5.14	5.95
Re-21 HF MEIDAIMAE RESIDENCE	4.33	4.68	4.58	3.94	4.46	4.85
Re-22 HF NIHONBASHI RESIDENCE	4.98	5.17	5.42	3.09	4.84	4.56
Re-23 HF KAMISHAKUJII RESIDENCE	5.43	5.64	5.36	5.67	6.16	5.69
Re-24 HF KINSHICHO RESIDENCE	4.78	4.89	5.21	3.10	4.59	5.15
Re-25 HF GINZA RESIDENCE EAST	3.92	3.24	4.16	4.02	4.04	3.67
Re-26 HF SHIN-YOKOHAMA RESIDENCE	4.52	4.29	4.87	4.81	4.73	4.55
Re-29 HF HAKUSAN RESIDENCE	4.09	4.15	4.22	4.05	4.22	3.85
Re-30 HF MAGOME RESIDENCE	4.16	4.58	4.79	4.75	4.59	5.05
Re-31 HF GAKUGEDAIGAKU RESIDENCE II	3.35	3.33	3.00	3.23	3.79	2.23
Re-33 HF KAMEIDO RESIDENCE	5.36	5.27	4.95	5.06	3.93	4.61
Re-34 HF TANASHI RESIDENCE	5.03	5.00	4.57	4.96	4.94	4.84
Re-35 HF SHIBA-KOEN RESIDENCE	4.76	4.54	5.02	4.00	4.18	4.26
Re-36 HF MITA RESIDENCE	5.08	5.48	5.49	4.66	4.19	5.28
Re-38 La Residence de Shirokanedai	3.38	5.18	5.50	4.17	4.98	5.67

(unit: %)						
Property Name	35th FP ('19/5)	36th FP ('19/11)	37th FP ('20/5)	38th FP ('20/11)	39th FP ('21/5)	40th FP ('21/11)
Re-39 HF GINZA RESIDENCE EAST II	5.77	5.86	6.69	5.37	5.77	5.92
Re-40 HF HATCHOBORI RESIDENCE II	5.64	5.65	5.72	4.71	5.00	5.14
Re-41 HF HATCHOBORI RESIDENCE III	5.99	6.84	5.98	5.86	6.26	6.85
Re-42 HF GINZA RESIDENCE	6.84	7.12	3.41	6.31	5.16	6.61
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	4.83	5.02	5.14	4.71	4.94	5.21
Re-45 HF NAKANOSHIMA RESIDENCE	5.93	5.78	5.82	6.33	6.26	5.49
Re-46 HF AWAZA RESIDENCE	6.21	6.22	7.69	7.46	7.54	5.26
Re-47 HF MARUNOUCHI RESIDENCE	7.75	7.42	7.84	7.88	7.39	7.87
Re-48 HF HIRAO RESIDENCE	6.90	7.32	7.81	7.76	7.49	7.34
Re-49 HF KAWARAMACHI NIJO RESIDENCE	5.61	6.07	6.65	5.24	5.57	6.06
Re-53 HF SHIJO KAWARAMACHI RESIDENCE	7.34	7.53	7.31	7.41	6.76	6.94
Re-54 La Residence de Sendagi	6.10	5.86	6.36	5.62	5.98	6.00
Re-55 HF SENDAGI RESIDENCE	6.47	6.53	6.93	5.94	6.41	6.36
Re-56 HF KOMAZAWA-KOEN RESIDENCE	4.91	2.96	4.84	5.14	5.26	5.29
Re-57 HF MUSASHIKOYAMA RESIDENCE	6.44	6.42	6.56	6.61	6.75	5.89
Re-58 HF KOKUBUNJI RESIDENCE	6.38	6.33	6.48	6.76	5.51	4.08
Re-59 HF HISAYADORI RESIDENCE	6.97	6.47	6.80	5.67	6.50	6.09
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	6.33	6.62	6.42	6.29	6.98	6.89
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	5.04	5.46	5.76	5.37	5.43	5.65
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	5.26	5.57	5.57	5.19	4.91	5.90
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	5.72	5.70	6.23	5.86	5.66	5.33
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	5.74	5.85	6.70	6.53	6.37	6.66
Re-65 HF KITA-YOBANCHO RESIDENCE	8.59	7.91	7.81	7.26	8.34	8.55
Re-66 HF ATAGOBASHI RESIDENCE	8.04	8.75	8.90	7.91	8.83	8.42
Re-67 HF KYUDAI BYOINMAE RESIDENCE *3	6.90	6.72	6.90	7.56	7.54	6.09
Re-68 HF ASAKUSABASHI RESIDENCE	6.35	5.94	5.39	5.87	5.22	5.98
Re-69 HF ICHIBANCHO RESIDENCE	8.14	8.95	8.14	7.33	8.30	7.57
Re-70 HF HIGASHI-NAKANO RESIDENCE	5.18	5.38	5.68	4.81	5.70	5.85
Re-72 HF WASEDA RESIDENCE	5.67	5.63	5.92	5.56	5.86	5.59
Re-73 HF WASEDA RESIDENCE II	5.59	5.68	5.46	5.71	5.89	4.62
Re-74 HF WAKAMATSUKAWADA RESIDENCE	5.62	5.55	5.90	5.47	5.55	5.49
Re-75 HF SENDAI RESIDENCE EAST	6.64	7.17	6.48	6.20	6.45	6.61
Re-76 HF NISHIKOEN RESIDENCE	4.97	5.31	5.36	4.94	5.51	5.28
Re-77 HF BANSUIDORI RESIDENCE	5.10	4.88	5.21	3.72	5.42	5.72
Re-78 HF KANNAI RESIDENCE	5.69	5.60	5.71	5.69	5.52	6.22
Re-79 HF MEIEKI-KITA RESIDENCE	4.11	4.52	3.07	3.67	4.41	4.41
Re-80 HF HIGASHI-SAPPORO RESIDENCE	5.15	5.74	6.04	5.43	5.33	6.03
Re-81 HF HAKATA-HIGASHI RESIDENCE	4.05	4.87	4.88	4.74	4.47	5.09
Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE	4.41	4.47	4.65	4.06	4.28	4.22
Re-83 HF TABATA RESIDENCE	5.90	5.82	6.45	6.36	6.34	6.10
Re-84 HF RYOGOKU RESIDENCE	5.75	5.76	5.66	5.52	5.79	5.75
Re-85 HF HACHIOJI RESIDENCE	4.11	4.19	4.43	4.03	2.50	4.31
Re-86 HF MITA RESIDENCE II	3.91	3.96	4.10	3.74	3.62	3.82
Re-87 HF MONZEN-NAKACHO RESIDENCE	4.27	4.17	4.68	4.60	4.56	4.29
Re-88 HF MINAMI-SUNAMACHI RESIDENCE	4.58	4.83	5.04	5.10	4.59	5.23
Re-89 HF SENDAI NAGAMACHI RESIDENCE	-	-	4.81	5.32	4.84	4.86
Re-90 HF SHOKOJI AKABANE RESIDENCE	-	-	5.04	5.16	5.55	4.74
Re-91 HF SENDAI HONCHO RESIDENCE	-	-	-0.03	0.68	3.11	4.91
Re-92 HF OHORI RESIDENCE BAYSIDE	-	-	-	4.84	4.08	4.18
Re-93 HF HAKATA-HIGASHI RESIDENCE II	-	-	-	-	4.15	4.92
Re-94 HF FUKUOKA RESIDENCE EAST	-	-	-	-	4.68	4.90
Re-95 HF SHOKOJI AKABANE RESIDENCE II *1	-	-	-	-	-	5.15
Re-96 HF YAHIRO RESIDENCE *1	-	-	-	-	-	4.79
Re-97 HF SETAGAYAKAMIMACHI RESIDENCE *1	-	-	-	-	-	2.56
Re-98 HF SOKA RESIDENCE *4	-	-	-	-	-	4.85
Total Residential Properties	5.34	5.35	5.38	5.16	5.24	5.30
Total properties in portfolio *5	5.38	5.36	5.44	5.32	5.35	5.27

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

*1 Acquired on June 4, 2021

*4 Acquired on September 29, 2021

*2 Acquired on October 29, 2021

*5 NOI yield of the properties sold before the 39th FP are excluded.

*3 Transferred on November 29, 2021

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

Historical NOI yield after depreciation

Property Name	35th FP (19/5)	36th FP (19/11)	37th FP (20/5)	38th FP (20/11)	39th FP (21/5)	40th FP (21/11)
Of-05 SUITENGU HEIWA BUILDING	4.45	4.43	4.39	4.93	4.87	4.95
Of-06 HF MONZENNAKACHO BUILDING	4.54	4.48	4.80	5.01	3.57	4.44
Of-07 HF HAMAMATSUCHO BUILDING	3.45	3.77	4.23	4.33	4.34	4.26
Of-08 HF TAMEIKE BUILDING	3.63	3.64	3.63	3.27	3.42	4.03
Of-09 GRACE BUILDING SENGAKUJIMAE	6.13	6.06	6.78	5.88	6.09	5.99
Of-11 HF NIHONBASHI ODENMACHO BUILDING	2.72	2.98	3.32	3.24	3.20	2.92
Of-12 HF HATCHOBORI BUILDING	2.93	3.00	3.07	3.15	3.18	3.15
Of-17 HATCHOBORI MF BUILDING	3.38	3.53	3.34	3.25	3.17	3.16
Of-18 M2 HARAJUKU	4.49	4.54	4.52	4.04	4.11	2.08
Of-20 FUNABASHI FACE BUILDING	3.44	4.13	4.19	4.86	4.31	4.39
Of-21 ADESSO NISHIAZABU	2.52	2.38	1.96	1.73	1.03	0.93
Of-23 HF IKEBUKURO BUILDING	4.27	4.19	4.19	4.57	4.58	4.10
Of-24 HF YUSHIMA BUILDING	3.99	3.44	3.92	3.25	3.60	3.94
Of-25 KAYABACHO HEIWA BUILDING	7.18	7.19	7.23	7.26	7.29	7.28
Of-27 KOBE KYUKYORYUCHI HEIWA BUILDING	5.19	5.26	5.26	5.07	5.41	5.28
Of-29 SAKAE MINAMI HEIWA BUILDING	5.76	6.39	6.70	6.56	5.62	6.71
Of-30 HF SAKURADORI BUILDING	5.09	5.50	5.87	5.84	6.50	6.56
Of-31 HF NIHONBASHI HAMACHO BUILDING	5.65	5.45	5.93	6.12	5.85	5.92
Of-32 HF SENDAI HONCHO BUILDING	4.87	4.96	4.89	5.69	6.41	6.30
Of-33 HF UENO BUILDING	4.53	4.56	4.88	4.89	4.93	4.70
Of-34 KOJIMACHI HF BUILDING	5.60	6.32	6.46	6.57	6.49	6.43
Of-35 HF KUDAN MINAMI BUILDING	4.38	4.48	4.29	3.87	4.18	4.48
Of-36 HF KANDA OGAWAMACHI BUILDING	4.47	4.33	4.63	4.56	4.66	4.53
Of-37 NISSO 5 BUILDING	3.85	3.78	3.94	3.88	3.86	3.74
Of-38 ACROSS SHINKAWA BUILDING	4.00	3.52	4.12	4.27	4.44	4.35
Of-39 SENJU MILDIX II	4.31	4.76	4.64	4.81	5.06	4.83
Of-40 ARK Mori Building	3.67	3.34	3.22	3.54	3.51	3.56
Of-41 Nihonbashi Horidomecho First	4.28	3.82	3.94	3.85	3.96	3.77
Of-42 SOUTHERN SKY TOWER HACHIOJI	4.79	4.46	4.64	4.83	4.64	4.82
Of-43 HAMACHO HEIWA BUILDING	4.43	4.05	4.11	4.11	3.99	3.69
Of-44 KINSHICHO SQUARE BUILDING	-	3.74	4.06	3.52	3.64	3.42
Of-45 KABUTO-CHO UNI-SQUARE	-	-	2.45	4.62	4.31	4.29
Of-46 TORYO BUILDING	-	-	-	-	3.94	3.58
Of-47 OSAKI CN BUILDING *1	-	-	-	-	-	2.84
Of-48 Faret East Building *2	-	-	-	-	-	5.19
Total Office Buildings	4.51	4.46	4.57	4.63	4.62	4.43
Re-03 HF ICHIKAWA RESIDENCE	6.06	6.53	6.36	6.55	6.76	6.85
Re-05 HF MEGURO RESIDENCE	3.69	3.48	4.20	4.49	4.21	3.82
Re-09 HF KASAI RESIDENCE	5.16	5.68	5.71	5.75	5.76	6.01
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	4.30	4.46	4.88	5.07	5.05	5.32
Re-12 HF HIMONYA RESIDENCE	4.36	4.48	4.93	4.26	3.80	4.23
Re-14 HF MINAMIAZABU RESIDENCE	3.74	3.58	1.96	3.09	3.51	3.77
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	3.47	3.46	3.56	3.54	4.23	4.07
Re-17 HF HIGASHIKANDA RESIDENCE	4.49	4.37	3.95	4.04	4.46	4.73
Re-18 HF HIGASHINIHONBASHI RESIDENCE	5.11	5.04	4.38	5.08	3.47	5.65
Re-19 HF NERIMA RESIDENCE	4.57	4.49	4.20	2.25	4.90	1.91
Re-20 HF SHIROKANETAKANAWA RESIDENCE	4.38	3.86	4.34	4.63	3.93	5.00
Re-21 HF MEIDAIMAE RESIDENCE	3.24	3.57	3.46	2.81	3.66	4.03
Re-22 HF NIHONBASHI RESIDENCE	4.00	4.18	4.41	2.07	3.99	3.75
Re-23 HF KAMISHAKUJII RESIDENCE	3.93	4.13	3.85	4.13	4.59	4.23
Re-24 HF KINSHICHO RESIDENCE	3.76	3.86	4.15	2.03	3.69	4.29
Re-25 HF GINZA RESIDENCE EAST	2.89	2.21	3.09	2.95	2.93	2.74
Re-26 HF SHIN-YOKOHAMA RESIDENCE	3.19	2.94	3.50	3.43	3.33	3.13
Re-29 HF HAKUSAN RESIDENCE	3.03	3.11	3.20	3.02	3.17	2.79
Re-30 HF MAGOME RESIDENCE	2.93	3.33	3.52	3.46	3.31	3.75
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	2.49	2.47	2.13	2.34	2.90	1.46
Re-33 HF KAMEIDO RESIDENCE	4.23	4.14	3.78	3.84	2.66	3.33
Re-34 HF TANASHI RESIDENCE	2.82	2.75	2.28	2.64	2.60	2.59
Re-35 HF SHIBA-KOEN RESIDENCE	3.46	3.20	3.64	2.59	2.74	2.86
Re-36 HF MITA RESIDENCE	3.82	4.19	4.19	3.34	2.84	3.96
Re-38 La Residence de Shirokanedai	2.47	4.24	4.53	3.19	4.00	4.69

Property Name	35th FP (19/5)	36th FP (19/11)	37th FP (20/5)	38th FP (20/11)	39th FP (21/5)	40th FP (21/11)
Re-39 HF GINZA RESIDENCE EAST II	4.44	4.51	5.36	4.09	4.48	4.64
Re-40 HF HATCHOBORI RESIDENCE II	3.97	3.95	3.98	2.94	3.23	3.41
Re-41 HF HATCHOBORI RESIDENCE III	3.93	4.76	3.88	3.74	4.12	4.79
Re-42 HF GINZA RESIDENCE	4.57	4.82	1.09	3.93	2.73	4.27
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	3.61	3.80	3.84	3.41	3.64	3.94
Re-45 HF NAKANOSHIMA RESIDENCE	3.31	3.13	3.14	3.61	3.55	2.82
Re-46 HF AWAZA RESIDENCE	3.50	3.44	4.87	4.59	4.61	2.41
Re-47 HF MARUNOUCHI RESIDENCE	5.12	4.75	5.13	5.10	4.54	5.20
Re-48 HF HIRAO RESIDENCE	4.27	4.65	5.10	5.17	4.91	4.86
Re-49 HF KAWARAMACHI NIJO RESIDENCE	4.20	4.62	5.20	3.78	4.11	4.69
Re-53 HF SHIJO KAWARAMACHI RESIDENCE	6.26	6.45	6.21	6.31	5.63	5.78
Re-54 La Residence de Sendagi	5.34	5.10	5.59	4.85	5.19	5.20
Re-55 HF SENDAGI RESIDENCE	5.59	5.65	6.04	5.04	5.50	5.44
Re-56 HF KOMAZAWA-KOEN RESIDENCE	3.79	1.83	3.67	3.95	4.05	4.08
Re-57 HF MUSASHIKOYAMA RESIDENCE	5.67	5.64	5.77	5.81	5.93	5.06
Re-58 HF KOKUBUNJI RESIDENCE	5.44	5.36	5.49	5.75	4.46	3.01
Re-59 HF HISAYADORI RESIDENCE	5.68	5.18	5.50	4.32	5.13	4.70
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	5.27	5.56	5.35	5.20	5.89	5.79
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	4.36	4.77	5.04	4.65	4.68	4.88
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	4.52	4.83	4.81	4.40	4.09	5.05
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	4.78	4.72	5.23	4.83	4.60	4.26
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	4.79	4.89	5.73	5.55	5.40	5.67
Re-65 HF KITA-YOBANCHO RESIDENCE	6.92	6.20	6.07	5.47	6.48	6.60
Re-66 HF ATAGOBASHI RESIDENCE	6.14	6.78	6.89	5.85	6.67	6.20
Re-67 HF KYUDAIBYOINMAE RESIDENCE *3	5.01	4.77	4.92	5.53	5.49	3.95
Re-68 HF ASAKUSABASHI RESIDENCE	5.51	5.09	4.54	5.01	4.34	5.09
Re-69 HF ICHIBANCHO RESIDENCE	6.79	7.55	6.70	5.82	6.78	6.01
Re-70 HF HIGASHI-NAKANO RESIDENCE	4.35	4.54	4.83	3.93	4.80	4.93
Re-72 HF WASEDA RESIDENCE	4.84	4.85	5.15	4.78	5.06	4.76
Re-73 HF WASEDA RESIDENCE II	4.80	4.93	4.71	4.96	5.13	3.83
Re-74 HF WAKAMATSUKAWADA RESIDENCE	4.46	4.37	4.70	4.27	4.36	4.62
Re-75 HF SENDAI RESIDENCE EAST	4.73	5.24	4.53	4.22	4.44	4.58
Re-76 HF NISHIKOEN RESIDENCE	3.17	3.49	3.51	3.06	3.60	3.32
Re-77 HF BANSUIDORI RESIDENCE	3.33	3.09	3.40	1.88	3.54	3.80
Re-78 HF KANNAI RESIDENCE	4.34	4.23	4.31	4.25	4.04	4.71
Re-79 HF MEIKI-KITA RESIDENCE	2.94	3.34	1.89	2.43	3.13	3.11
Re-80 HF HIGASHI-SAPPORO RESIDENCE	3.53	4.11	4.40	3.77	3.64	4.32
Re-81 HF HAKATA-HIGASHI RESIDENCE	2.85	3.70	3.70	3.55	3.25	3.87
Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE	3.09	3.17	3.34	2.74	2.94	2.86
Re-83 HF TABATA RESIDENCE	4.54	4.44	5.06	4.95	4.93	4.67
Re-84 HF RYOGOKU RESIDENCE	4.50	4.51	4.40	4.25	4.51	4.46
Re-85 HF HACHIOJI RESIDENCE	3.32	3.39	3.64	3.24	1.63	3.45
Re-86 HF MITA RESIDENCE II	3.43	3.49	3.62	3.25	3.11	3.31
Re-87 HF MONZEN-NAKACHO RESIDENCE	3.41	3.34	3.84	3.74	3.70	3.43
Re-88 HF MINAMI-SUNAMACHI RESIDENCE	3.64	3.94	4.14	4.19	3.67	4.30
Re-89 HF SENDAI NAGAMACHI RESIDENCE	-	-	3.28	3.91	3.39	3.35
Re-90 HF SHOKOJI AKABANE RESIDENCE	-	-	3.69	4.07	4.45	3.63
Re-91 HF SENDAI HONCHO RESIDENCE	-	-	-1.85	-0.47	1.96	3.74
Re-92 HF OHORI RESEIDENCE BAYSIDE	-	-	-	3.96	3.17	3.22
Re-93 HF HAKATA-HIGASHI RESIDENCE II	-	-	-	-	3.11	4.13
Re-94 HF FUKUOKA RESIDENCE EAST	-	-	-	-	2.82	3.49
Re-95 HF SHOKOJI AKABANE RESIDENCE II *1	-	-	-	-	-	4.01
Re-96 HF YAHIRO RESIDENCE *1	-	-	-	-	-	3.64
Re-97 HF SETAGAYAKAMIMACHI RESIDENCE *1	-	-	-	-	-	1.82
Re-98 HF SOKA RESIDENCE *4	-	-	-	-	-	3.37
Total Residential Properties	4.02	4.05	4.05	3.82	3.93	4.06
Total properties in portfolio *3	4.24	4.24	4.29	4.18	4.25	4.23

*Actual NOI yield after depreciation (%) = Rental business profit(Annualized) / ((Beginning of BV+ End of BV)/2)

*1 Acquired on June 4, 2021

*4 Acquired on September 29, 2021

*2 Acquired on October 29, 2021

*5 The properties sold before the 39th FP are excluded.

*3 Transferred on November 29, 2021

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

Property Name	31-May-2021	30-Jun-2021	31-Jul-2021	31-Aug-2021	30-Sep-2021	31-Oct-2021	30-Nov-2021
Of-05 SUITENGU HEIWA BUILDING	100	100	100	100	100	100	100
Of-06 HF MONZENNAKACHO BUILDING	100	100	100	100	100	100	100
Of-07 HF HAMAMATSUCHO BUILDING	100	100	100	100	100	100	100
Of-08 HF TAMEIKE BUILDING	100	100	100	100	98.12	98.12	98.12
Of-09 GRACE BUILDING SENGAKUJIMAE	100	100	100	100	100	100	100
Of-11 HF NIHONBASHI ODENMACHO BUILDING	100	100	100	100	100	100	100
Of-12 HF HATCHOBORI BUILDING	100	100	100	100	100	100	100
Of-17 HATCHOBORI MF BUILDING	100	100	100	100	100	100	100
Of-18 M2 HARAJUKU	85.61	85.61	85.61	85.61	52.00	85.61	85.61
Of-20 FUNABASHI FACE BUILDING	100	100	100	100	100	100	100
Of-21 ADESSO NISHIAZABU	54.58	54.58	54.58	54.58	54.58	54.58	79.52
Of-23 HF IKEBUKURO BUILDING	100	100	100	100	100	100	100
Of-24 HF YUSHIMA BUILDING	100	100	100	100	100	100	100
Of-25 KAYABACHO HEIWA BUILDING	100	100	100	100	100	100	100
Of-27 KOBE KYUKYORYUCHI HEIWA BUILDING	97.91	97.91	97.91	97.91	97.91	97.91	97.91
Of-29 SAKAE MINAMI HEIWA BUILDING	100	100	100	100	100	100	100
Of-30 HF SAKURADORI BUILDING	100	100	100	100	100	100	100
Of-31 HF NIHONBASHI HAMACHO BUILDING	100	100	100	100	100	100	100
Of-32 HF SENDAI HONCHO BUILDING	100	100	100	100	100	100	100
Of-33 HF UENO BUILDING	100	100	100	100	100	100	100
Of-34 KOJIMACHI HF BUILDING	100	100	100	100	100	87.82	100
Of-35 HF KUDAN MINAMI BUILDING	100	100	100	100	100	100	100
Of-36 HF KANDA OGAWAMACHI BUILDING	100	100	100	100	100	100	100
Of-37 NISSO 5 BUILDING	100	100	100	100	100	100	100
Of-38 ACROSS SHINKAWA BUILDING	100	98.85	98.85	98.85	98.85	98.85	98.85
Of-39 SENJU MILDIX II	100	100	100	100	100	100	100
Of-40 ARK Mori Building	100	100	100	100	100	100	100
Of-41 Nihonbashi Horiomecho First	100	100	100	100	100	100	100
Of-42 SOUTHERN SKY TOWER HACHIOJI	100	100	100	100	100	100	100
Of-43 HAMACHO HEIWA BUILDING	94.82	94.82	100	100	100	100	88.01
Of-44 KINSHICHO SQUARE BUILDING	100	100	100	100	100	100	100
Of-45 KABUTO-CHO UNI-SQUARE	100	100	100	100	100	100	100
Of-46 HF SENDAI ICHIBANCHO BUILDING	95.61	95.61	95.61	95.61	95.61	95.61	95.61
Of-47 OSAKI CN BUILDING *1	-	87.19	87.19	87.19	87.19	87.19	87.19
Of-48 Faret East Building *2	-	-	-	-	-	100	100
Total Office Buildings	99.26	98.82	98.98	98.98	98.54	98.95	98.42
Re-03 HF ICHIKAWA RESIDENCE	100	100	100	100	100	100	100
Re-05 HF MEGURO RESIDENCE	95.07	95.07	100	95.07	95.07	95.07	95.81
Re-09 HF KASAI RESIDENCE	95.81	95.81	91.62	97.94	95.81	97.94	97.94
Re-11 HF WAKABAYASHI-KOEN RESIDENCE	96.06	97.88	100.00	98.94	100	96.99	95.94
Re-12 HF HIMONYA RESIDENCE	95.08	90.92	92.33	95.61	95.61	97.25	98.36
Re-14 HF MINAMIAZABU RESIDENCE	95.00	93.34	95.00	93.34	93.34	95.02	96.66
Re-16 HF GAKUGEIDAIGAKU RESIDENCE	100	100	100	100	100	83.87	95.75
Re-17 HF HIGASHIKANDA RESIDENCE	100	96.88	93.78	95.33	93.78	93.79	96.89
Re-18 HF HIGASHINIHONBASHI RESIDENCE	98.77	97.56	97.56	97.56	100	94.96	100
Re-19 HF NERIMA RESIDENCE	98.08	100	96.16	94.24	92.32	94.24	98.08
Re-20 HF SHIROKANETAKANAWA RESIDENCE	97.02	98.07	94.96	94.96	96.89	100	99.35
Re-21 HF MEIDAIMAE RESIDENCE	100	98.20	94.32	95.83	95.83	95.83	97.93
Re-22 HF NIHONBASHI RESIDENCE	96.56	95.32	90.41	95.09	95.09	94.08	97.04
Re-23 HF KAMISHAKUJII RESIDENCE	100	93.78	92.42	97.22	100	100	97.09
Re-24 HF KINSHICHO RESIDENCE	100	100	100	98.21	100	97.98	98.23
Re-25 HF GINZA RESIDENCE EAST	94.86	93.25	96.23	91.84	94.87	94.94	96.76
Re-26 HF SHIN-YOKOHAMA RESIDENCE	93.69	96.03	95.17	96.73	98.36	96.47	96.80
Re-29 HF HAKUSAN RESIDENCE	95.96	94.03	94.35	92.46	90.98	92.84	98.53
Re-30 HF MAGOME RESIDENCE	96.98	97.00	100	100	100	100	97.36
Re-31 HF GAKUGEIDAIGAKU RESIDENCE II	100	100	95.61	95.61	95.61	100	100
Re-33 HF KAMEIDO RESIDENCE	100	100	93.47	86.93	86.97	90.22	98.37
Re-34 HF TANASHI RESIDENCE	94.54	97.15	100	94.01	100	100	100
Re-35 HF SHIBA-KOEN RESIDENCE	93.05	90.32	97.28	93.26	93.26	89.24	95.98
Re-36 HF MITA RESIDENCE	93.94	96.01	93.94	97.92	97.92	100	100
Re-38 La Residence de Shirokanedai	96.51	92.95	92.95	92.95	92.95	92.95	96.51

Property Name	31-May-2021	30-Jun-2021	31-Jul-2021	31-Aug-2021	30-Sep-2021	31-Oct-2021
Re-39 HF GINZA RESIDENCE EAST II	100	97.50	98.75	94.88	96.13	93.51
Re-40 HF HATCHOBORI RESIDENCE II	96.42	95.77	95.77	96.09	94.96	90.36
Re-41 HF HATCHOBORI RESIDENCE III	96.92	96.92	93.84	96.92	96.92	96.92
Re-42 HF GINZA RESIDENCE	100	100	97.87	97.87	97.87	97.87
Re-43 HF KOMAZAWA-KOEN RESIDENCE TOWER	97.65	97.55	96.32	96.32	95.50	96.41
Re-45 HF NAKANOSHIMA RESIDENCE	89.34	90.80	90.80	92.84	96.93	97.96
Re-46 HF AWAZA RESIDENCE	95.27	93.78	92.11	93.64	92.25	90.87
Re-47 HF MARUNOUCHI RESIDENCE	94.44	97.23	97.23	97.24	97.23	97.23
Re-48 HF HIRAO RESIDENCE	95.26	95.15	94.59	93.42	94.40	94.28
Re-49 HF KAWARAMACHI NIJO RESIDENCE	97.77	95.83	93.84	93.84	95.78	95.98
Re-53 HF SHJO KAWARAMACHI RESIDENCE	96.67	96.04	95.96	95.41	94.78	96.90
Re-54 La Residence de Sendagi	98.19	98.19	98.19	98.19	96.38	98.19
Re-55 HF SENDAGI RESIDENCE	94.07	94.07	98.19	100	100	100.00
Re-56 HF KOMAZAWA-KOEN RESIDENCE	97.22	100	100	100	97.22	94.44
Re-57 HF MUSASHIKOYAMA RESIDENCE	98.24	94.97	95.13	91.56	92.88	92.88
Re-58 HF KOKUBUNJI RESIDENCE	96.35	96.65	98.30	100	100	96.08
Re-59 HF HISAYADORI RESIDENCE	96.06	94.10	95.06	99.00	97.06	96.10
Re-60 HF KARASUMA KURAMAGUCHI RESIDENCE	95.73	97.86	97.86	97.86	100	100
Re-61 HF NISHI-SHINJUKU RESIDENCE WEST	94.99	94.99	97.16	97.50	96.25	94.66
Re-62 HF NISHI-SHINJUKU RESIDENCE EAST	95.59	98.00	100	97.59	95.59	95.59
Re-63 HF HIGASHI-SHINJUKU RESIDENCE	94.41	94.43	93.00	94.38	95.78	93.00
Re-64 HF HIGASHI-SHINSAIBASHI RESIDENCE	100	100	100	100	100	97.26
Re-65 HF KITA-YOBANCHO RESIDENCE	96.66	100	98.89	98.89	98.89	98.89
Re-66 HF ATAGOBASHI RESIDENCE	96.26	98.76	98.76	97.50	97.50	97.50
Re-67 HF KYUDAIBYOINMAE RESIDENCE *3	94.97	97.49	94.97	93.34	95.86	95.86
Re-68 HF ASAKUSABASHI RESIDENCE	100	100	94.87	92.31	92.31	92.31
Re-69 HF ICHIBANCHO RESIDENCE	94.08	94.08	94.08	94.08	92.89	94.08
Re-70 HF HIGASHI-NAKANO RESIDENCE	96.66	96.66	98.33	98.33	96.60	96.60
Re-72 HF WASEDA RESIDENCE	96.27	97.16	96.37	93.43	93.52	93.09
Re-73 HF WASEDA RESIDENCE II	94.18	89.02	93.09	93.09	94.82	91.05
Re-74 HF WAKAMATSUKAWADA RESIDENCE	97.85	96.71	91.28	91.28	90.91	96.35
Re-75 HF SENDAI RESIDENCE EAST	97.57	98.18	94.25	94.86	95.47	95.47
Re-76 HF NISHIKOEN RESIDENCE	96.97	95.75	95.87	93.93	94.90	98.06
Re-77 HF BANSUIDORI RESIDENCE	98.48	100	100	98.48	95.45	98.48
Re-78 HF KANNAI RESIDENCE	100	100	100	100	100	99.15
Re-79 HF MEIKI-KITA RESIDENCE	97.53	95.74	97.22	97.22	95.36	97.10
Re-80 HF HIGASHI-SAPPORO RESIDENCE	93.04	100	98.91	98.36	99.45	98.91
Re-81 HF HAKATA-HIGASHI RESIDENCE	98.70	100	98.72	97.44	96.17	97.44
Re-82 HF SENDAI ITSUTSUBASHI RESIDENCE	85.44	96.36	92.73	92.73	92.72	94.55
Re-83 HF TABATA RESIDENCE	98.61	98.61	97.23	98.61	95.69	94.30
Re-84 HF RYOGOKU RESIDENCE	98.78	95.46	94.57	95.79	100	100
Re-85 HF HACHIOJI RESIDENCE	94.91	97.05	95.58	94.84	97.78	92.76
Re-86 HF MITA RESIDENCE II	92.53	95.35	95.35	95.35	90.29	92.61
Re-87 HF MONZEN-NAKACHO RESIDENCE	95.45	90.91	88.64	90.91	97.73	97.73
Re-88 HF MINAMI-SUNAMACHI RESIDENCE	95.77	95.77	100	100	100	100
Re-89 HF SENDAI NAGAMACHI RESIDENCE	96.77	96.77	100	98.38	96.23	95.16
Re-90 HF SHOKOJI AKABANE RESIDENCE	98.51	96.73	91.98	91.98	98.51	100
Re-91 HF SENDAI HONCHO RESIDENCE	97.09	100	97.11	95.66	98.55	98.54
Re-92 HF OHORI RESIDENCE BAYSIDE	100	98.60	100	100	98.60	97.21
Re-93 HF HAKATA-HIGASHI RESIDENCE II	96.13	96.13	96.61	94.86	95.79	96.65
Re-94 HF FUKUOKA RESIDENCE EAST	94.51	94.85	98.19	97.48	98.33	98.09
Re-95 HF SHOKOJI AKABANE RESIDENCE II *1	-	96.64	95.58	98.93	96.65	98.93
Re-96 HF YAHIRO RESIDENCE *1	-	82.93	97.37	98.69	100	100
Re-97 HF SETAGAYAKAMIMACHI RESIDENCE *1	-	63.27	73.29	100	100	100
Re-98 HF SOKA RESIDENCE *4	-	-	-	-	88.00	89.00
Total Residential Properties	96.41	96.34	96.30	96.09	96.34	96.26
Total properties in portfolio	97.45	97.25	97.28	97.15	97.14	97.24

*1 Acquired on June 4, 2021

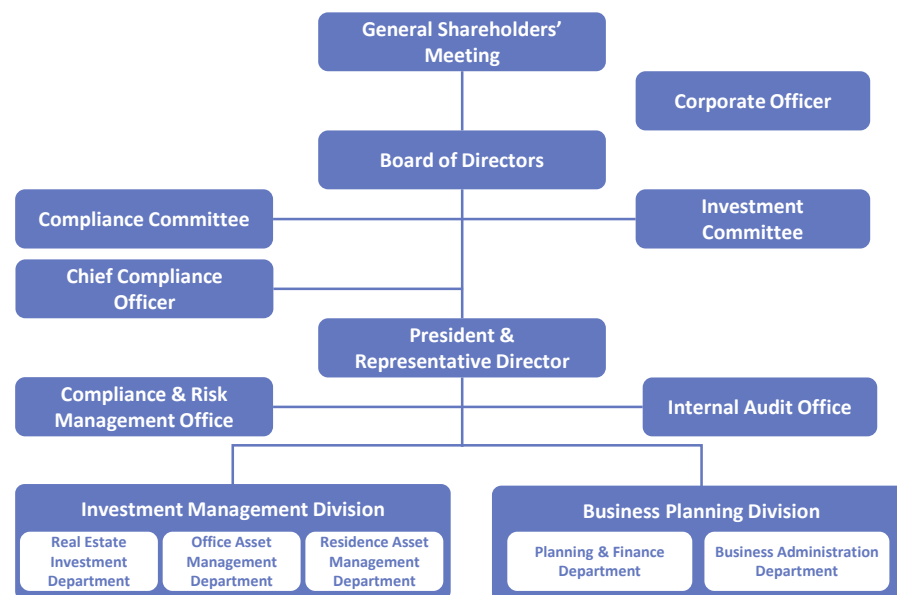
*2 Acquired on October 29, 2021

*3 Transferred on November 29, 2021

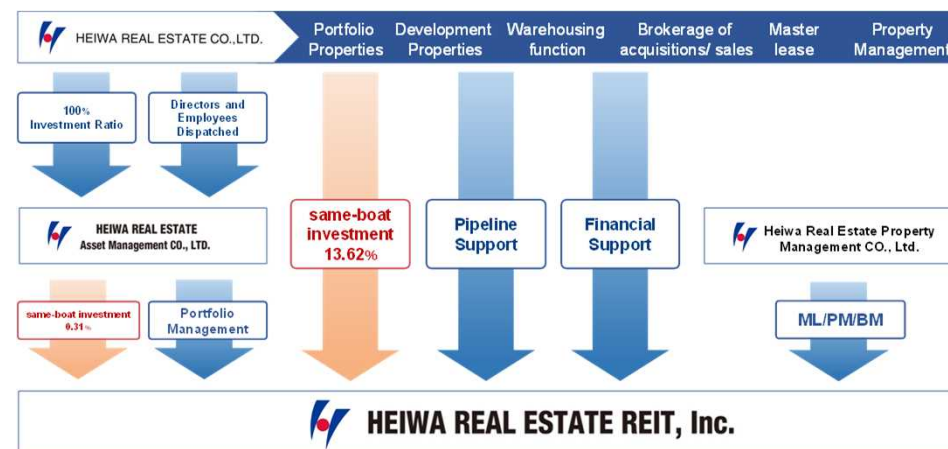
*4 Acquired on September 29, 2021

Name	HEIWA REAL ESTATE Asset Management CO., LTD.	
Head Office Location	5-1, 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, Business Planning Division General Manager	Daisuke Kobayashi
	Director, Investment Management Division General Manager	Yasutaka Watanabe
	Director (part time)	Tomoharu Nakao
	Director (part time)	Nobuhiro Seo
	Auditor (part time)	Shosaku Shimomura
Business Activities	Investment management Services	
Registrations , 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. (5) 79529, Governor of Tokyo
	Discretionary transaction Agent	Lic. No.8, Minister of Land, Infrastructure, Transportation and Tourism

Organization chart



Support of Sponsors

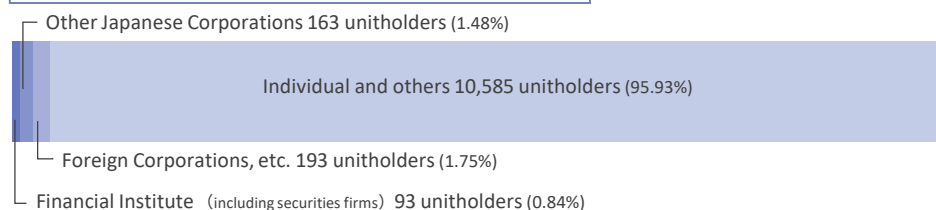


History of Investment Unit Price

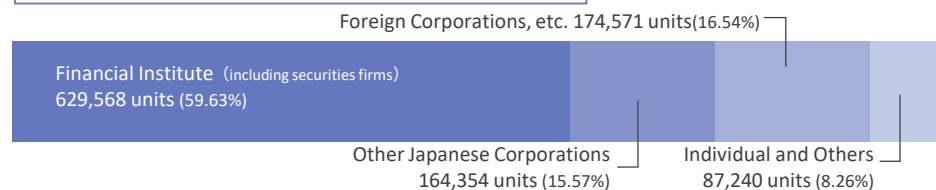


Status of Unitholders (as of November 30, 2021)

Number of Unitholders by Type (11,034 unitholders)



Ownership by Unitholders (1,055,733 units)



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

Change in Investment Unit Price (Distribution reinvestment basis) Comparison with TSE REIT Index (Oct. 5, 2009 - Nov. 30, 2021)



Top 10 Unitholders (as of November 30, 2021)

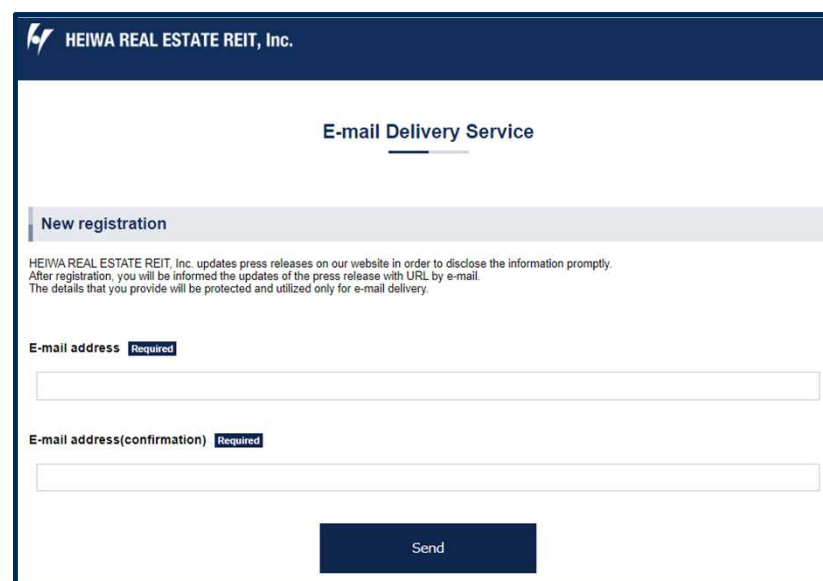
	Name	Units Owned (Units)	Share (%)
1	Custody Bank of Japan, Ltd. (trust account)	243,981	23.11
2	The Master Trust Bank of Japan, Ltd. (trust account)	182,778	17.31
3	Heiwa Real Estate Co., Ltd.	143,845	13.63
4	The Nomura Trust and Banking Co., Ltd. (trust account)	39,532	3.74
5	Custody Bank of Japan, Ltd. (securities investment trust account)	21,862	2.07
6	STATE STREET BANK WEST CLIENT -TREATY 505234	15,548	1.47
7	SCBHK AC LIECHTENSTEINISCHE LANDESBANK AG	14,401	1.36
8	SMBC Nikko Securities Inc.	13,875	1.31
9	JP MORGAN CHASE BANK	11,901	1.13
10	Shikoku Railway Company	10,249	0.97

Total 697,972 66.11



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<https://www.heiwa-re.co.jp/en/>

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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