Additional Documentation for “Notice Concerning Revision to Expected Operating Condition and Distribution Forecast for the Fiscal Period Ending July 2021 (36th Fiscal Period) and the Fiscal Period Ending January 2022 (37th Fiscal Period)”

Announced on March 26, 2021
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Terms Used in the Material

<table>
<thead>
<tr>
<th>LTV based on appraisal value</th>
<th>(Balance of Interest-Bearing Debt at the End of Period + Balance of Securities Deposit without Reserved Cash at the End of Period) / (Appraisal Value (at the end of fiscal period))</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>Unitholders’ capital + Reserve for reduction entry (after appropriation of net income) ± Unrealized gains/losses</td>
</tr>
<tr>
<td></td>
<td>Net Assets – Scheduled amount of distribution ± Unrealized gains/losses</td>
</tr>
<tr>
<td>NOI Yield</td>
<td>NOI / Acquisition Price</td>
</tr>
</tbody>
</table>

*Please refer to the end of this material for notes.
## Executive Summary (Updated: March 26, 2021)

(Underlined portions indicate changes)

### External Growth
- **Property Replacement**
  - Disposition of OKI System Center (land with leasehold interest) (40%)
  - Acquisition of OKI Business Center No. 5
- **Property acquisition**
  - STYLIO FIT Musashikosugi

### Gain on sale of properties, etc.
- Period Ended Jan. 2021 (FP 35) Actual
  - 764 million yen (+60 million yen)

### Internal Growth
- **Period-end occupancy rate:** 98.4% (-1.2 pts)
- **Rent revision:** +55 million yen
- **Rent reduction/exemption, RH (Note 3):** +17 million yen
- **Move-ins and move-outs of tenants:** -35 million yen

### NOI
- 5,626 million yen (+218 million yen)

### Operating income
- 4,538 million yen (+213 million yen)

### Finance (Note 1)
- **Interest expenses:** -5 million yen (Average interest rate: 0.87% (-0.10 pts))

### Net income [per unit]
- 4,083 million yen 4,176 yen (+227 million yen (+232 yen)

### Provision of reserve for reduction entry [per unit]
- 407 million yen 416 yen (+23 million yen (+23 yen)

### Distribution per unit
- 3,760 yen (+209 yen)

### NAV per unit
- 198,120 yen (+2,573 yen)

### LTV based on appraisal value
- 36.4% (+2.0 pts)

### Acquisition capacity (Note 2)
- 83.4 billion yen (-8.2 billion yen)

### Period Ending Jul. 2021 (FP 36) Forecast As of March 26, 2021
- **Property Replacement**
  - Acquisition of Hulic Shibuya Miyashita Koen Building
- **Period-end occupancy rate:** 97.4% (-1.0 pts)
- **Rent revision:** +33 million yen
- **Rent reduction/exemption, RH (Note 3):** -83 million yen
- **Move-ins and move-outs of tenants:** -106 million yen
- **Miscellaneous income:** -149 million yen

### NOI
- 5,635 million yen (+9 million yen)

### Operating income
- 3,772 million yen (-766 million yen)

### Finance (Note 1)
- **Interest expenses:** -10 million yen (Average interest rate: 0.82% (-0.05 pts))

### Net income [per unit]
- 3,324 million yen 3,788 yen (-758 million yen (-416 yen)

### Provision of reserve for reduction entry [per unit]
- 370 million yen 378 yen (-8 million yen (10 yen)

### Distribution per unit
- 3,410 yen (+10 yen)

### NAV per unit
- 198,120 yen (+2,573 yen)

### LTV based on appraisal value
- 36.4% (+2.0 pts)

### External Growth
- **Property Replacement**
  - Disposition of Shonan Mall Fill (Land with Leasehold Interest)
- **Property acquisition**
  - Acquisition of TOKYU REIT Akasaka Hinokicho Building (51%)

### Gain on sale of properties, etc.
- Period Ending Jul. 2021 (FP 36) Forecast As of March 26, 2021
  - 1,232 million yen (+1,232 million yen)

### Internal Growth
- **Period-end occupancy rate:** 97.9% (+0.5 pts)
- **Extension work of TOKYU REIT Akasaka Hinokicho Building:** -414 million yen
- **Rent reduction/exemption, RH (Note 3):** +56 million yen
- **Move-ins and move-outs of tenants:** -106 million yen
- **Miscellaneous income:** -149 million yen

### NOI
- 4,837 million yen (-797 million yen)

### Operating income
- 4,125 million yen (+353 million yen)

### Finance (Note 1)
- **Interest expenses:** -29 million yen (Average interest rate: 0.80% (-0.02 pts))

### Net income [per unit]
- 3,703 million yen 3,788 yen (-758 million yen (-416 yen)

### Provision of reserve for reduction entry [per unit]
- 370 million yen 378 yen (-8 million yen (10 yen)

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- 3,410 yen (+10 yen)

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- **Property Replacement**
  - Disposition of Shonan Mall Fill (Land with Leasehold Interest)
- **Property acquisition**
  - Acquisition of TOKYU REIT Akasaka Hinokicho Building (51%)

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- 198,120 yen (+2,573 yen)

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- 36.4% (+2.0 pts)

### Executive Summary (Updated: March 26, 2021)

(Reference) Balance of reserve for reduction entry per unit

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disposition of TOKYU REIT Akasaka Hinokicho Building (51%)</strong></td>
<td><strong>364</strong></td>
<td><strong>733</strong></td>
<td><strong>416</strong></td>
<td><strong>1,542</strong></td>
<td><strong>1,921</strong></td>
</tr>
<tr>
<td><strong>Disposition of TOKYU REIT Akasaka Hinokicho Building (40%)</strong></td>
<td><strong>393</strong></td>
<td><strong>1,126</strong></td>
<td><strong>393</strong></td>
<td><strong>1,542</strong></td>
<td><strong>1,921</strong></td>
</tr>
<tr>
<td><strong>Disposition of OKI System Center (land with leasehold interest) (40%)</strong></td>
<td><strong>364</strong></td>
<td><strong>733</strong></td>
<td><strong>416</strong></td>
<td><strong>1,542</strong></td>
<td><strong>1,921</strong></td>
</tr>
<tr>
<td><strong>Disposition of Shonan Mall Fill (Land with Leasehold Interest)</strong></td>
<td><strong>378</strong></td>
<td><strong>378</strong></td>
<td><strong>378</strong></td>
<td><strong>378</strong></td>
<td><strong>378</strong></td>
</tr>
</tbody>
</table>

(Note 1) Borrowings and investment corporation bonds
(Note 2) Assumed LTV based on appraisal value to be 50%
(Note 3) RH (Rent Holiday) = A type of contract where tenants are exempted from rent payments during a specific period other than the time of move-in among contract types where tenants are exempted from rent payment for a certain period after occupancy in lease agreements.

*Figures in parentheses are comparison with previous fiscal period.

Prepared on March 26, 2021
## Forecast of Income Statement (P/L) and Distribution per Unit

### FP ending Jul. 2021 Forecast (FP 36) vs. FP ending Jan. 2022 Forecast (FP 37)

<table>
<thead>
<tr>
<th>Item</th>
<th>FP ended Jan. 2021 Actual (FP 35)</th>
<th>FP ending Jul. 2021 Forecast (FP 36)</th>
<th>FP ending Jan. 2022 Forecast (FP 37)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td></td>
<td>Forecast as of Mar. 26, 2021</td>
<td>Change from the forecast as of Mar. 16, 2021 (Note 1)</td>
</tr>
<tr>
<td>Operating revenues (A)</td>
<td>8,611</td>
<td>7,987</td>
<td>77</td>
</tr>
<tr>
<td>Revenues from real estate operation (B)</td>
<td>7,845</td>
<td>7,987</td>
<td>77</td>
</tr>
<tr>
<td>Rental revenues</td>
<td>7,454</td>
<td>7,463</td>
<td>72</td>
</tr>
<tr>
<td>Other rental revenues</td>
<td>391</td>
<td>524</td>
<td>4</td>
</tr>
<tr>
<td>Gain on sale of real estate, etc.</td>
<td>764</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Revenues from facility acceptance</td>
<td>1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Operating expenses (C)</td>
<td>4,072</td>
<td>4,215</td>
<td>27</td>
</tr>
<tr>
<td>Expenses from real estate operation (D)</td>
<td>3,221</td>
<td>3,384</td>
<td>22</td>
</tr>
<tr>
<td>NOI (B) - (D)</td>
<td>5,626</td>
<td>5,635</td>
<td>68</td>
</tr>
<tr>
<td>Depreciation</td>
<td>996</td>
<td>1,027</td>
<td>13</td>
</tr>
<tr>
<td>Loss from the retirement of fixed assets</td>
<td>5</td>
<td>5</td>
<td>–</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>851</td>
<td>831</td>
<td>4</td>
</tr>
<tr>
<td>Investment management fee</td>
<td>683</td>
<td>679</td>
<td>3</td>
</tr>
<tr>
<td>Operating income (A) - (C)</td>
<td>4,538</td>
<td>3,772</td>
<td>49</td>
</tr>
<tr>
<td>Non-operating revenues</td>
<td>5</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>460</td>
<td>447</td>
<td>10</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>394</td>
<td>389</td>
<td>11</td>
</tr>
<tr>
<td>Interest of investment corporation bonds</td>
<td>44</td>
<td>39</td>
<td>–</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>4,084</td>
<td>3,325</td>
<td>39</td>
</tr>
<tr>
<td>Net income</td>
<td>4,083</td>
<td>3,324</td>
<td>39</td>
</tr>
</tbody>
</table>

(Note 1) Increase due to the acquisition of Hulic Shibuya Miyashita Koen Building

(Note 2) Acquisition: Hulic Shibuya Miyashita Koen Building Disposition: Shonan Mall Fill (Land with Leasehold Interest)

### Change from the previous period

- **FP ending Jul. 2021 Forecast (FP 36)**
  - Operating revenues: +77 (-623)
  - Revenues from real estate operation: +77 (141)
  - Rental revenues: +72 (8)
  - Other rental revenues: +524 (133)
  - Gain on sale of real estate, etc.: -764
  - Revenues from facility acceptance: -
  - Operating expenses: +27 (142)
  - Expenses from real estate operation: +22 (162)
  - NOI (B) - (D): +68 (9)
  - Depreciation: +13 (30)
  - Loss from the retirement of fixed assets: +5
  - Other operating expenses: +679 (3)
  - Investment management fee: +37 (44)
  - Operating income: +49 (-766)
  - Non-operating revenues: -
  - Non-operating expenses: -12
  - Interest expenses: -5
  - Interest of investment corporation bonds: -5
  - Ordinary income: -39 (-758)
  - Net income: -39 (-758)

- **FP ending Jan. 2022 Forecast (FP 37)**
  - Operating revenues: +77 (+594)
  - Revenues from real estate operation: +77 (+59)
  - Rental revenues: +7 (8)
  - Other rental revenues: +524 (80)
  - Gain on sale of real estate, etc.: +662 (805)
  - Revenues from facility acceptance: -
  - Operating expenses: +27 (+73)
  - Expenses from real estate operation: +22 (+162)
  - NOI (B) - (D): +68 (+797)
  - Depreciation: +13 (+32)
  - Loss from the retirement of fixed assets: +5
  - Other operating expenses: +679 (48)
  - Investment management fee: +37 (-5)
  - Operating income: +49 (+353)
  - Non-operating revenues: -
  - Non-operating expenses: -25
  - Interest expenses: -3
  - Interest of investment corporation bonds: -1
  - Ordinary income: -39 (+379)
  - Net income: -39 (+379)

### Information per unit

- **Net income per unit (EPS)**: ¥4,176
- **Amount of provision of reserve for reduction entry per unit**: ¥416
- **Distribution per unit (DPU)**: ¥3,760
- **Occupancy rate**: 98.4%
- **NOI yield**: 4.69%

### Change from the previous period

- **Net income per unit (EPS)**: +416 (+10)
- **Amount of provision of reserve for reduction entry per unit**: -416 (-10)
- **Distribution per unit (DPU)**: +3,410 (+10)
- **Occupancy rate**: +0.5pts
- **NOI yield**: -0.64pts

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Prepare on March 26, 2021

(Reference) Property Replacement (FP ending Jul. 2021 and FP ending Jan. 2022)

Continue to conduct property replacement based on the “Long-Term Investment Management Strategy (Surf Plan)” (Note 1). Acquisition of property in the Tokyu Areas (Shibuya Ward) while realizing capital gains.

**Acquisition**

- Hulic Shibuya Miyashita Koen Building (Office)
- Shonan Mall Fill (Land with leasehold interest)

**Disposition**

- Shonan Mall Fill (Land with leasehold interest)
- Hulic Shibuya Miyashita Koen Building (Office)

**Effect of Property Replacement**

- Improvement of percentage of properties in focused investment areas (Note 4): 96.1% (Note 5) → 100% (Note 6)
- Recording of gain on sale of property and provision of reserve for reduction entry

<table>
<thead>
<tr>
<th>Gain on sale of property</th>
</tr>
</thead>
<tbody>
<tr>
<td>662</td>
</tr>
<tr>
<td>Of which, provision of reserve for reduction entry</td>
</tr>
<tr>
<td>370</td>
</tr>
</tbody>
</table>

(Note 1) An idea to secure capital gains while replacing properties, and achieve improvement of portfolio quality through a value and contrarian investment approach that eyes the cyclicity of real estate prices.

(Note 2) For the acquired property, estimated figures excluding special items from income and expenditure of the acquisition fiscal year; and for the disposed property, the actual results from February 1, 2020 to January 31, 2021. Yields are based on acquisition/disposition price.

(Note 3) As of the end of February 2021.

(Note 4) Percentage of properties in Tokyo Central 5 Wards and Tokyu Areas (Based on acquisition price).

(Note 5) As of the end of January 2021.

(Note 6) Indicates the figure after the disposition of OKI System Center (land with leasehold interest).

30% of co-ownership interest is scheduled to be disposed on December 24, 2021, and 30% of co-ownership interest is scheduled to be disposed on February 25, 2022.

Prepared on March 26, 2021
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