

7th

October 27, 2022

7th Fiscal Period (Ended August 2022) Financial Results Briefing Materials

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Sankei Building Asset Management Co., Ltd.

Finance & IR Department

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Executive Summary

Financial Results and Management Highlights

- In the 7th FP, revenue and profit **increased** compared with the forecast and from the previous fiscal period
 - Operating Revenue: **+1.1%** from the forecast, **+9.0%** from the previous fiscal period
 - Operating Profit: **+0.6%** from the forecast, **+5.8%** from the previous fiscal period
- DPU* for the 7th FP **increased** to **3,158** yen (**+38** yen from the forecast, **+179** yen from the previous fiscal period)
- **Lease agreements for 2** out of 7 floors of Shinagawa Seaside TS Tower have been executed
- **“LUUP”**, a share service for electric micromobility has been introduced at properties under management

Future Growth Strategies

- External growth and internal growth that enable sustained growth of DPU
 - Continue **to implement diversified investment conscious of the portfolio matrix**
 - Seek room for internal growth and reduce risk of tenants moving out
 - Implement **measures to achieve stable DPU** utilizing unrealized profit from the portfolio
- Promote sponsor commitment
 - Consider acquisition of **additional units by the sponsor**, The Sankei Building Co., Ltd.
- Enhancement of sustainability promotion system
 - Disclosure of ESG benchmarks (improvement of disclosure) ⇒ **Renewal of the website of SANKEI REAL ESTATE**
 - Plans to support **the TCFD (Task Force on Climate-related Financial Disclosures) recommendations**

*DPU refers to distribution per unit. The same applies below.

1. Financial Results and Management Highlights

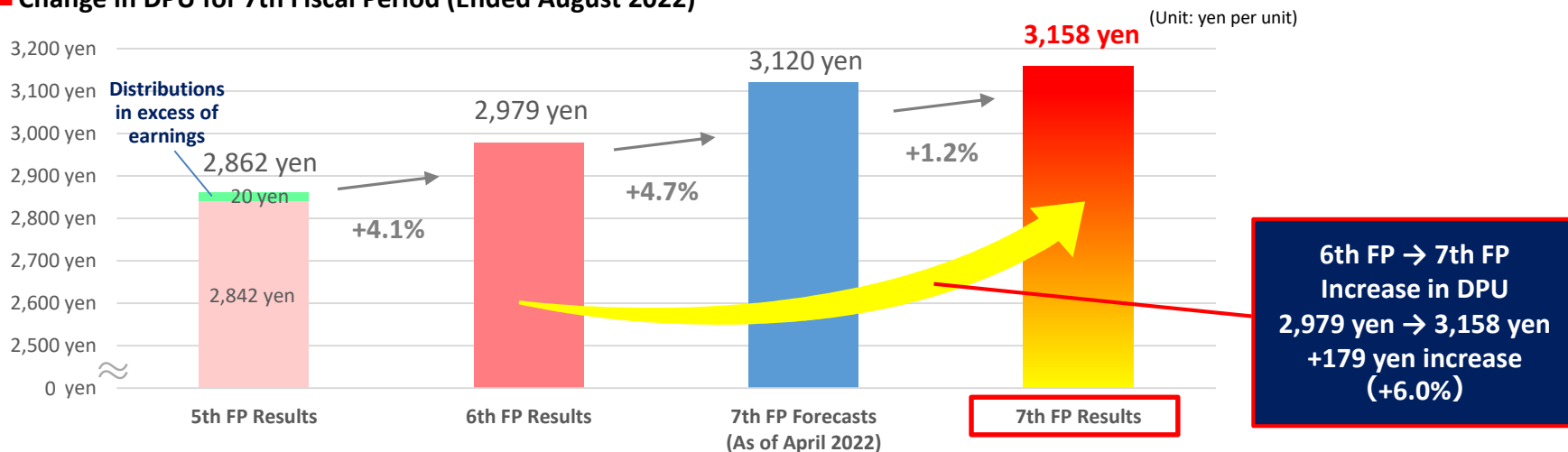
Financial Results Highlights 7th Fiscal Period (Ended August 2022)

- Operating revenue **increased** in the 7th FP, **+1.1%** compared with the forecast and **+9.0%** from the previous fiscal period
- Operating profit **increased** in the 7th FP, **+0.6%** compared with the forecast and **+5.8%** from the previous fiscal period
- DPU* for the 7th FP **increased** by **+38** yen from the forecast and **+179** yen from the previous fiscal period

■ Financial Summary for 7th Fiscal Period (Ended August 2022)

| | Results | Comparison with beginning-of-period forecast | | Comparison with previous fiscal period | |
|-----------------------------|-------------------|--|-----------------|--|------------------|
| Operating revenue | 3,028 million yen | +1.1% | +31 million yen | +9.0% | +249 million yen |
| Operating profit | 1,630 million yen | +0.6% | +9 million yen | +5.8% | +89 million yen |
| Net profit | 1,475 million yen | +1.2% | +17 million yen | +6.0% | +83 million yen |
| DPU (distribution per unit) | 3,158 yen | +1.2% | +38 yen | +6.0% | +179 yen |

■ Change in DPU for 7th Fiscal Period (Ended August 2022)

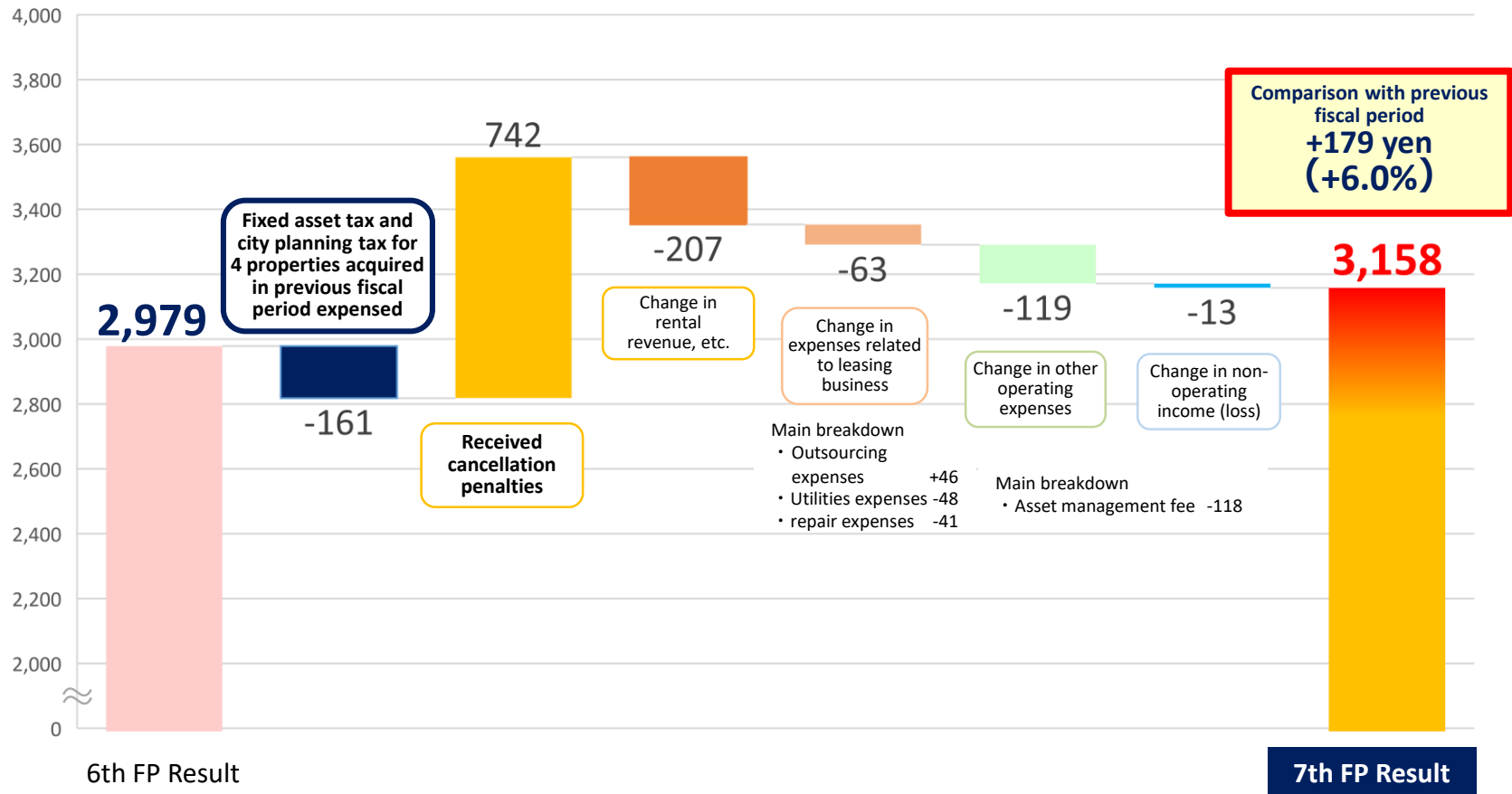


Financial Results Highlights – Summary of DPU for the 7th FP (Ended August 2022)

- DPU for the 7th FP: **3,158 yen** (+6.0% from the previous fiscal period)
- **Increased** from the previous fiscal period due to **an increase in cancellation penalty received** from tenants despite a decrease in rental income

■ Summary of DPU for the 7th FP (Ended August 2022)

(yen per unit)



Detailed Financial Results Highlights

(Comparison with Forecast) 7th Fiscal Period (Ended August 2022)

➤ Operating revenue (+1.1%) and operating profit (+0.6) both **increased** from the forecasts

(Unit: million yen)

| Accounting period | 7th FP Forecasts (A) (as of April 2022) | 7th FP Results (B) (August 2022) | Difference (B)-(A) | Major Factors for the Difference |
|--|--|-------------------------------------|-----------------------|--|
| Operating revenue | 2,996 | 3,028 | 31 | |
| Rental and CAM revenue | 2,515 | 2,516 | 1 | |
| Parking revenue | 34 | 33 | (0) | |
| Utilities reimbursement | 92 | 121 | 29 | Increase in utilities expenses compared with the assumed rate due to Shinagawa's partial cancelation (+17), increase in electricity charges compared with the assumed rate due to other factors (+12) |
| Other revenue | 354 | 355 | 1 | |
| Operating expenses | 1,375 | 1,397 | 21 | |
| Expenses related to leasing business [Total] | 1,056 | 1,076 | 20 | |
| Outsourcing expenses | 203 | 202 | (0) | |
| Utilities expenses | 151 | 184 | 32 | Increase in utilities expenses compared with the assumed rate for Shinagawa (+16), increases in cost of electricity, etc. (+16) Shinagawa (-10) (to be carried forward to subsequent FP (-5), unexecuted (-5)), capital expenditure for BREEZÉ (-5), Hatchobori (+2), other |
| Repair expenses | 67 | 55 | (12) | |
| Property taxes | 301 | 303 | 2 | |
| Depreciation | 308 | 309 | 1 | |
| Other expenses | 24 | 20 | (3) | |
| Operating income (loss) from leasing business | 1,939 | 1,951 | 11 | |
| Total other operating expenses | 319 | 320 | 1 | |
| Asset management fee | 265 | 265 | 0 | |
| Other expenses | 53 | 54 | 1 | |
| Operating profit | 1,620 | 1,630 | 9 | |
| Non-operating income | 0 | 0 | 0 | |
| Non-operating expenses | 161 | 154 | (7) | Decrease in reserve funds used, including other borrowing-related expenses |
| Ordinary profit | 1,458 | 1,476 | 17 | |
| Net profit | 1,457 | 1,475 | 17 | |
| Distribution per unit (Unit: yen) | 3,120 yen | 3,158 yen | 38 yen | |
| NOI | 2,247 | 2,260 | 13 | |

Detailed Financial Results Highlights

(Comparison with Previous Fiscal Period) 7th Fiscal Period (Ended August 2022)

➤ Operating revenue (+9.0%) and operating profit (+5.8) both **increased** from the previous fiscal period

(Unit: million yen)

| Accounting period | 6th FP Results (A) (February 2022) | 7th FP Results (B) (August 2022) | Difference (B)-(A) | Major Factors for the Difference |
|--|---------------------------------------|-------------------------------------|-----------------------|---|
| Operating revenue | 2,778 | 3,028 | 249 | |
| Rental and CAM revenue | 2,615 | 2,516 | (99) | Shinagawa (-143), Toyo (+36), Omori (+5) |
| Parking revenue | 34 | 33 | (0) | |
| Utilities reimbursement | 119 | 121 | 1 | |
| Other revenue | 7 | 355 | 348 | Shinagawa partial cancellation penalty (+347) |
| Operating expenses | 1,237 | 1,397 | 159 | |
| Expenses related to leasing business [Total] | 972 | 1,076 | 104 | |
| Outsourcing expenses | 224 | 202 | (21) | Leasing incentives from previous FP (-18) (Toyo (+14), Omori (-1)), Shinagawa BM (-3) |
| Utilities expenses | 162 | 184 | 22 | BREEZÉ (+8), Omori (+4), Hatchobori (+3), Toyo (+2), other |
| Repair expenses | 36 | 55 | 19 | Hatchobori (+7), BREEZÉ (+5), Toyo (+4), Akasaka (+4), Shinagawa (-3) |
| Property taxes | 220 | 303 | 83 | Expensing of fixed assets tax and city planning tax for properties acquired in previous FP(+75), increase of FY22 fixed assets tax and city planning tax, etc. (+8) |
| Depreciation | 306 | 309 | 2 | |
| Other expenses | 22 | 20 | (1) | |
| Operating income (loss) from leasing business | 1,805 | 1,951 | 145 | |
| Total other operating expenses | 265 | 320 | 55 | |
| Asset management fee | 210 | 265 | 55 | Increase due to properties acquired in previous FP |
| Other expenses | 54 | 54 | 0 | |
| Operating profit | 1,540 | 1,630 | 89 | |
| Non-operating income | 0 | 0 | 0 | |
| Non-operating expenses | 148 | 154 | 6 | Increase in interest expenses, etc. |
| Ordinary profit | 1,392 | 1,476 | 83 | |
| Net profit | 1,391 | 1,475 | 83 | |
| Distribution per unit (Unit: yen) | 2,979 yen | 3,158 yen | 179 yen | |
| NOI | 2,112 | 2,260 | 148 | |

Management Highlights (External Growth)

A-8

Status of Shinagawa Seaside TS Tower

- **Status of lease agreements**
 - 1) End of March 2022: Immediate cancellation of the lease agreement for **7 floors**
⇒ Received **cancellation penalty** [booked in the 7th FP (Ended August 2022)]
 - 2) End of March 2023: Cancellation of the lease agreement for **14 floors**
- **Restoration work**
 - 1) 7 floors: **Received settlement of restoration work** from the tenant
⇒ will be included in the 8th FP (Ending February 2023)
 - 2) 14 floors: **Restoration work will be conducted at cost of the tenant** and will be delivered
- **Status of leasing activities: leasing meetings are held weekly**
 - Selection of LM companies*/ Hold views for personnel at LM companies (February-March)
 - Development of leasing measures/ Preparation of various tools (February-May)
 - **Direct approach** by LM company and the sales team of sponsor building sales team (**Continued** from April) / Viewing for leasing agencies (June)
 - **Introduction to prospective tenants (to August) 14 companies** (total floor area demanded: **about 28,000 tsubos**)
- **Status of leasing**
 - Current **leasing agreement for 2 floors** out of 7 floors has been executed. (Lease will start from **December 2022.**)
 - **Most inquiries received are from companies** located in Kita-Shinagawa/Higashi-Shinagawa in Shinagawa Ward. Many of them consider **multiple floors**.
- **Renovation to increase property value (renovation of common area)**
Striving to **improve comfort of office workers by renovating** entrance halls, EV halls, toilets (improvement of layouts), kitchenettes, etc.



* "LM Companies" mean property leasing agencies that are engaged in leasing management activities. The same applies below.

Management Highlights (ESG-Related)

➤ Introduction of “LUUP”, a share service for electric micromobility

Sponsor (the Sankei Building Co., Ltd.) Press release (Excerpt) May 2022

Sankei Building Takes a Stake in Electric Micromobility Share Service Start-up Luup

■ Services

Share services that allow people to move freely from port to port using electric micromobility devices installed across the town. Using the dedicated app, the whole process from use to payment can be easily done. As a new infrastructure in town, the firm provides last-mile mobility.



Honmachi Sankei Building



LEFOND PROGRÈS Chiyoda Ochanomizu

Introduced at

- Toyo Park Building (15 units)
- Hatchobori Sankei Building (6 units)



[Toyo Park Building]

SANKEI REAL ESTATE promotes introduction of “LUUP” to contribute to the realization of a carbon-neutral society, while striving to improve convenience for tenants and increase property value.

➤ Renewed DBJ Green Building certification for 2 office buildings (September 2022)



A-3

S-GATE NIHONBASHI-HONCHO



DBJ Green Building
2022



A-4

S-GATE AKIHABARA



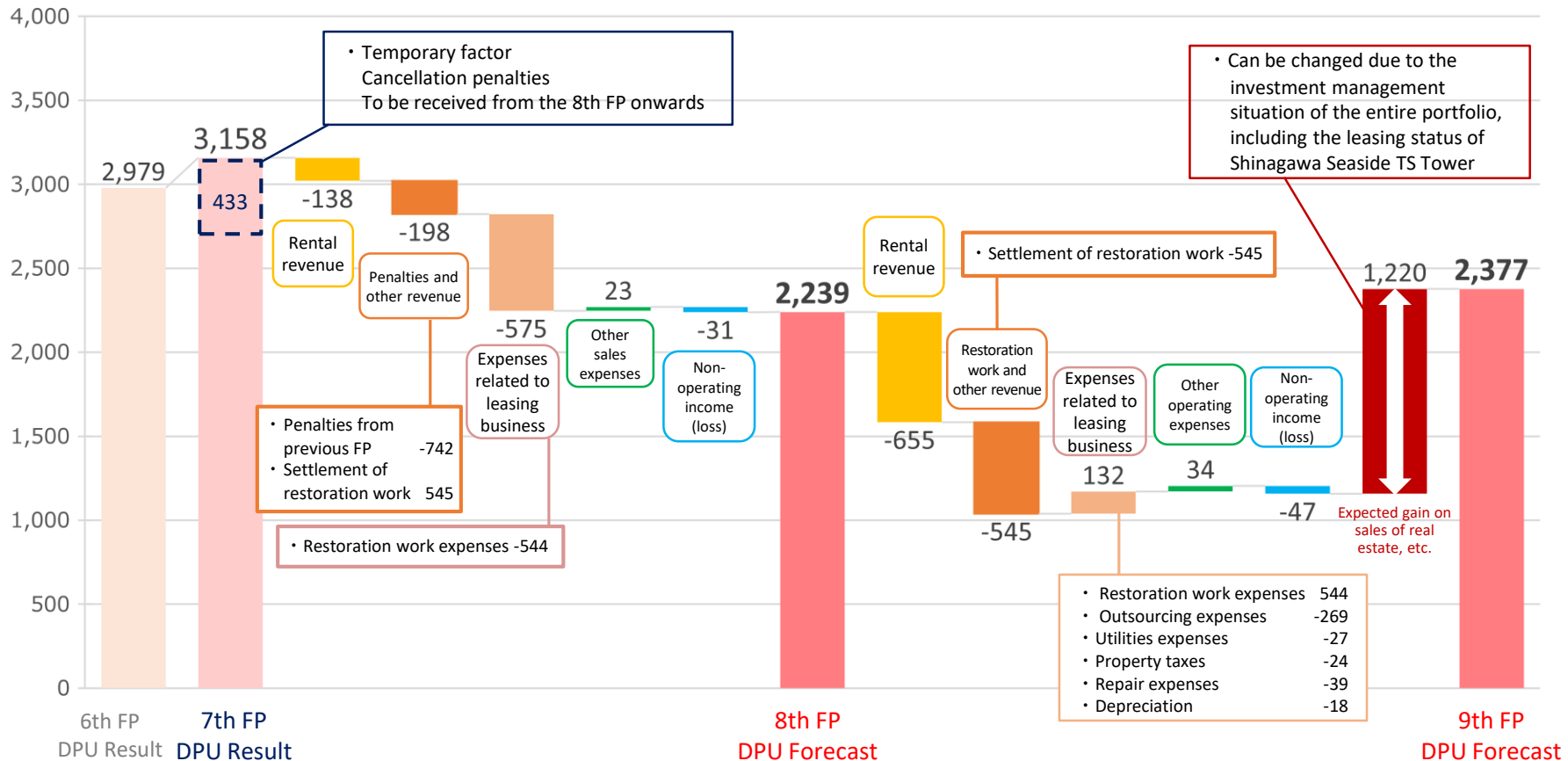
DBJ Green Building
2022

* “DBJ Green Building certification” is a certification system established by Development Bank of Japan Inc. in April 2011 to support properties that give proper care to the environment and society (Green Buildings)

Earnings Forecast (Summary)

- **DPU forecast for the 8th FP(ending February 2023): 2,239 yen, -29.1% (-919 yen) from the 7th FP**
No change from the forecast published in April this year. The temporary factor in the previous FP (cancellation penalty from main tenant) has been resolved
- **DPU forecast for the 9th FP(ending August 2023): 2,377 yen, +6.2% (+138 yen) from the 8th FP**
Based on the assumption that **measures to achieve stable DPU** utilizing unrealized profit from the portfolio is implemented
- **Hotels (2 properties) that are sub assets have no risk of reduced revenue** owing to contracts and sponsorship commitments

(yen per unit)



Forecast (Unabridged)

- DPU forecast for the 8th FP (ending February 2023): **2,239 yen, -29.1% (-919 yen)** from the 7th FP
- DPU forecast for the 9th FP(ending August 2023): **2,377 yen, +6.2% (+138 yen)** from the 8th FP

(Unit: million yen)

| Accounting period | 7th FP Result (A) (August 2022) | 8th FP Forecasts (B) (February 2023) | Difference (B)-(A) | 9th FP Forecasts (C) (August 2023) | Difference (C)-(B) |
|---|------------------------------------|---|-----------------------|---------------------------------------|-----------------------|
| Operating revenue | 3,028 | 2,867 | (160) | 2,858 | (8) |
| Rental and CAM revenue | 2,516 | 2,452 | (64) | 2,146 | (306) |
| Parking revenue | 33 | 32 | (1) | 31 | (0) |
| Utilities reimbursement | 121 | 119 | (1) | 102 | (17) |
| Other revenue | 355 | 263 | (92) | 8 | (254) |
| Gain on sales of real estate, etc. | - | - | - | 570 | 570 |
| Operating expenses | 1,397 | 1,652 | 254 | 1,556 | (95) |
| Expenses related to leasing business [Total] | 1,076 | 1,342 | 265 | 1,262 | (79) |
| Outsourcing expenses | 202 | 228 | 25 | 354 | 125 |
| Utilities expenses | 184 | 154 | (30) | 167 | 12 |
| Repair expenses | 55 | 333 | 278 | 97 | (236) |
| Property taxes | 303 | 301 | (1) | 312 | 11 |
| Depreciation | 309 | 298 | (11) | 307 | 8 |
| Other expenses | 20 | 25 | 4 | 24 | (0) |
| Operating income (loss) from leasing | 1,951 | 1,525 | (425) | 1,596 | 70 |
| Total other operating expenses | 320 | 310 | (10) | 294 | (16) |
| Asset management fee | 265 | 245 | (20) | 228 | (17) |
| Other expenses | 54 | 64 | 9 | 65 | 1 |
| Operating profit | 1,630 | 1,215 | (414) | 1,302 | 86 |
| Non-operating income | 0 | 0 | (0) | 0 | 0 |
| Non-operating expenses | 154 | 168 | 14 | 190 | 22 |
| Ordinary profit | 1,476 | 1,046 | (429) | 1,111 | 64 |
| Net profit | 1,475 | 1,045 | (429) | 1,110 | 64 |
| Distribution per unit (Unit: yen) | 3,158 yen | 2,239 yen | (919 yen) | 2,377 yen | 138 yen |
| NOI | 2,260 | 1,824 | (436) | 1,903 | 79 |

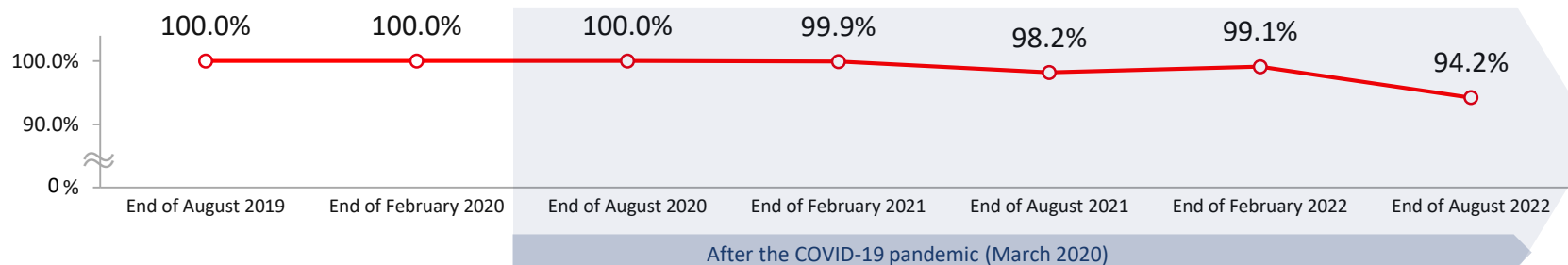
| Major Factors for the Difference |
|--|
| 8th FP Forecasts (Comparison with 7th FP) Operating revenue (-160 million yen) <ul style="list-style-type: none"> Rental revenue (-64), Cancellations (-71) (Shinagawa (-29), BREEZÉ (-28), Omori (-14)) Accrual of rent (+8) (Miyazakidai (+8)), other Utilities revenue (-1) (Shinagawa (-10), other buildings (+8)) Other revenue (-92) (Shinagawa cancellation penalty (-347), proceeds from monetary settlement of restoration work (+254), other) |
| Expenses related to leasing business (+265 million yen) <ul style="list-style-type: none"> Outsourcing expenses (+25) (Shinagawa leasing incentives (+21), Shinagawa CM fee (+2), other) Utilities expenses (-30) (Shinagawa (-23), BREEZÉ (-9), Omori (+2), other) Repair expenses (+278) (Shinagawa restoration, etc. (+273), BREEZÉ (+22), Toyo (-4), Hatchobori (-4), other) Depreciation (-11) (end of depreciation period of facilities: Shinagawa (-5), Omori (-4), Miyazakidai (-2)) |
| 9th FP Forecasts (Comparison with 8th FP) Operating revenue (-8 million yen) <ul style="list-style-type: none"> Rental revenue (-306) Cancellations (-301) (Shinagawa (-284), Omori (-15), BREEZÉ (-2)) Accrual of rent, free rent expired, etc. (+7) (Hibiya (+4), Akihabara (+1), Miyazakidai (+2)) Other revenue (-254) (Shinagawa proceeds from monetary settlement of restoration work (-254), other) Expected Gain on sale of real estate, etc. (+570) |
| Expenses related to leasing business (-79 million yen) <ul style="list-style-type: none"> Outsourcing expenses (+125) (leasing expenses: Shinagawa (+113), Omori (+7), BREEZÉ (+2), other) Utilities expenses (+12) (BREEZÉ (+10), Hatchobori (+3), Hibiya (+3), Toyo (+2), Shinagawa (-9), other) Property taxes (+11) (FY23 fixed assets tax and city planning tax burden adjustment) Repair expenses (-236) (Shinagawa restoration, etc. (-270), BREEZÉ (+26), Toyo (+2), Hatchobori (+2), other) Depreciation (+8) (Shinagawa (+6), Hitachi (+1), other) |

2. Internal Growth

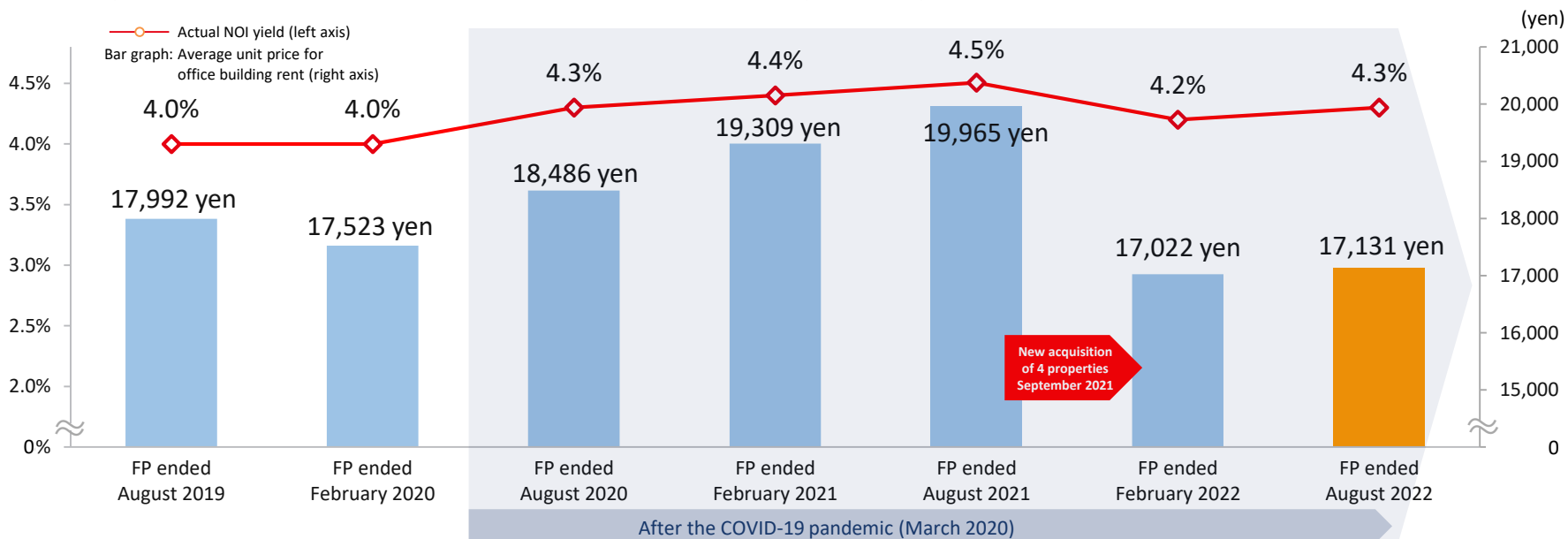
2-1 Internal Growth Results

– Rent Revision Performance of Office Buildings (Based on Financial Results) –

■ Change in Occupancy Rate



■ Change in Portfolio's Actual NOI Yield and Office Buildings Average Rent Unit Price



2-1 Internal Growth Results

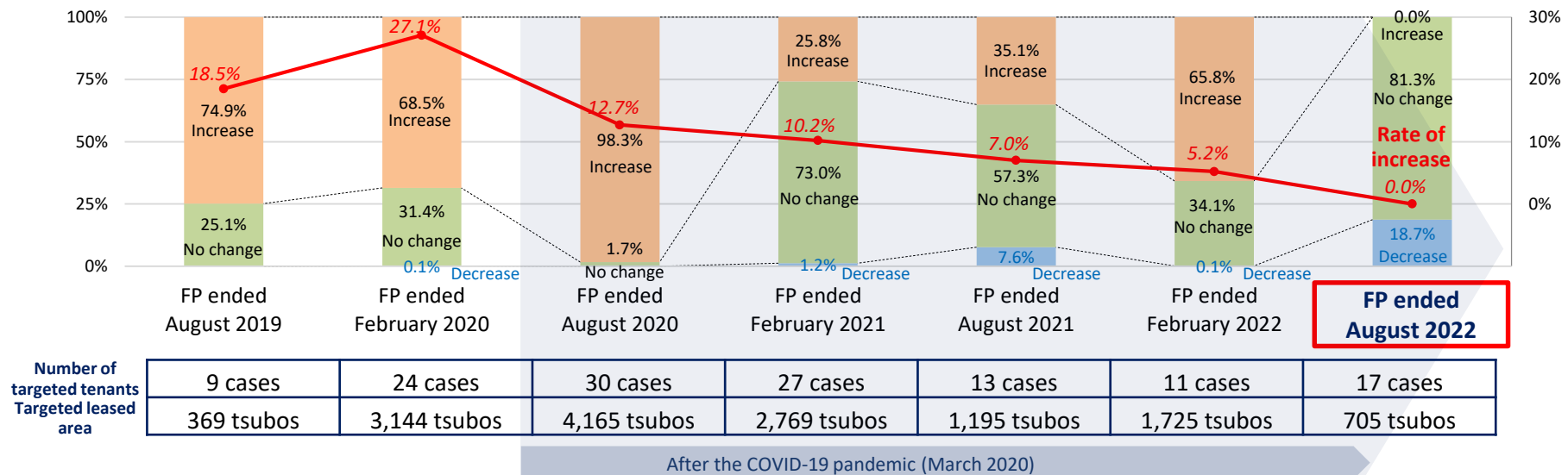
– Rent Revision Performance of Office Buildings (Based on Contracts Signed) –

- Refrain from negotiations that may increase the risk of tenants' leaving considering the current office rental market

■ Rent Revision Performance of Office Buildings (Based on Rental Area)

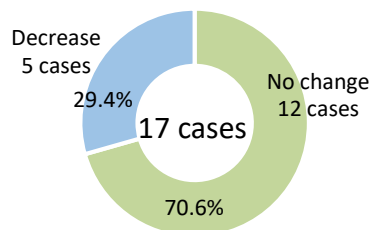
Percentages of rent revision results (bar graph)

Rate of rent increase (line graph)



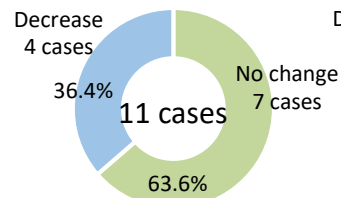
■ Rent Revision Performance of Office Buildings (Based on Number of Cases)

Overall

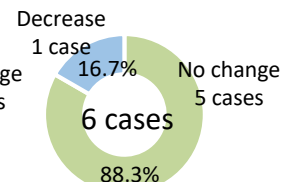


By Contract Form

Fixed-term

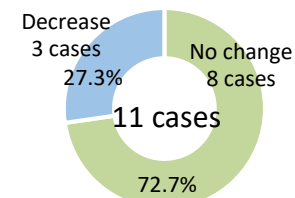


Ordinary

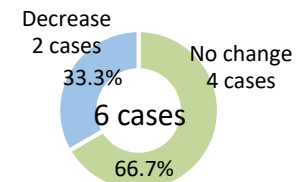


By Use

Office



Retail



2-1 Internal Growth Results

■ Examples of Lease-Up

A-11 Miyazakidai Garden Office

Completed lease-up
of one vacant portion

Occupancy rate
85.7% → Full occupancy (from July)

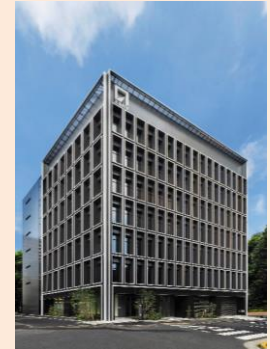


■ Increase in Incidental Revenue Examples

A-10 S-GATE AKASAKA

Increased incidental revenue through
effective use of space or by changing
parking lot sublease agreements

Increased by 2.0%
based on monthly rent



■ Increase in Electricity Charges: Current Status and Countermeasures

1. Situation of rising electricity prices (currently supplied by five companies)

- No companies are at risk of failure in supply. However, accepting new contracts appears to have been halted.
- Prices are raised at the time of contract renewal and unit prices under the fuel cost adjustment system for existing contracts are rising.

2. Countermeasures for increasing electricity charges

- Working to obtain approval from tenants to pass the higher electricity prices to their bills (largely approved) and raise prices for parts of buildings from which air-conditioning charges are collected separately with the central air-conditioning system, thereby reducing the impact.



As a certain rise in electricity prices was factored in for the 7th FP (forecast),
utilities expenses for the 7th FP (actual) were below approx. 3 million yen versus the forecast.

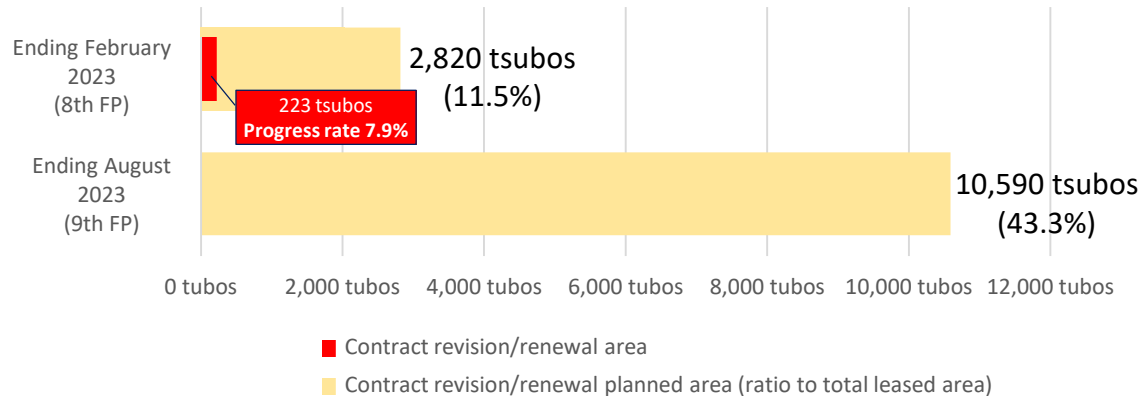
For the earnings forecasts for the 8th FP (ending February 2023) and thereafter, the current situation is taken into account.

2-2 Internal Growth Strategy

– Aiming to achieve stable medium- to long-term operations –

■ Scheduled Renewal with Rent Revision/Renewal and Progress (Targeting Office Buildings)

Based on contracts signed (for lease agreements concluded between March 1, 2022, and August 31, 2022)



■ Assumed Occupancy Rate of Portfolio

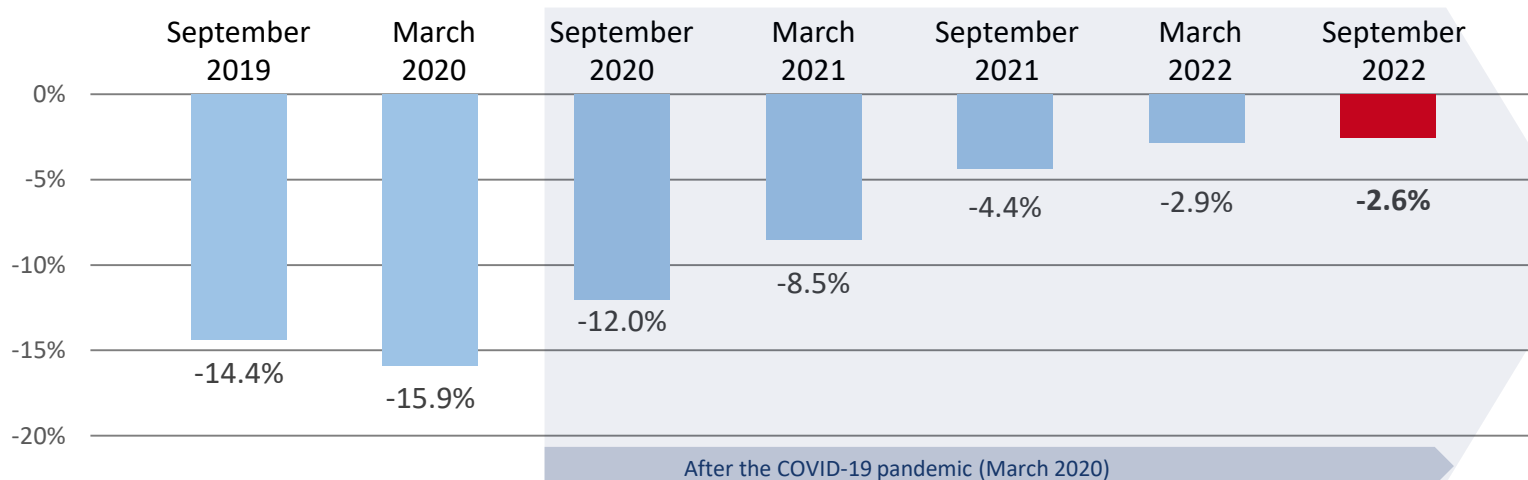
8th FP (ending February 2023)

- End of period 93.6%
- Period average 93.7%

9th FP (ending August 2023)

- End of period 95.8%
- Period average 91.8%

■ Change in Rent Gap for Office Buildings

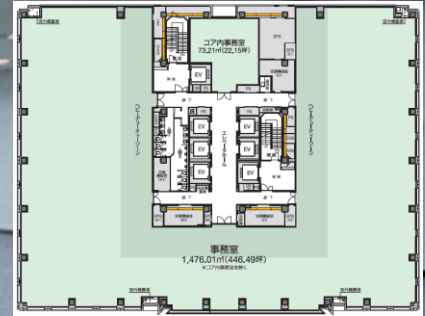


2-2 Internal Growth Strategy

– Leasing policy for the properties of high priority –

A-8 Shinagawa Seaside TS Tower

Typical Floor Plan



Knowledge Gained Through Leasing Activities

- The reasons of moving of prospective tenants are as follows:
 - 1) **Consolidating floor area** that had been expanded in the current building
 - 2) **Consolidation needs** in multiple locations
 - 3) Securing floor area which is now inefficient due to expansion
 - 4) **Improving the location**
 - 5) **Upgrading**
 - 6) **Improving convenience** (transportation, restaurants, etc.)
- Most inquiries and introductions to prospective tenants are based on **relocation needs from neighboring areas of the properties**
- **It is rare for large tenants to conduct drastic office relocation** when trying to restructure to reduce costs at expense of the convenience of central locations

Future Leasing Policy

1. **Expansion of target company (Area and tenant attributes)**
 - Identify the companies in the neighboring areas and approach them
2. **Optimize and accelerate leasing activities**
 - Capture the needs of target companies (cost reduction, better location, etc.) and accordingly provide recommendations.
 - Send direct messages to the target companies and conduct telemarketing
3. **Full deployment of salesforce for leasing**
 - Utilize resources and network not only from LM company, PM company and leasing agencies but also lessor-side resources and network (AM companies/ sponsor building sales team)
4. **Continuous approach to leasing agencies**
 - Prepare open rooms for prospective tenants
 - Viewing for leasing agencies (second round)
 - Notification of renovation to increase property value

In progress

In progress

In progress

Starting in September

Being planned

2-2 Internal Growth Strategy

– Focusing on **current challenges** while aiming **to reinforce the portfolio** –

Current View and Outlook for the Office Rental Market

- ✓ Although vacancy rates remain high in small and medium buildings, the **rise seems to have halted** overall
- ✓ Although there continues to be an increase in consolidations and relocations, **some examples provide a sense of a return of demand for expansion and large spaces**
- ✓ With the exception of certain industries, **corporate performance is solid or recovering**, but **there is a strong need to reduce fixed expenses in companies with decreased ability to pay rents** due to the deterioration of macroeconomic conditions and the economy as well as the prolonged impact of the COVID-19 pandemic
- ✓ **Market rents will decline** until there is a full recovery of supply and demand
- ✓ Although telework has become established to a certain degree, **companies have deep-rooted office-centric needs** due to concerns about efficiency of operations, productivity and lack of communication
- ✓ COVID-19 has resulted in progress in work-style reform, leading to diversification of office location demand and work styles, as well as **heightened preference for highly functional buildings with good access**

Due to the COVID-19 pandemic, the way people see offices has changed and become diversified, and the office buildings that meet needs are in demand. In metropolitan areas, the uncertainty about market conditions is increasing due to a large supply of office buildings. Office buildings with no competitive advantage may be obsolete.

Portfolio of SANKEI REAL ESTATE

- ✓ Despite challenges of dispersed tenants, SANKEI REAL ESTATE **holds a balanced** portfolio of office buildings that are **centrally located** ^{*1}, **highly functioning** ^{*2} and enjoy **close proximity to residential area** ^{*3}
- ✓ **Current issue: Lease-up of Shinagawa Seaside TS Tower**
SANKEI REAL ESTATE considers vacancy as an opportunity for **the further growth** and **promote multi-tenants** and **renovation to increase value**



Strategic leasing

- Despite the policy to reduce the risk of tenants moving, negotiations to be made for rent increase with tenants with a rent gap (especially tenants under fixed term lease)
- Diversify leasing periods, advance cancellation notices, switch the form of contracts (from ordinary lease to fixed lease) and diversify tenants

Reinforcement of portfolio

Portfolio Matrix Strategy

- Develop the policy **to achieve stable DPU in the 8th FP (ending February 2023)** and implement it from **the 9th FP (ending August 2023)**
- In case the asset replacements are done, they need to meet the purpose of improvement and **maintenance of portfolio quality** and **stable portfolio profit**

*1 Tokyo Sankei Building, BREEZÉ TOWER, Hibiya Sankei Building, S-GATE AKASAKA, S-GATE NIHONBASHI-HONCHO, and Hatchobori Sankei Building are the applicable properties.

*2 Tokyo Sankei Building, BREEZÉ TOWER, Shinagawa Seaside TS Tower, and the S GATE Series (AKASAKA, NIHONBASI-HONCHO, and AKIHA BARA) and Hitachi Kyusyu Building are the applicable properties.

*3 Shinagawa Seaside TS Tower, Toyo Park Building, Omori Park Building, Hitachi Kyusyu Building, and Miyazakidai Garden Office are the applicable properties.

MEMO

3. External Growth

Continue to implement diversified investment conscious of the portfolio matrix

Strong sponsor support

Core investment centered on developed properties

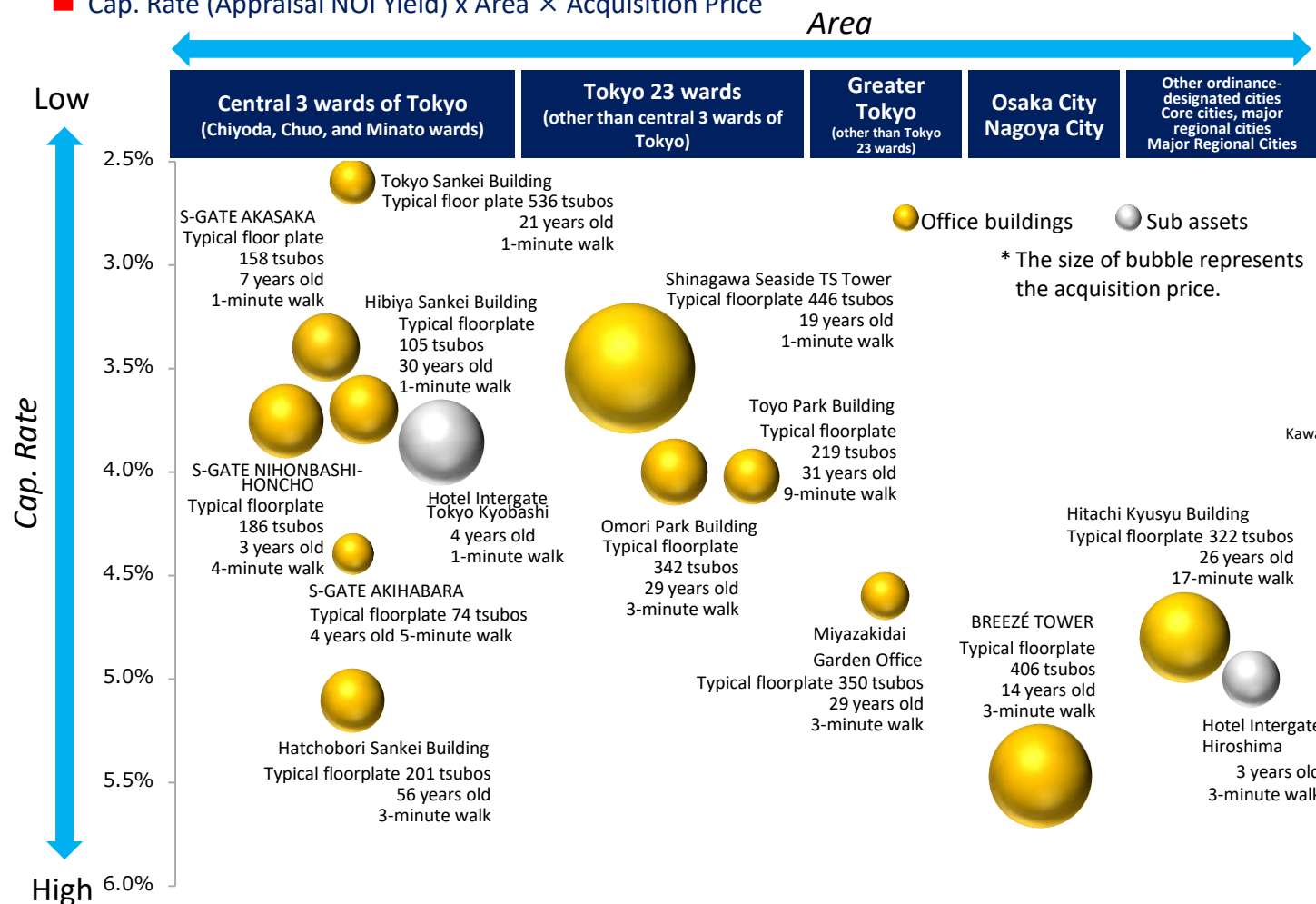


Diversified investment by making maximum use of strong sourcing ability



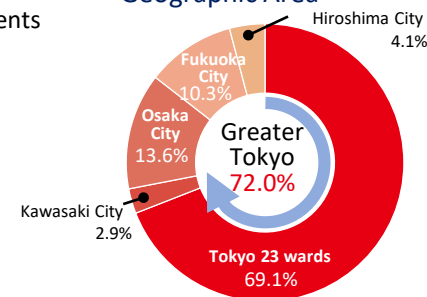
Makes portfolio's profitability and stability compatible

■ Cap. Rate (Appraisal NOI Yield) x Area × Acquisition Price

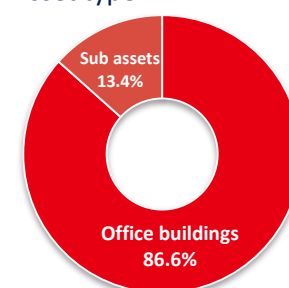


Actual NOI yield*
4.3%

■ Investment Ratio by Geographic Area



■ Investment Ratio by Asset type



* "Actual NOI yield" refers to the actual NOI yield calculated assuming the level of normal operations, after adjusting temporary factors such as fixed asset taxes that were not expensed at the time of acquisition and one-off cancellation penalties.

Pipeline from Sponsor (1)

■ Sub Asset Properties under Development

Logistics facilities

The second logistics facilities “SANKEILOGI”, “SANKEILOGI Atsugi” completed
Acquired “BELS” and “Nearly ZEB” evaluation



Introduced self-consumption solar power generation system and received 5 star, the highest rank in “BELS”, the Building-Housing Energy-efficiency Labeling System, and “Nearly ZEB^{*1}” certification

■ Sponsor logistics facilities development project *Joint project

Started development of “Yatabe Logistics Facilities Project (tentative name)”

Construction is planned to be completed in March 2023



| Property name | Location | Construction completion | Lot area | Total floor area | Building structure/ number of floors |
|--|---|-------------------------|-------------------------------|-------------------------------|--|
| SANKEILOGI Kashiwanoha | Kashiwanoha, Kashiwa-shi, Chiba | March 2022 | 5,313 m ² | 11,049 m ² | Steel Construction, 4 floors above ground |
| SANKEILOGI Atsugi | Onna, Atsugi-shi, Kanagawa | August 2022 | 6,842 m ² | 14,055 m ² | Steel Construction, 4 floors above ground |
| SANKEILOGI Settsu* | Tsuruno, Settsu-shi, Osaka | September 2022 | 7,318 m ² | 14,778 m ² | Steel Construction, 4 floors above ground |
| Yatabe Logistics Project (tentative name) | Yatabe, Tsukuba-shi, Ibaraki | March 2023 (planned) | Approx. 11,007 m ² | Approx. 11,327 m ² | Steel Construction, 2 floors above ground |
| Adachi Iriya Project (tentative name) | Iriya, Adachi-ku, Tokyo | June 2023 (planned) | 2,000 m ² | 5,714 m ² | Steel Construction, 5 floors above ground |
| Minamisuita Logistics Project (tentative name)* | Minamisuita, Suita-shi, Osaka | December 2023 (planned) | 36,139 m ² | 86,422 m ² | Steel Construction, 5 floors above ground |
| Nagaokakyo Logistics Project (tentative name)* | Shikotaritenyaku, Nagaokakyo-shi, Kyoto | April 2024 (planned) | Approx. 7,428 m ² | Approx. 15,249 m ² | Steel Construction, 4 floors above ground |
| Komaki-kita Logistics Project (tentative name)* | Fuso-cho, Niwa-gun, Aichi | April 2024 (planned) | Approx. 36,824 m ² | Approx. 43,706 m ² | Steel Construction, 2 floors above ground |
| Fuchu Logistics Project (tentative name)* | Musashidai, Fuchu-shi, Tokyo | Winter 2024 (planned) | Approx. 16,877 m ² | Approx. 38,943 m ² | Steel Construction, 4 floors above ground |

*1 Zeb stands for “Net Zero Energy Building” which means a building which aims for annual net energy consumption to be zero while maintaining comfortable indoor environment.

In BELS evaluation, properties are ranked by 4 categories: “ZEB”, “Nearly ZEB”, “ZEB ready” and “ZEB Oriented”.

*2 The properties shown on this page are not properties owned or planned to be acquired by SANKEI REAL ESTATE as of the date of preparation of this material, and there is no assurance that SANKEI REAL ESTATE will decide to acquire or be able to acquire these in future.

The incomplete buildings in the figure above are renderings prepared based on the assumption of the buildings being completed and may differ from the actual buildings.

Pipeline from Sponsor (2)

■ Development of Office Buildings

Office buildings



Tenyamachi Office Project (tentative name)

| Overview | |
|-------------------------|--|
| Location | Tenyamachi, Hakata-ku, Fukuoka |
| Construction completion | February 2023 (planned) |
| Lot area | 831 m ² |
| Total floor area | 4,989 m ² |
| Structure/ size | Steel Construction, 10 floors above ground |



S-GATE FIT Tenjinminami (tentative name)

| Overview | |
|-------------------------|--|
| Location | Watanabedori, Chuo-ku, Fukuoka |
| Construction completion | June 2023 (planned) |
| Lot area | Approx. 893 m ² |
| Total floor area | Approx. 4,813 m ² |
| Structure/ size | Steel Construction, 14 floors above ground |

■ Development of Sub Asset Properties

Hotels

Caption by Hyatt Namba Osaka (tentative name)

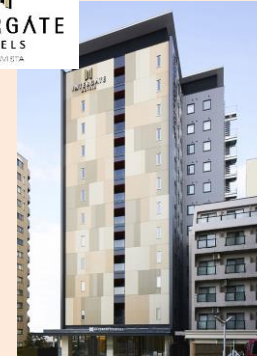


- The first branch of the new brand by Hyatt
- The first partnership with Hyatt

| Overview | |
|-------------------------|--|
| Location | Nipponbashi, Chuo-ku, Osaka-shi |
| Construction completion | September 2023 (planned) |
| Lot area | Approx. 958.72 m ² |
| Total floor area | Approx. 5,748.75 m ² |
| Structure/ size | Steel Construction, 11 floors above ground |



Hotel Intergate Osaka Umeda



Hotel Intergate Kanazawa

Residential

LEFOND PROGRÈS
ルフォン プログレ

LEFOND PROGRES, etc.
See below for the development plan

Sankei Building “LEFOND”
Official Instagram
account
@lefond.official

* The properties shown on this page are not properties owned or planned to be acquired by SANKEI REAL ESTATE as of the date of preparation of this material, and there is no assurance that SANKEI REAL ESTATE will decide to acquire or be able to acquire these in future.
The incomplete buildings in the figure above are renderings prepared based on the assumption of the buildings being completed and may differ from the actual buildings.

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4. Financial Strategy

Financial Strategy – Financial Highlights (1) –

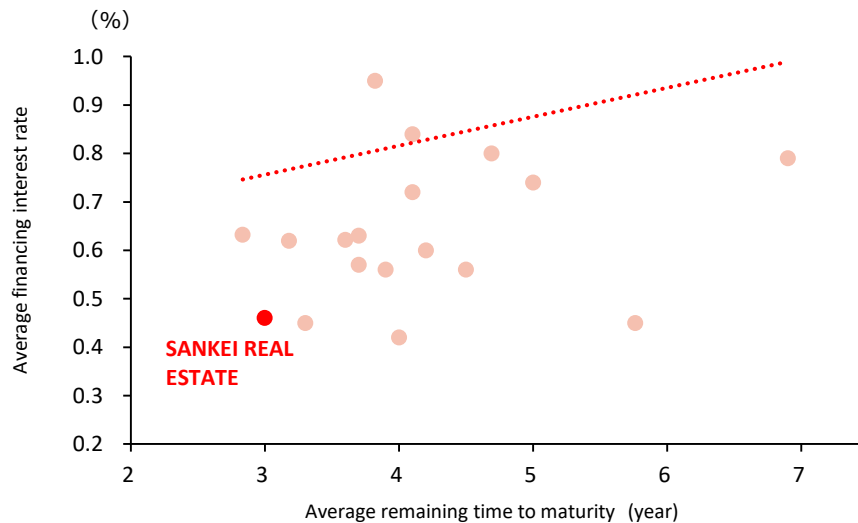
- Aiming to maintain a stable financial base by continuously striving **to extend average remaining time to maturity**
- Ratio of fixed interest rate is 100% (It was 88.2% before the refinance on September 5, 2022)

■ Financial Highlights (as of September 5, 2022)

| | | | |
|---|------------------|------------------------------------|-----------|
| Balance of interest-bearing liabilities | 50.2 billion yen | LTV ratio | 47.1% |
| Ratio of long-term debt | 80.9% | Ratio of fixed-rate debt | 100.0% |
| Average financing interest rate | 0.46% | Average remaining time to maturity | 3.0 years |

■ Distribution Map of Average Financing Interest Rates and Average Remaining Time to Maturity of Office J-REITs

(as of September 30, 2022)



■ LTV Ratio During Normal Operations

| | End of the 7th FP | End of the 8th FP | End of the 9th FP |
|-----------|-------------------|---------------------|---------------------|
| LTV ratio | 47.1% | 47.3% (Forecast) | 47.6% (Forecast) |

■ Lender Composition (as of September 5, 2022)

[Unit: million yen]

| | Borrowing amount | Percentage |
|----------------------------|------------------|------------|
| Mizuho Bank | 12,500 | 24.9% |
| Sumitomo Mitsui Banking | 9,100 | 18.1% |
| Development Bank of Japan | 7,700 | 15.3% |
| Mizuho Trust & Banking | 4,640 | 9.2% |
| Sumitomo Mitsui Trust Bank | 4,500 | 9.0% |
| Shinsei Bank | 4,080 | 8.1% |
| Resona Bank | 3,780 | 7.5% |
| Aozora Bank | 2,000 | 4.0% |
| The Nishi-Nippon City Bank | 1,000 | 2.0% |
| Kansai Mirai Bank | 600 | 1.2% |
| Chiba Bank | 300 | 0.6% |
| 11 banks in total | 50,200 | 100.0% |

Financial Strategy – Financial Highlights (2) –

- Gained more flexibility in financing **with a line of credit** (1.5 billion yen/uncommitted) (May 2022)
- **Complied with SFDR** (Sustainable Finance Disclosure Regulation)
→ SFDR ARTICLE 8 Summary, etc. is **disclosed on the Company's website** (June 2022)

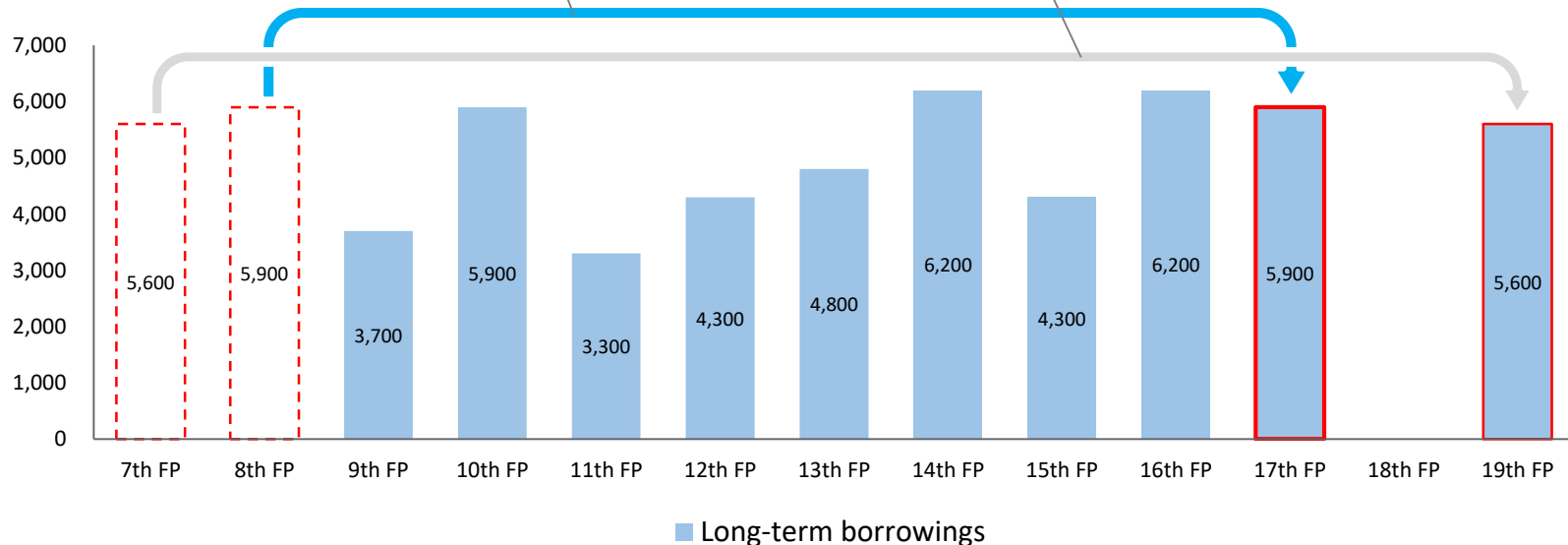
- Promote the **distribution** and **prolongation** of the maturity ladder

■ Maturity Ladder for Interest-Bearing Liabilities (as of September 5, 2022)

- **Refinanced borrowings due in the 8th FP** (September 5, 2022)
5.9 billion yen at fixed interest, **4.5 years** (to be repaid in the **17th FP**)

- Refinancing results for the 7th FP
5.6 billion yen at fixed interest, **6.0 years** (to be repaid in the **19th FP**)

(Unit: million yen)



MEMO

5. ESG Initiatives

ESG Initiatives (1)

■ Topics

- Continued participation in 2022 **GRESB Real Estate Assessment**

The evaluation results are due to be published in a press release soon



GRESB Real Estate Assessment: A global investment benchmark established as a tool to measure the environmental, social, and governance (ESG) considerations of individual companies and funds in the real estate sector and used to select investment targets and engage in dialogue with investment targets.

- Continued installation of **LED lighting** at tenant turnover
 - 7th FP (ended August 2022): Installed at **BREEZÉ TOWER**
 - 8th FP (ending February 2023): Installation at **Omori Park Building** planned



Photo: Image of LED lighting (S-GATE AKASAKA)

A-9

Omori Park Building



A-2

BREEZÉ TOWER



■ Future Initiatives

- Disclosure of ESG benchmarks (improvement of disclosure)
 - ⇒ **Renewal of the website of SANKEI REAL ESTATE**
- Plan to support the **TCFD (Task Force on Climate-related Financial Disclosures)** recommendations

ESG Initiatives (2)

■ Various Rules Associated with ESG

| Sustainability Policy | Sustainability Promotion System | Internal regulations, policies, etc. |
|---|---|---|
| <ul style="list-style-type: none"> (1) Preserving the Earth environment and reducing the environmental load of assets under management (2) Serving the local community (3) Cooperating with external stakeholders (4) Working with executives and employees (5) Observing compliance and establishing/maintaining an internal control system (6) Disclosing ESG information and securing transparency | <ul style="list-style-type: none"> Chief Sustainability Officer: Executive Deputy President Sustainability Officer: General Manager, Sustainability Promotion Office Sustainability promotion meetings: Examining and planning various policies, targets, and measures related to sustainability | <ul style="list-style-type: none"> Sustainability Promotion System Policy on saving water Rules Policy on energy conservation Policy on greenhouse gas emissions reduction Policy on sustainable procurement Policy on saving water Rules EMS operational manual |

■ Environment

Energy consumption reduction targets

- Long-term target 1: **Reduce** annual energy consumption intensity within the scope managed by the owner **by 5% from the base year (2019) by 2025**
- Long-term target 2: **Reduce** annual energy consumption intensity within the scope managed by tenants **by 1% from the base year (2019) by 2025**

GHG emission reduction targets



<Scope 1 + Scope 2>

- The single-year target is to **reduce** energy consumption intensity **by 1% compared with the previous year** for Scope 1 + Scope 2
- **Reduce by 5% from the base year (2019)** in the medium to long term (5 years)

<Scope 3>

- **Reduce by 1% from the base year (2019)** in the medium to long term (5 years)

Status of environmental certificates

| | Property name | Evaluation ranking | Year of issuance |
|---|--------------------------------|--------------------|------------------|
|  DBJ Green Building Acquisition of certifications | Tokyo Sankei Building | ★★★★ | 2021 |
| | BREEZE TOWER | ★★★★ | 2021 |
| | S-GATE NIHONBASHI-HONCHO | ★★★★ | 2022 |
| | S-GATE AKIHABARA | ★★★ | 2022 |
| | S-GATE AKASAKA | ★★★ | 2020 |
|  Acquisition of BELS evaluation | Hotel Intergate Tokyo Kyobashi | ★★★★ | 2021 |
| | Hotel Intergate Hiroshima | ★★ | 2021 |

■ Social

- Relationship with Stakeholders
- Response to the COVID-19 Pandemic

[Example of Building Events]

Agri Marché in Otemachi

Joint project by Nippon Broadcasting System and YACYBAR
Program Marche was held at Tokyo Sankei Building



■ Governance

- Sponsor Commitment
- #### Promotion of Same-Boat Investment by Sponsor

| Number of investment units issued and outstanding | Number of units held by sponsor | Percentage of units held by sponsor |
|---|---------------------------------|-------------------------------------|
| 467,099 units | 17,479 units | 3.74% |

■ Contributions to SDGs (Sustainable Development Goals)

SUSTAINABLE DEVELOPMENT GOALS

SANKEI REAL ESTATE's efforts have contributed to the following SDGs.



- Goal 3: Ensuring prevention of the spread of infectious diseases, flexible work styles
- Goal 7: LEDs, solar power, reduction of heat load
- Goal 8: Rooftop terraces (worker-friendly buildings)
- Goal 11: Green Building certification, seismic dampers, stockpiles
- Goal 12: Appropriate treatment and recycling of industrial waste
- Goal 13: Disaster countermeasures, intake of people having difficulty returning home

Appendix

Balance Sheet (Unabridged) for the Fiscal Period Ended August 2022 (7th FP)

| | 6th FP (as of Feb. 28, 2022) | 7th FP (as of Aug. 31, 2022) |
|---|---------------------------------|---------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,512,675 | 5,575,535 |
| Cash and deposits in trust | 3,729,623 | 3,303,184 |
| Operating accounts receivable | 89,938 | 62,702 |
| Prepaid expenses | 61,458 | 71,801 |
| Consumption taxes receivable | 389,377 | - |
| Other | - | 78 |
| Total current assets | 8,783,072 | 9,013,302 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 179,269 | 181,978 |
| Accumulated depreciation | (18,849) | (22,182) |
| Buildings, net | 160,419 | 159,795 |
| Structures | 544 | 544 |
| Accumulated depreciation | (39) | (53) |
| Structures, net | 504 | 490 |
| Land | 2,457,766 | 2,457,766 |
| Buildings in trust | 18,708,509 | 18,769,170 |
| Accumulated depreciation | (1,291,738) | (1,592,660) |
| Buildings in trust, net | 17,416,771 | 17,176,510 |
| Structures in trust | 71,171 | 71,171 |
| Accumulated depreciation | (2,476) | (3,517) |
| Structures in trust, net | 68,695 | 67,654 |
| Machinery and equipment in trust | 11,302 | 11,302 |
| Accumulated depreciation | (1,131) | (1,698) |
| Machinery and equipment in trust, net | 10,170 | 9,603 |
| Tools, furniture and fixtures in trust | 29,876 | 49,525 |
| Accumulated depreciation | (7,822) | (11,769) |
| Tools, furniture and fixtures in trust, net | 22,054 | 37,756 |
| Land in trust | 77,433,848 | 77,433,848 |
| Construction in progress in trust | 32,673 | 56,722 |
| Total property, plant and equipment | 97,602,903 | 97,400,148 |
| Intangible assets | | |
| Software | 3,893 | 2,953 |
| Total intangible assets | 3,893 | 2,953 |
| Investments and other assets | | |
| Long-term prepaid expenses | 93,338 | 103,157 |
| Deferred tax assets | 10 | 15 |
| Leasehold and guarantee deposits | 10,000 | 10,000 |
| Total investments and other assets | 103,348 | 113,173 |
| Total non-current assets | 97,710,146 | 97,516,274 |
| Deferred assets | | |
| Investment unit issuance expenses | 30,124 | 24,099 |
| Total deferred assets | 30,124 | 24,099 |
| Total assets | 106,523,343 | 106,553,676 |

(Unit: thousand yen)

| | 6th FP (as of Feb. 28, 2022) | 7th FP (as of Aug. 31, 2022) |
|--|---------------------------------|---------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 126,748 | 244,965 |
| Short-term borrowings | 400,000 | - |
| Long-term borrowings due within 1 year | 11,500,000 | 9,600,000 |
| Accounts payable – other | 242,634 | 308,770 |
| Accrued expenses | 38,805 | 44,831 |
| Income taxes payable | 815 | 926 |
| Consumption taxes payable | - | 171,838 |
| Advances received | 485,392 | 447,828 |
| Deposits received | 11,356 | 6,036 |
| Total current liabilities | 12,805,752 | 10,825,198 |
| Non-current liabilities | | |
| Long-term borrowings | 38,700,000 | 40,600,000 |
| Leasehold and guarantee deposits received | 87,974 | 88,237 |
| Leasehold and guarantee deposits received in trust | 4,102,499 | 4,129,413 |
| Total non-current liabilities | 42,890,473 | 44,817,651 |
| Total liabilities | 55,696,225 | 55,642,849 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 49,442,685 | 49,442,685 |
| Unitholders' capital deduction | (7,136) | (7,136) |
| Unitholders' capital (net) | 49,435,549 | 49,435,549 |
| Surplus | | |
| Unappropriated retained earnings (undisposed loss) | 1,391,567 | 1,475,277 |
| Total surplus | 1,391,567 | 1,475,277 |
| Total unitholders' equity | 50,827,117 | 50,910,827 |
| Total net assets | 50,827,117 | 50,910,827 |
| Total liabilities and net assets | 106,523,343 | 106,553,676 |

Statement of Income (Unabridged) for the Fiscal Period Ended August 2022 (7th FP)

(Unit: thousand yen)

| | 6th FP (ended Feb. 2022) | 7th FP (ended Aug. 2022) |
|---|-----------------------------|-----------------------------|
| Operating revenue | | |
| Leasing business revenue | 2,615,817 | 2,516,558 |
| Other leasing business revenue | 162,297 | 511,493 |
| Total operating revenue | 2,778,114 | 3,028,051 |
| Operating expenses | | |
| Expenses related to leasing business | 972,543 | 1,076,927 |
| Asset management fee | 210,809 | 265,992 |
| Asset custody fee | 2,013 | 2,100 |
| Administrative service fees | 8,760 | 7,460 |
| Remuneration for directors (and other officers) | 3,600 | 3,600 |
| Other operating expenses | 40,098 | 41,722 |
| Total operating expenses | 1,237,824 | 1,397,803 |
| Operating profit | 1,540,290 | 1,630,247 |
| Non-operating income | | |
| Interest income | 37 | 41 |
| Insurance claim income | 253 | - |
| Interest on refund | - | 279 |
| Other non-operating income | 17 | 0 |
| Total non-operating income | 308 | 321 |
| Non-operating expenses | | |
| Interest expenses | 88,264 | 100,931 |
| Borrowing related expenses | 48,540 | 47,460 |
| Investment unit issuance expenses | 6,024 | 6,024 |
| Other non-operating expenses | 5,583 | 26 |
| Total non-operating expenses | 148,414 | 154,444 |
| Ordinary profit | 1,392,184 | 1,476,124 |
| Net profit before income taxes | 1,392,184 | 1,476,124 |
| Income taxes – current | 820 | 932 |
| Income taxes – deferred | 2 | (5) |
| Total income taxes | 823 | 927 |
| Net profit | 1,391,360 | 1,475,197 |
| Retained earnings brought forward | 207 | 80 |
| Unappropriated retained earnings (undisposed loss) | 1,391,567 | 1,475,277 |

Statement of Cash Flows for the Fiscal Period Ended August 2022 (7th FP)

| | (Unit: thousand yen) | |
|--|--------------------------------|--------------------------------|
| | 6th FP (FP ended Feb. 2022) | 7th FP (FP ended Aug. 2022) |
| Cash flows from operating activities | | |
| Net profit before income taxes | 1,392,184 | 1,476,124 |
| Depreciation | 307,937 | 310,763 |
| Investment unit issuance expenses | 6,024 | 6,024 |
| Interest income | (37) | (41) |
| Interest expenses | 88,264 | 100,931 |
| Decrease (increase) in operating accounts receivable | (47,934) | 27,164 |
| Decrease (increase) in consumption taxes refund receivable | (389,377) | 389,377 |
| Decrease (increase) in prepaid expenses | (2,245) | (10,343) |
| Increase (decrease) in operating accounts payable | (86,226) | 116,727 |
| Increase (decrease) in accounts payable – other | 9,619 | 64,742 |
| Increase (decrease) in advances received | 145,449 | (37,563) |
| Increase (decrease) in deposits received | (2,709) | (5,319) |
| Decrease (increase) in long-term prepaid expenses | (49,613) | (9,818) |
| Increase (decrease) in consumption taxes payable | (89,208) | 171,838 |
| Decrease (increase) in other assets | 77 | (78) |
| Subtotal | 1,282,204 | 2,600,531 |
| Interest received | 37 | 41 |
| Interest paid | (77,396) | (94,905) |
| Income taxes paid | (881) | (821) |
| Net cash provided by (used in) operating activities | 1,203,964 | 2,504,846 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (9,967) | (2,708) |
| Purchase of property, plant and equipment in trust | (25,743,595) | (102,914) |
| Proceeds from leasehold and guarantee deposits received | 5,933 | 595 |
| Refund of leasehold and guarantee deposits received | (98) | (331) |
| Proceeds from leasehold and guarantee deposits received in trust | 1,005,708 | 110,219 |
| Refund of leasehold and guarantee deposits received in trust | (128,308) | (83,190) |
| Net cash provided by (used in) investing activities | (24,870,328) | (78,330) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 1,000,000 | - |
| Repayments of short-term borrowings | (600,000) | (400,000) |
| Proceeds from long-term borrowings | 16,700,000 | 5,600,000 |
| Repayments of long-term borrowings | (4,300,000) | (5,600,000) |
| Proceeds from issuance of investment units | 12,901,784 | - |
| Payments of investment unit issuance expenses | (29,661) | - |
| Distribution paid | (1,020,683) | (1,390,093) |
| Net cash provided by (used in) financing activities | 24,651,439 | (1,790,093) |
| Net increase (decrease) in cash and cash equivalents | 985,075 | 636,421 |
| Cash and cash equivalents at beginning of period | 7,257,223 | 8,242,298 |
| Cash and cash equivalents at end of period | 8,242,298 | 8,878,719 |

Status of Lenders (as of September 5, 2022)

| Term | Lender | Borrowing amount (million yen) | Interest rate | Borrowing date (upper row) Maturity date (lower row) | Repayment method | Description | |
|----------------------------|----------------------------|-----------------------------------|---------------------|---|--------------------------------|--------------------------------------|---------------------------------|
| Long-term borrowings | Mizuho Bank | 972 | 3,700 | 0.42346% (fixed) | Mar. 12, 2019 Mar. 12, 2023 | Lump-sum repayment at maturity | Unsecured Non- guaranteed |
| | Sumitomo Mitsui Banking | 716 | | | | | |
| | Development Bank of Japan | 614 | | | | | |
| | Mizuho Trust & Banking | 392 | | | | | |
| | Sumitomo Mitsui Trust Bank | 358 | | | | | |
| | Shinsei Bank | 324 | | | | | |
| | Resona Bank | 324 | 3,300 | 0.49096% (fixed) | Mar. 12, 2019 Mar. 12, 2024 | | |
| | Mizuho Bank | 856 | | | | | |
| | Sumitomo Mitsui Banking | 639 | | | | | |
| | Development Bank of Japan | 548 | | | | | |
| | Mizuho Trust & Banking | 350 | | | | | |
| | Sumitomo Mitsui Trust Bank | 319 | | | | | |
| | Shinsei Bank | 294 | 5,900 | 0.36200% (fixed) | Sep. 3, 2019 Sep. 3, 2023 | | |
| | Resona Bank | 294 | | | | | |
| | Mizuho Bank | 950 | | | | | |
| | Sumitomo Mitsui Banking | 800 | | | | | |
| | Development Bank of Japan | 2,000 | | | | | |
| | Mizuho Trust & Banking | 620 | | | | | |
| | Sumitomo Mitsui Trust Bank | 550 | 4,300 | 0.32923% (fixed) | Mar. 12, 2020 Sep. 12, 2024 | | |
| | Shinsei Bank | 490 | | | | | |
| | Resona Bank | 490 | | | | | |
| | Mizuho Bank | 1,167 | | | | | |
| | Sumitomo Mitsui Banking | 832 | | | | | |
| | Development Bank of Japan | 713 | | | | | |
| | Mizuho Trust & Banking | 456 | 4,800 | 0.36978% (fixed) | Mar. 12, 2021 Mar. 12, 2025 | | |
| | Sumitomo Mitsui Trust Bank | 416 | | | | | |
| | Shinsei Bank | 358 | | | | | |
| | Resona Bank | 358 | | | | | |
| | Mizuho Bank | 1,331 | | | | | |
| | Sumitomo Mitsui Banking | 929 | | | | | |
| Development Bank of Japan | 796 | 6,200 | 0.29655% (fixed) | Sep. 2, 2021 Sep. 2, 2025 | | | |
| Mizuho Trust & Banking | 509 | | | | | | |
| Sumitomo Mitsui Trust Bank | 465 | | | | | | |
| Shinsei Bank | 385 | | | | | | |
| Resona Bank | 385 | | | | | | |
| Mizuho Bank | 1,550 | | | | | | |
| Sumitomo Mitsui Banking | 1,000 | 6,200 | 0.29655% (fixed) | Sep. 2, 2021 Sep. 2, 2025 | | | |
| Development Bank of Japan | 700 | | | | | | |
| Mizuho Trust & Banking | 600 | | | | | | |
| Sumitomo Mitsui Trust Bank | 500 | | | | | | |
| Shinsei Bank | 500 | | | | | | |
| Resona Bank | 400 | | | | | | |
| The Nishi-Nippon City Bank | 500 | | | | | | |
| Kansai Mirai Bank | 300 | | | | | | |
| Chiba Bank | 150 | | | | | | |

| Term | Lender | Borrowing amount (million yen) | | Interest rate | Borrowing date (upper row) Maturity date (lower row) | Repayment method | Description |
|----------------------------|----------------------------|-----------------------------------|-------|---------------------|---|--------------------------------------|---------------------------------|
| Long-term borrowings | Mizuho Bank | 750 | 6,200 | 0.35542% (fixed) | Sep. 2, 2021 Sep. 2, 2026 | Lump-sum repayment at maturity | Unsecured Non- guaranteed |
| | Sumitomo Mitsui Banking | 700 | | | | | |
| | Development Bank of Japan | 700 | | | | | |
| | Mizuho Trust & Banking | 200 | | | | | |
| | Sumitomo Mitsui Trust Bank | 500 | | | | | |
| | Shinsei Bank | 500 | | | | | |
| | Resona Bank | 400 | | | | | |
| | Aozora Bank | 1,500 | | | | | |
| | The Nishi-Nippon City Bank | 500 | | | | | |
| | Kansai Mirai Bank | 300 | | | | | |
| | Chiba Bank | 150 | | | | | |
| | Mizuho Bank | 1,100 | 4,300 | 0.38044% (fixed) | Oct. 1, 2021 Apr. 1, 2026 | | |
| | Sumitomo Mitsui Banking | 900 | | | | | |
| | Development Bank of Japan | 700 | | | | | |
| | Mizuho Trust & Banking | 300 | | | | | |
| | Sumitomo Mitsui Trust Bank | 300 | | | | | |
| | Shinsei Bank | 300 | | | | | |
| | Resona Bank | 200 | | | | | |
| | Aozora Bank | 500 | | | | | |
| | Mizuho Bank | 1,574 | 5,600 | 0.77500% (fixed) | Mar. 14, 2022 Mar. 14, 2028 | | |
| | Sumitomo Mitsui Banking | 1,084 | | | | | |
| | Development Bank of Japan | 929 | | | | | |
| | Mizuho Trust & Banking | 593 | | | | | |
| | Sumitomo Mitsui Trust Bank | 542 | | | | | |
| Shinsei Bank | 439 | | | | | | |
| Resona Bank | 439 | | | | | | |
| Mizuho Bank | 2,250 | 5,900 | | | | 0.79285% (fixed) | Sep. 5, 2022 Mar. 5, 2027 |
| Sumitomo Mitsui Banking | 1,500 | | | | | | |
| Mizuho Trust & Banking | 620 | | | | | | |
| Sumitomo Mitsui Trust Bank | 550 | | | | | | |
| Shinsei Bank | 490 | | | | | | |
| Resona Bank | 490 | | | | | | |
| Total | | 50,200 | | | | | |

*If the maturity date is not a business day, it will be the following business day.

Key Performance Indicators (KPIs) for the Fiscal Period Ended August 2022 (7th FP)

| | | 6th FP (ended Feb. 2022) | 7th FP (ended Aug. 2022) |
|------------------------------|---|-----------------------------|-----------------------------|
| LTV | (against total assets) | 47.5% | 47.1% |
| | (against total assets <considering unrealized gain/loss>) | 44.1% | 44.0% |
| NOI yield | (against book value) | 4.3% | 4.6% |
| | (against appraisal value) | 4.0% | 4.3% |
| NOI yield after depreciation | (against book value) | 3.7% | 4.0% |
| | (against appraisal value) | 3.4% | 3.7% |
| Implied cap rate | (NOI yield) | 4.4% | 5.0% |
| | (NOI yield after depreciation) | 3.7% | 4.3% |
| FFO | | 1,698 million yen | 1,785 million yen |
| AFFO | | 1,624 million yen | 1,701 million yen |
| FFO per unit | | 3,635 yen | 3,821 yen |
| EPS | | 2,978 yen | 3,158 yen |

- *1. LTV (against total assets) = Interest-bearing liabilities / Total assets (book value)
LTV (against total assets <considering unrealized gain/loss>) = Interest-bearing liabilities / (Total assets (book value) + unrealized gain/loss)
- *2. NOI yield (against book value) = (Operating income from real estate leasing + Depreciation) / Book value of real estate for lease
NOI yield (against appraisal value) = (Operating income from real estate leasing + Depreciation) / Appraisal value of real estate for lease
- *3. NOI yield after depreciation (against book value) = Operating income from real estate leasing / Book value of real estate for lease
NOI yield after depreciation (against appraisal value) = Operating income from real estate leasing / Appraisal value of real estate for lease
- *4. Implied cap rate (NOI yield) = NOI (Annualized; current FP result x 2) / (Total fair value + Interest-bearing liabilities – Cash and deposits + Leasehold deposits received)
Implied cap rate (NOI yield after depreciation) = NOI after depreciation (Annualized; current FP result x 2) / (Total fair value + Interest-bearing liabilities – Cash and deposits + Leasehold deposits received)
- *5. FFO = Net profit + Depreciation – Gain/loss on sales of real estate properties (including loss on retirement of non-current assets)
- *6. AFFO = FFO – Capital expenditure
- *7. FFO per unit = FFO / Total number of investment units issued and outstanding at end of period
- *8. EPS = Net profit / Total number of investment units issued and outstanding at end of period

| | | 6th FP (ended Feb. 2022) | 7th FP (ended Aug. 2022) |
|--|--------|-----------------------------|-----------------------------|
| Distribution per unit | | 2,979 yen | 3,158 yen |
| Distribution yield | | 5.5% | 6.5% |
| ROE | | 5.5% | 5.8% |
| Net assets per unit | | 108,814 yen | 108,993 yen |
| NAV per unit | | 126,247 yen | 125,250 yen |
| Investment unit price (at end of period) | | 108,200 yen | 97,200 yen |
| NAV multiple | | 0.9x | 0.8x |
| PBR | | 1.0x | 0.9x |
| PER | | 18.2x | 15.4x |
| FFO multiple | | 14.9x | 12.7x |
| Payout ratio | (FFO) | 81.9% | 82.6% |
| | (AFFO) | 85.7% | 86.7% |

- *9. Distribution per unit = Total distribution / Total number of investment units issued and outstanding at end of period
- *10. Distribution yield = Distribution per unit (Annualized; current FP result x 2) / Investment unit price (at end of period)
- *11. ROE (Return on equity) = Net profit (Annualized; most recent FP result x 2) / Net assets
- *12. NAV per unit = (Net assets + Unrealized gain/loss) / Total number of investment units issued and outstanding at end of period
- *13. NAV multiple = Investment unit price (at end of period) / NAV per unit
- *14. PBR (Price Book-value Ratio) = Investment unit price (at end of period) / Net assets per unit
- *15. PER (Price Earnings Ratio) = Investment unit price (at end of period) / EPS (Annualized; most recent FP result x 2)
- *16. FFO multiple = Investment unit price / FFO per unit (Annualized; most recent FP result x 2)
- *17. Payout ratio (FFO) = Total distribution / FFO
- *18. Payout ratio (AFFO) = Total distribution / AFFO
- *19. Figures are rounded down to the indicated digits (Percentages and multiples are rounded to one decimal place.)

Statement of Income from Leasing by Property for the Fiscal Period Ended August 2022 (7th FP)

(Unit: thousand yen)

| Property number | A-1 | A-2 | A-3 | A-4 | A-5 | A-6 | A-7 |
|---|-----------------------|------------------|--------------------------|------------------|------------------------|----------------------------|--------------------|
| Asset type | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings |
| Property name | Tokyo Sankei Building | BREEZÉ TOWER | S-GATE NIHONBASHI-HONCHO | S-GATE AKIHABARA | Hibiya Sankei Building | Hatchobori Sankei Building | Toyo Park Building |
| Leasing business revenue | 57,680 | 553,262 | 161,537 | 68,922 | 198,552 | 175,795 | 103,880 |
| Rental revenue | 50,060 | 436,290 | 153,808 | 65,353 | 172,470 | 144,949 | 86,766 |
| CAM revenue | 2,021 | 86,826 | - | - | 13,232 | 13,790 | 5,937 |
| Utilities reimbursement | 3,860 | 21,378 | 5,103 | 3,141 | 10,093 | 10,382 | 8,340 |
| Parking revenue | 835 | 7,663 | 2,487 | 384 | 1,617 | 5,181 | 2,760 |
| Other rental revenue | 903 | 1,104 | 137 | 43 | 1,140 | 1,492 | 75 |
| Expenses related to leasing business | 32,780 | 226,410 | 45,406 | 26,500 | 94,874 | 70,505 | 40,791 |
| Outsourcing expenses | 5,926 | 63,109 | 8,385 | 5,845 | 16,758 | 16,722 | 8,960 |
| Utilities expenses | 4,176 | 45,826 | 6,306 | 3,583 | 11,071 | 15,037 | 8,048 |
| Property taxes | 12,968 | 37,604 | 10,904 | 4,875 | 55,889 | 10,477 | 7,770 |
| Land rent | 683 | 1,135 | - | - | - | - | - |
| Repair expenses | 3,651 | 10,092 | 932 | 3,830 | 4,464 | 9,970 | 6,783 |
| Insurance premium | 96 | 767 | 306 | 137 | 281 | 425 | 209 |
| Trust fee | - | 247 | 250 | 250 | 250 | 250 | 350 |
| Depreciation | 3,347 | 65,707 | 18,042 | 7,623 | 5,911 | 17,020 | 8,504 |
| Other expenses from leasing | 1,930 | 1,920 | 278 | 353 | 248 | 602 | 165 |
| Operating income (loss) from leasing business | 24,900 | 326,851 | 116,131 | 42,422 | 103,678 | 105,289 | 63,088 |
| NOI | 28,247 | 392,559 | 134,173 | 50,046 | 109,589 | 122,310 | 71,593 |

Statement of Income from Leasing by Property for the Fiscal Period Ended August 2022 (7th FP)

(Unit: thousand yen)

| Property number | A-8 | A-9 | A-10 | A-11 | A-12 | B-1 | B-2 | Total |
|---|----------------------------|---------------------|------------------|---------------------------|-------------------------|--------------------------------|---------------------------|-----------|
| Asset type | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Sub assets | Sub assets | |
| Property name | Shinagawa Seaside TS Tower | Omori Park Building | S-GATE AKASAKA | Miyazakidai Garden Office | Hitachi Kyusyu Building | Hotel Intergate Tokyo Kyobashi | Hotel Intergate Hiroshima | |
| Leasing business revenue | | 165,506 | | 77,148 | | 206,955 | 118,800 | 3,028,051 |
| Rental revenue | | 135,838 | | 63,487 | | 206,955 | 118,800 | 2,381,126 |
| CAM revenue | | 10,037 | | 3,587 | | - | - | 135,432 |
| Utilities reimbursement | | 13,508 | | 7,192 | | - | - | 121,659 |
| Parking revenue | | 5,310 | | 1,542 | | - | - | 33,939 |
| Other rental revenue | | 813 | | 1,338 | | - | - | 355,894 |
| Expenses related to leasing business | (Not disclosed)* | 73,348 | (Not disclosed) | 38,756 | (Not disclosed) | 55,053 | 43,465 | 1,076,927 |
| Outsourcing expenses | | 14,379 | | 8,573 | | 1,200 | 1,400 | 202,506 |
| Utilities expenses | | 21,844 | | 8,005 | | - | - | 184,674 |
| Property taxes | | 16,674 | | 6,424 | | 26,304 | 15,545 | 303,718 |
| Land rent | | - | | - | | - | - | 1,818 |
| Repair expenses | | 3,526 | | 4,763 | | - | 200 | 55,230 |
| Insurance premium | | 395 | | 189 | | 490 | 446 | 5,749 |
| Trust fee | | 350 | | 350 | | 250 | 250 | 3,787 |
| Depreciation | 66,786 | 15,915 | 10,428 | 10,059 | 28,134 | 26,770 | 25,572 | 309,823 |
| Other expenses from leasing | | 261 | | 390 | | 38 | 51 | 9,616 |
| Operating income (loss) from leasing business | 544,405 | 92,158 | 78,685 | 38,391 | 187,884 | 151,901 | 75,334 | 1,951,124 |
| NOI | 611,191 | 108,074 | 89,113 | 48,451 | 216,018 | 178,671 | 100,906 | 2,260,947 |

* The information is "Not disclosed" due to unavoidable circumstances in that such contains information for which consent for disclosure has not been obtained from the tenant, relevant party, etc. or information from which confidential information can be derived.

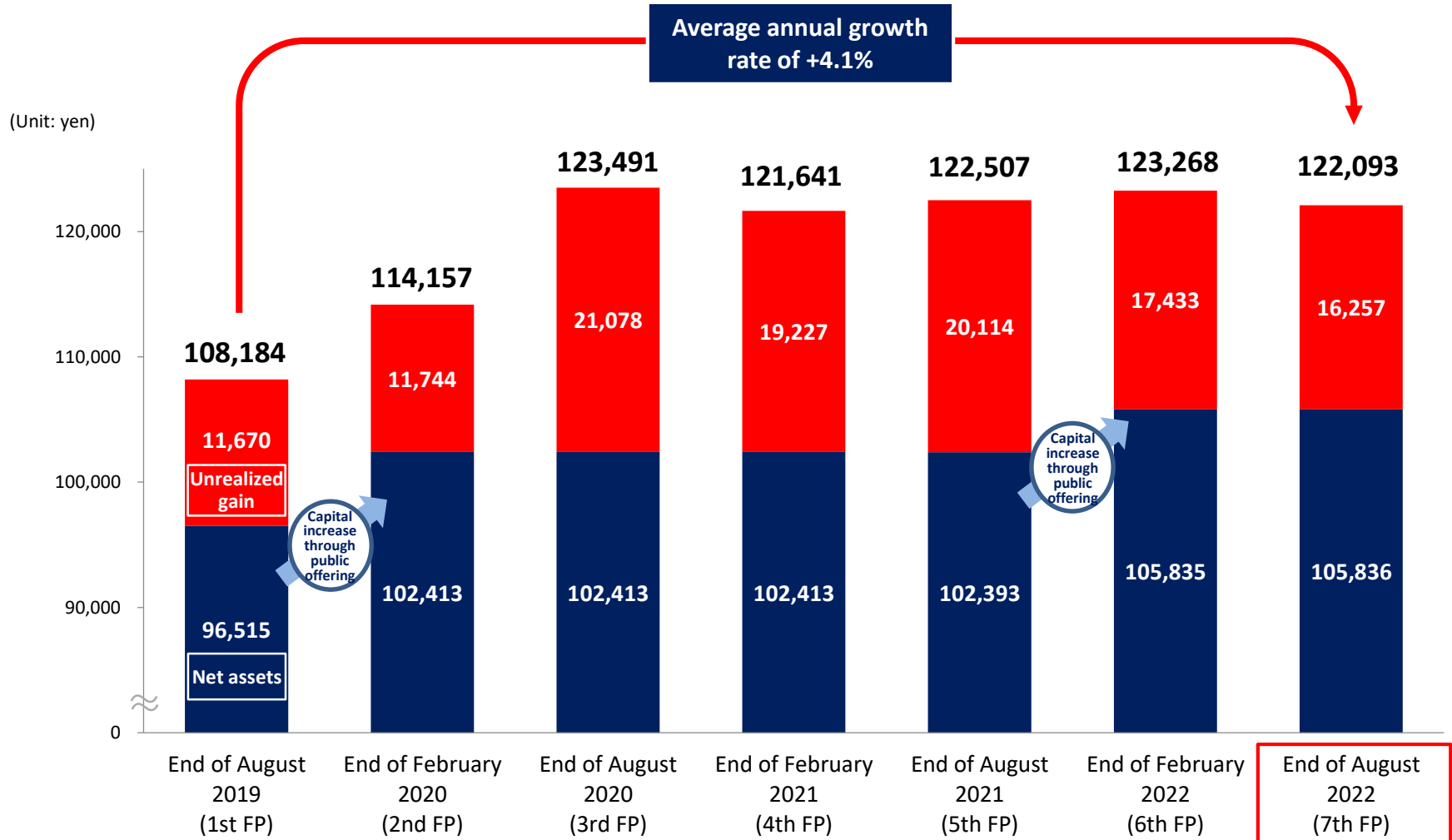
Overview of Appraisal Value (as of August 31, 2022)

(Unit: million yen)







| Property number | Property name | Acquisition price | End of 7th FP Book value (a) | End of 6th FP (February 28, 2022) (b) | | End of 7th FP (August 31, 2022) (c) | | Change from appraisal in the previous fiscal period (c) – (b) | | Unrealized gain/loss (c) – (a) |
|--|---|-------------------|------------------------------|---------------------------------------|------|-------------------------------------|------|---|---------|--------------------------------|
| | | | | Appraisal value | CR* | Appraisal value | CR | Appraisal value | CR | |
| A-1 | Tokyo Sankei Building (2% co-ownership interest) | 2,509 | 2,618 | 2,690 | 2.4% | 2,690 | 2.3% | 0 | (0.1pt) | 71 |
| A-2 | BREEZÉ TOWER (45% quasi co-ownership interest in sectional ownership of the office portion of the building, etc.) | 13,100 | 12,999 | 17,775 | 3.7% | 18,225 | 3.6% | 450 | (0.1pt) | 5,225 |
| A-3 | S-GATE NIHONBASHI-HONCHO (51% co-ownership interest) | 6,698 | 6,671 | 7,490 | 3.3% | 7,720 | 3.2% | 230 | (0.1pt) | 1,048 |
| A-4 | S-GATE AKIHABARA | 2,055 | 2,036 | 2,630 | 3.4% | 2,710 | 3.3% | 80 | (0.1pt) | 673 |
| A-5 | Hibiya Sankei Building | 5,829 | 6,067 | 6,570 | 2.9% | 6,620 | 2.8% | 50 | (0.1pt) | 552 |
| A-6 | Hatchobori Sankei Building | 4,959 | 5,007 | 5,510 | 4.1% | 5,520 | 4.1% | 10 | 0.0pt | 512 |
| A-7 | Toyo Park Building | 3,782 | 3,880 | 3,820 | 3.8% | 3,920 | 3.7% | 100 | (0.1pt) | 39 |
| A-8 | Shinagawa Seaside TS Tower (50% quasi co-ownership interest in sectional ownership of the building, etc.) | 20,940 | 21,115 | 21,850 | 3.6% | 19,800 | 3.3% | (2,050) | (0.3pt) | (1,315) |
| A-9 | Omori Park Building | 5,400 | 5,444 | 5,490 | 3.7% | 5,490 | 3.7% | 0 | 0.0pt | 45 |
| A-10 | S-GATE AKASAKA (80% quasi co-ownership interest in sectional ownership of the building, etc.) | 5,600 | 5,642 | 5,688 | 3.2% | 5,992 | 3.1% | 304 | (0.1pt) | 349 |
| A-11 | Miyazakidai Garden Office | 2,800 | 2,844 | 2,790 | 4.5% | 2,790 | 4.5% | 0 | 0.0pt | (54) |
| A-12 | Hitachi Kyusyu Building | 10,000 | 10,193 | 10,300 | 4.3% | 10,300 | 4.3% | 0 | 0.0pt | 106 |
| Office buildings subtotal (total of 12 properties) | | 83,674 | 84,520 | 92,603 | - | 91,777 | - | (826) | - | 7,256 |
| B-1 | Hotel InterGate Tokyo Kyobashi | 8,961 | 8,924 | 9,020 | 3.8% | 9,040 | 3.8% | 20 | 0.0pt | 115 |
| B-2 | Hotel InterGate Hiroshima | 3,990 | 3,898 | 4,090 | 4.6% | 4,120 | 4.6% | 30 | 0.0pt | 221 |
| Sub assets subtotal (total of 2 properties) | | 12,951 | 12,822 | 13,110 | - | 13,160 | - | 50 | - | 337 |
| Portfolio total (total of 14 properties) | | 96,625 | 97,343 | 105,713 | - | 104,937 | - | (776) | - | 7,593 |

* CR is a cap rate based on direct capitalization method (NCF basis).

Change in NAV per Unit (after Deduction of Distribution)



Portfolio List (1) (as of August 31, 2022)

| Property number | A-1 | A-2 | A-3 | A-4 | A-5 | A-6 | A-7 |
|--|---|--|---|---|---|---|---|
| Asset type | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings |
| Property name | Tokyo Sankei Building (2% co-ownership interest) | BREEZÉ TOWER (45% quasi co-ownership interest in sectional ownership of the office portion of the building, etc.) | S-GATE NIHONBASHI-HONCHO (51% co-ownership interest) | S-GATE AKIHABARA | Hibiya Sankei Building | Hatchobori Sankei Building | Toyo Park Building |
| |  |  |  |  |  |  |  |
| Location | Chiyoda-ku, Tokyo | Kita-ku, Osaka-shi | Chuo-ku, Tokyo | Chiyoda-ku, Tokyo | Chiyoda-ku, Tokyo | Chuo-ku, Tokyo | Koto-ku, Tokyo |
| Acquisition date | Mar. 12, 2019 | (1) Mar. 12, 2019 (2) Sep. 3, 2019 | Mar. 12, 2019 | Mar. 12, 2019 | Mar. 12, 2019 | Mar. 12, 2019 | Mar. 12, 2019 |
| Acquisition price | 2,509 million yen | 13,100 million yen | 6,698 million yen | 2,055 million yen | 5,829 million yen | 4,959 million yen | 3,782 million yen |
| Appraisal value | 2,690 million yen | 18,225 million yen | 7,720 million yen | 2,710 million yen | 6,620 million yen | 5,520 million yen | 3,920 million yen |
| Appraisal NOI yield (Appraisal NOI/Acquisition price) | 2.6% | 5.5% | 3.8% | 4.4% | 3.5% | 5.1% | 4.0% |
| Construction completion | Sep. 2000 | Jul. 2008 | Oct. 2018 | Sep. 2017 | Jun. 1992 | Sep. 1965 | Jun. 1991 |
| Occupancy rate | 99.5% | 96.3% | 100.0% | 100.0% | 100.0% | 100.0% | 92.3% |
| PML value | 2.3% | 2.8% | 2.0% | 2.2% | 3.1% | 0.3% | 9.0% |

Portfolio List (2) (as of August 31, 2022)

| Property number | A-8 | A-9 | A-10 | A-11 | A-12 | B-1 | B-2 |
|--|--|---|---|---|---|---|---|
| Asset type | Office buildings | Office buildings | Office buildings | Office buildings | Office buildings | Sub assets | Sub assets |
| Property name | Shinagawa Seaside TS Tower <small>(50% quasi co-ownership interest in sectional ownership of the building, etc.)</small> | Omori Park Building | S-GATE AKASAKA <small>(80% quasi co-ownership interest)</small> | Miyazakidai Garden Office | Hitachi Kyusyu Building | Hotel Intergate Tokyo Kyobashi | Hotel Intergate Hiroshima |
| |  |  |  |  |  |  |  |
| Location | Shinagawa-ku, Tokyo | Ota-ku, Tokyo | Minato-ku, Tokyo | Miyamae-ku, Kawasaki-shi | Sawara-ku, Fukuoka-shi | Chuo-ku, Tokyo | Naka-ku, Hiroshima-shi |
| Acquisition date | (1) Sep. 3, 2019 (2) Sep. 2, 2021 | Sep. 3, 2019 | (1) Oct. 1, 2020 (2) Sep. 2, 2021 | Sep. 2, 2021 | Sep. 2, 2021 | Mar. 12, 2019 | Sep. 3, 2019 |
| Acquisition price | 20,940 million yen | 5,400 million yen | 5,600 million yen | 2,800 million yen | 10,000 million yen | 8,961 million yen | 3,990 million yen |
| Appraisal value | 19,800 million yen | 5,490 million yen | 5,992 million yen | 2,790 million yen | 10,300 million yen | 9,040 million yen | 4,120 million yen |
| Appraisal NOI yield (Appraisal NOI/Acquisition price) | 3.5% | 4.0% | 3.4% | 4.6% | 4.8% | 3.9% | 5.0% |
| Construction completion | Jul. 2003 | May 1993 | Jul. 2015 | Feb. 1993 | Feb. 1996 | Jan. 2018 | Oct. 2018 |
| Occupancy rate | 66.3% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| PML value | 3.2% | 5.6% | 4.6% | 9.5% | 2.5% | 1.8% | 2.1% |

PML value (average)

1.5%

Portfolio Matrix (1) (as of August 31, 2022)

<Cap. Rate (Appraisal NOI Yield) x Area>

Area

Cap. Rate

(Unit: million yen)

| Area | Central 3 wards of Tokyo (Chiyoda, Chuo, and Minato wards) | Tokyo 23 wards (Other than the central 3 wards of Tokyo) | Greater Tokyo (Excluding Tokyo) | Osaka City Nagoya City | Other ordinance-designated cities Core Cities, Major Regional Cities | Total acquisition price (Overall ratio) |
|--|---|---|---|---|---|--|
| Appraisal NOI CAP | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | |
| Less than 3.0% | Tokyo Sankei Building 21 years old, 1-minute walk 2,509 | | | | | 2,509 (2.6%) |
| Less than 3.5% | S-GATE AKASAKA 7 years old, 1-minute walk 5,600 | | | | | 5,600 (5.8%) |
| Less than 4.0% | Hibiya Sankei Building 30 years old, 1-minute walk 5,829 | Shinagawa Seaside TS Tower 19 years old, 1-minute walk 20,940 | | | | 42,429 (43.9%) |
| | S-GATE NIHONBASHI-HONCHO 3 years old, 4-minute walk 6,698 | | | | | |
| | Hotel Intergate Tokyo Kyobashi 4 years old, 1-minute walk 8,961 | | | | | |
| Less than 4.5% | S-GATE AKIHABARA 4 years old, 5-minute walk 2,055 | Omori Park Building 29 years old, 3-minute walk 5,400 | | | | 11,237 (11.6%) |
| | | Toyo Park Building 31 years old, 9-minute walk 3,782 | | | | |
| Less than 5.0% | | | Miyazakidai Garden Office 29 years old, 3-minute walk 2,800 | | Hitachi Kyusyu building 26 years old, 17-minute walk 10,000 | 12,800 (13.2%) |
| 5.0% or more | Hatchobori Sankei Building 56 years old, 3-minute walk 4,959 | | | BREEZÉ TOWER 14 years old, 3-minute walk 13,100 | Hotel Intergate Hiroshima 3 years old, 3-minute walk 3,990 | 22,049 (22.8%) |
| Total acquisition price (Overall ratio) | 36,613 (37.9%) | 30,122 (31.2%) | 2,800 (2.9%) | 13,100 (13.6%) | 13,990 (14.5%) | 96,625 (100.0%) |

Typical Floorplate * Office Buildings Only

- 400 tsubos or more
 Less than 400 tsubos, but 200 tsubos or more
 Less than 200 tsubos, but 100 tsubos or more
 Less than 100 tsubos

Portfolio Matrix (2) (as of August 31, 2022)

< Typical Floorplate x Area >

Typical floorplate x Area

Area

(Unit: million yen)

| Area | Central 3 wards of Tokyo (Chiyoda, Chuo, and Minato wards) | Tokyo 23 wards (Other than the central 3 wards of Tokyo) | Greater Tokyo (Excluding Tokyo) | Osaka City Nagoya City | Other ordinance-designated cities Core Cities, Major Regional Cities | Total acquisition price (Overall ratio) |
|--|---|---|---|---|---|--|
| Typical floorplate (tsubo) | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | Property name Building age, walking time from station Acquisition price | |
| 400 tsubos or more | Tokyo Sankei Building 21 years old, 1-minute walk 2,509 | Shinagawa Seaside TS Tower 19 years old, 1-minute walk 20,940 | | BREEZÉ TOWER 14 years old, 3-minute walk 13,100 | | 36,549 (37.8%) |
| Less than 400 tsubos 300 tsubos or more | | Omori Park Building 29 years old, 3-minute walk 5,400 | Miyazakidai Garden Office 29 years old, 3-minute walk 2,800 | | Hitachi Kyusyu building 26 years old, 17-minute walk 10,000 | 18,200 (18.8%) |
| Less than 300 tsubos 200 tsubos or more | Hatchobori Sankei Building 56 years old, 3-minute walk 4,959 | Toyo Park Building 31 years old, 9-minute walk 3,782 | | | Hotel Intergate Hiroshima 3 years old, 3-minute walk 3,990 | 12,732 (13.2%) |
| Less than 200 tsubos 100 tsubos or more | S-GATE NIHONBASHI-HONCHO 3 years old, 4-minute walk 6,698 | | | | | 27,089 (28.0%) |
| | Hibiya Sankei Building 30 years old, 1-minute walk 5,829 | | | | | |
| | S-GATE AKASAKA 7 years old, 1-minute walk 5,600 | | | | | |
| | Hotel Intergate Tokyo Kyobashi 4 years old, 1-minute walk 8,961 | | | | | |
| Less than 100 tsubos | S-GATE AKIHABARA 4 years old, 5-minute walk 2,055 | | | | | 2,055 (2.1%) |
| Total acquisition price (Overall ratio) | 36,613 (37.9%) | 30,122 (31.2%) | 2,800 (2.9%) | 13,100 (13.6%) | 13,990 (14.5%) | 96,625 (100.0%) |

Typical floorplate (tsubo)

Typical Floorplate * Office Buildings Only (Construction area is used as reference value for hotels)

400 tsubos or more
 Less than 400 tsubos, but 200 tsubos or more
 Less than 200 tsubos, but 100 tsubos or more
 Less than 100 tsubos

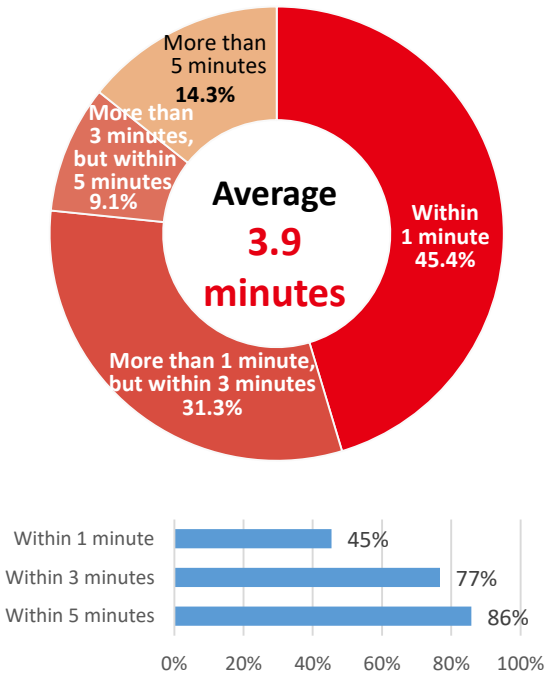
Portfolio Status (as of August 31, 2022)

SANKEI REAL ESTATE’s high-quality portfolio is supported by strong sponsor support

Sponsor support rate 100%

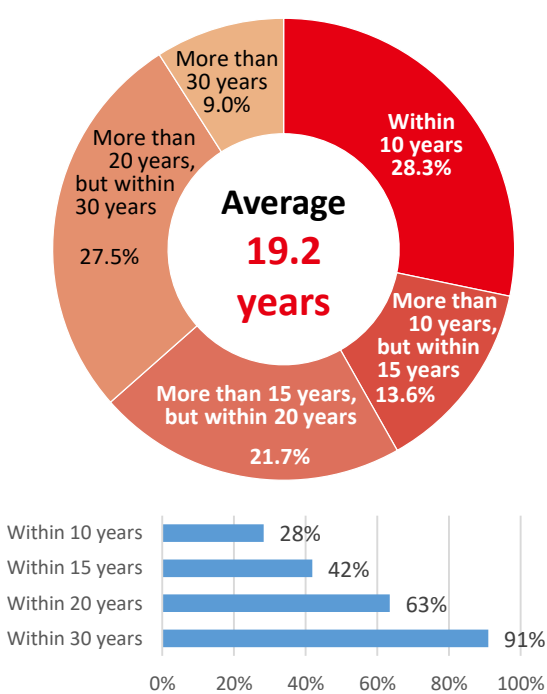
Close

Percentage by Walking Time to the Nearest Station



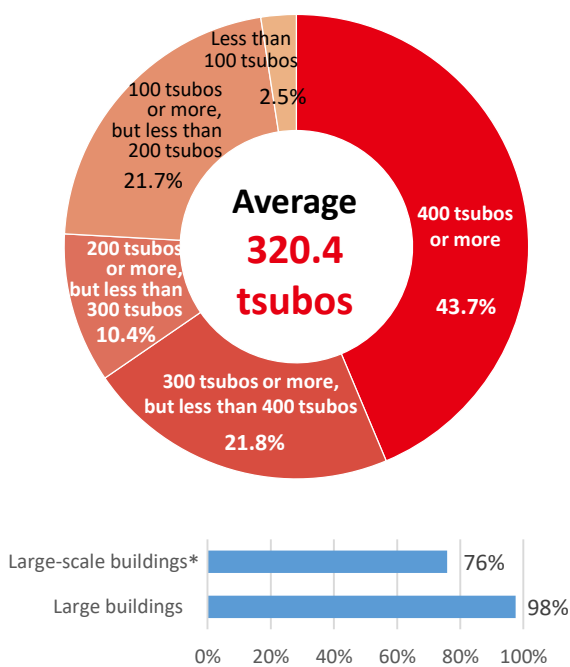
New

Percentage by Building Age



Large

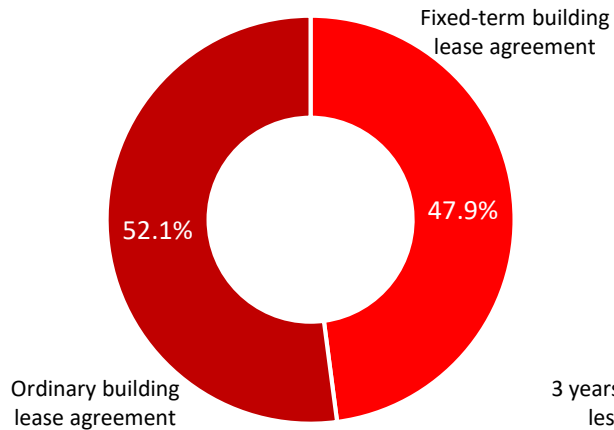
Percentage by Typical Floorplate (Office Buildings)



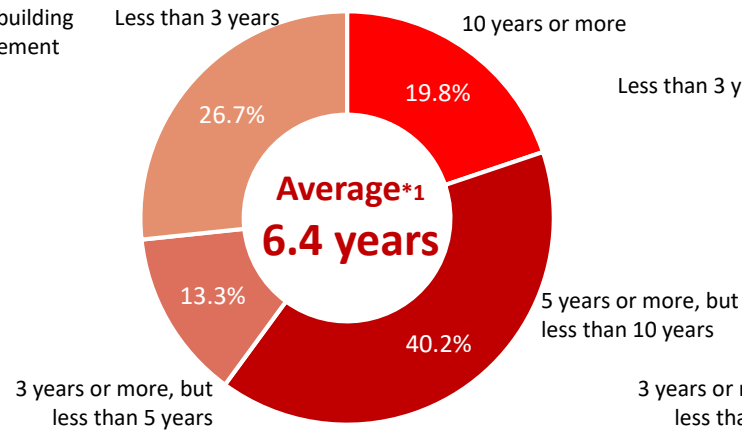
* Calculated based on the definition of “Large-scale buildings: 200 tsubos or more” and “Large buildings: 100 tsubos or more, but less than 200 tsubos” made by Sanko Estate Co., Ltd.

Status of Lease Agreements (as of August 31, 2022; based on leased area after considering ownership interest)

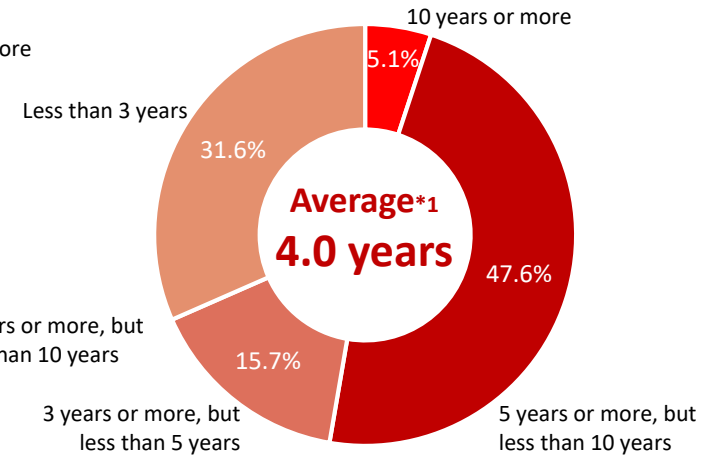
Percentage by Contract Form



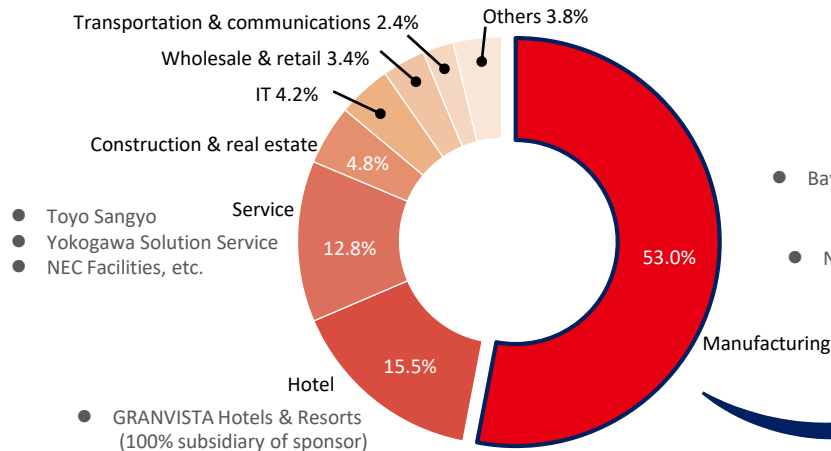
Percentage by Lease Period
(including hotels)



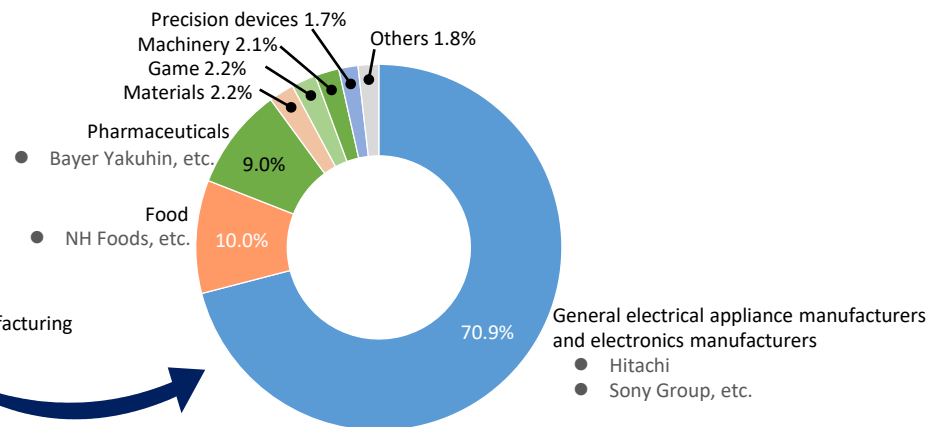
Percentage by Lease Period
(excluding hotels)



Percentage by Business Type



Percentage by Business Type
(Manufacturing)



Top End Tenants by Leased Area (as of August 31, 2022)

| Name of end tenant | Business type | Total leased area (m ²) | % of portfolio's total leased area | Property name |
|---------------------------------------|---|-------------------------------------|------------------------------------|---|
| Hitachi, Ltd. | Manufacturing (general electrical appliances) | 26,513.3 | 27.61% | Hitachi Kyusyu Building |
| GRANVISTA Hotels & Resorts Co., Ltd. | Hotels | 15,166.7 | 15.79% | Hotel Intergate Tokyo Kyobashi Hotel Intergate Hiroshima |
| Sony Group Corporation | Manufacturing (general electrical appliances) | Not disclosed | Not disclosed | Shinagawa Seaside TS Tower |
| NH Foods Ltd. | Manufacturing (food) | Not disclosed | Not disclosed | BREEZÉ TOWER |
| Bayer Yakuhin, Ltd. | Manufacturing (pharmaceutical) | Not disclosed | Not disclosed | BREEZÉ TOWER |
| Konoike Construction Co., Ltd. | Construction | 2,542.7 | 2.65% | S-GATE NIHONBASHI-HONCHO |
| Hakuhodo DY Holdings Inc. | Services (advertising) | 2,517.7 | 2.62% | S-GATE AKASAKA |
| Toyo Sangyo Co., Ltd. | Services (equipment maintenance) | 1,509.7 | 1.57% | Omori Park Building |
| Yokogawa Solution Service Corporation | Services (equipment maintenance) | Not disclosed | Not disclosed | BREEZÉ TOWER |
| Ryochi Keiei | Retail (food) | 1,159.7 | 1.21% | Miyazakidai Garden Office |

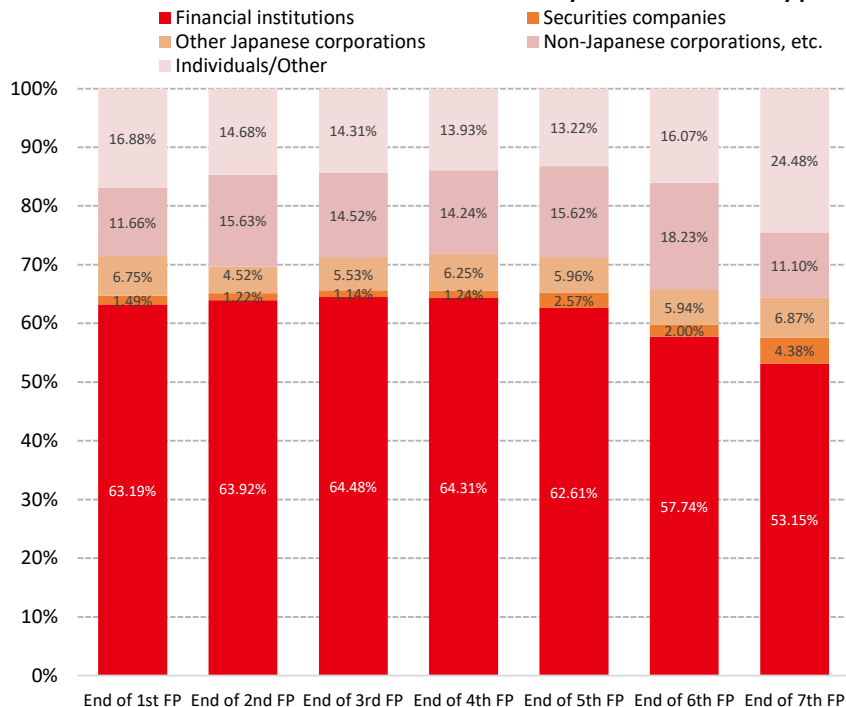
*1 The information is "Not disclosed" due to unavoidable circumstances in that such contains information for which consent for disclosure has not been obtained from the tenant, relevant party, etc. or information from which confidential information can be derived.

*2 An agreement was reached with Sony Group Corporation for the termination of contracts for Shinagawa Seaside TS Tower on March 31, 2023 (14 floors).

*3 "Total leased area" is rounded to one decimal place.

Status of Unitholders (as of August 31, 2022)

➤ Breakdown of Investment Units by Unitholder Type



➤ Number of Unitholders by Unitholder Type

| | End of 1st FP | End of 2nd FP | End of 3rd FP | End of 4th FP | End of 5th FP | End of 6th FP | End of 7th FP |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Financial institutions | 37 | 55 | 54 | 49 | 43 | 50 | 50 |
| Securities companies | 17 | 19 | 23 | 22 | 22 | 23 | 23 |
| Other Japanese corporations | 116 | 127 | 131 | 135 | 124 | 178 | 240 |
| Non-Japanese corporations, etc. | 57 | 62 | 59 | 70 | 75 | 143 | 160 |
| Individuals/Other | 6,399 | 7,585 | 7,458 | 7,406 | 7,064 | 10,117 | 13,872 |
| Total | 6,626 | 7,848 | 7,725 | 7,682 | 7,328 | 10,511 | 14,345 |

➤ Major Unitholders

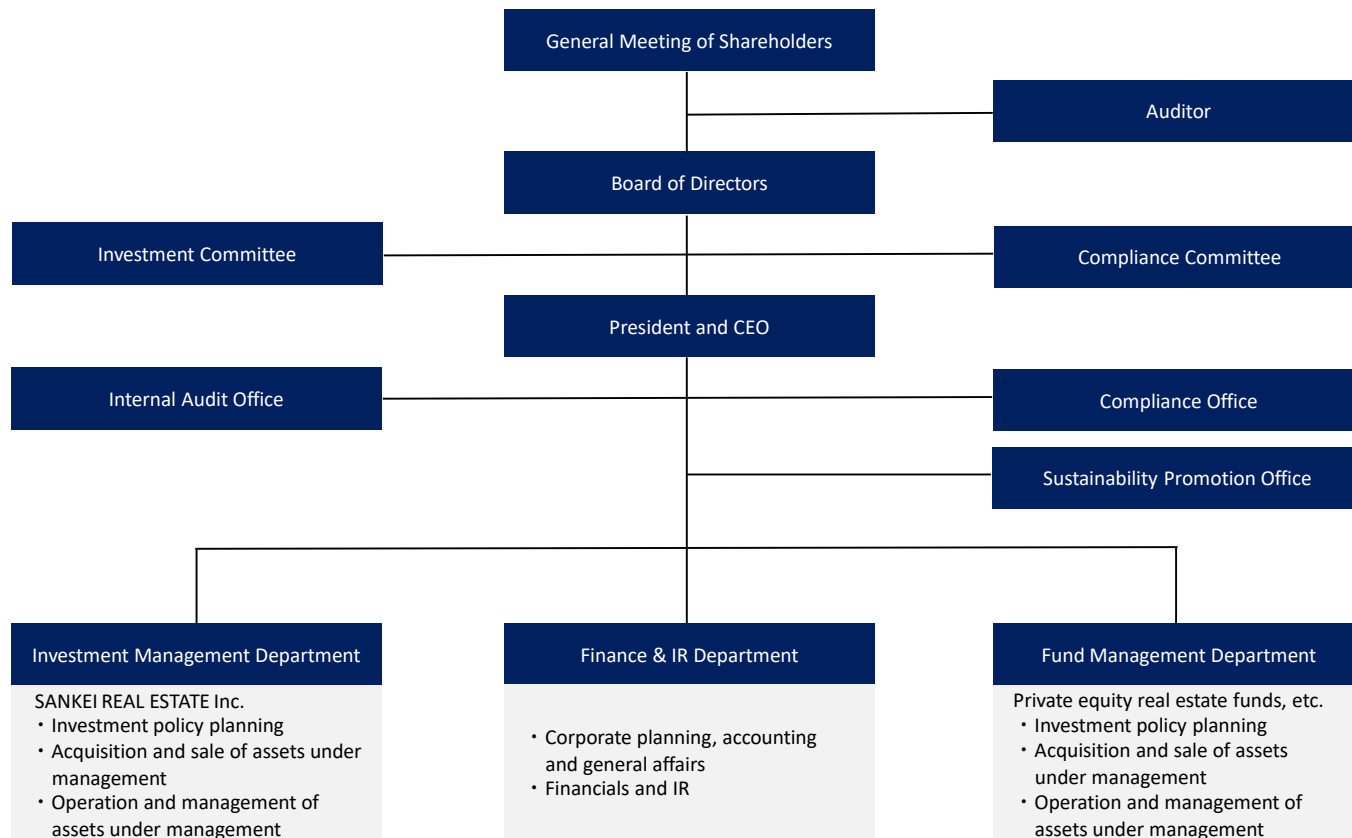
| Name of unitholder | Number of units owned (units) | Share of units owned (%) |
|---|-------------------------------|--------------------------|
| Custody Bank of Japan, Ltd. (Trust Account) | 112,663 | 24.11% |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 67,820 | 14.51% |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 20,288 | 4.34% |
| The Sankei Building Co., Ltd. | 17,479 | 3.74% |
| Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 7,008 | 1.50% |
| The Bank of Yokohama, Ltd. | 6,107 | 1.30% |
| JAPAN SECURITIES FINANCE CO., LTD. | 5,247 | 1.12% |
| SSBTC CLIENT OMNIBUS ACCOUNT | 4,066 | 0.87% |
| JP MORGAN CHASE BANK 385771 | 3,912 | 0.83% |
| Mizuho Securities Co., Ltd. | 3,729 | 0.79% |
| Total | 248,319 | 53.16% |

* Each share above is rounded down to two decimal place.

Profile of the Asset Management Company

| | |
|-------------------------|---|
| Trade name | Sankei Building Asset Management Co., Ltd. |
| Established | April 13, 2018 |
| Capital | 100 million yen |
| Shareholder composition | The Sankei Building Co., Ltd. 100% |
| Main line of business | Investment management business, investment advisory and agency business, type II financial instruments business |

| | |
|---|---|
| Directors and auditors | 5 directors 1 auditor |
| Financial instruments business registration | Director-General of the Kanto Local Finance Bureau Registration (FIBO) No. 3094 |
| Real estate brokerage license | Governor of Tokyo License (1) No. 102209 |
| Discretionary transaction agency, etc. approval | Minister of Land, Infrastructure, Transport and Tourism Approval No. 125 |



Notes

Unless otherwise specified, the figures in this document are rounded down to the nearest unit and percentages are rounded to one decimal place. Therefore, the value, such as sum total, may not match the value obtained thereby.

Page 3

1. "Portfolio matrix" is the balance and distribution of areas and yield, etc. in the overall assets acquired by SANKEI REAL ESTATE. The same applies below.
2. "TCFD" refers to the "Task Force on Climate-Related Financial Disclosures" established by the Financial Stability Board at the request of G20 to consider how to perform climate-related disclosure and responses by financial institutions.
3. Sankei Building Asset Management has concluded a sponsor support agreement with the sponsor (Sankei Building) for receiving support providing sale information on properties and various other types of support.

Page 5

1. "Distributions in excess of earnings" were 7,136,000 yen as a refund of contribution that falls under distribution through the reduction in unitholders' capital for tax purposes and excess of earnings per unit were 20 yen due to a decrease in net profit resulting from the recording of temporary borrowing-related expenses associated with the implementation of borrowing for the acquisition of real estate trust beneficiary rights of 4 properties on September 2, 2021. This distributions in excess of earnings is based on the policy on cash distribution in excess of earnings specified in Article 36, Paragraph 2 of the articles of incorporation of SANKEI REAL ESTATE.

Page 9

1. Shinagawa Seaside TS Tower holds a 50% quasi co-ownership interest in sectional ownership of the building, etc.

Page 10

1. "DBJ Green Building certification" is a certification system established by Development Bank of Japan Inc. (DBJ) in April 2011 to support properties that give proper care to the environment and society (Green Building). Besides the applicable properties' environmental performance, based on comprehensive evaluation, including various efforts for stakeholders, such as consideration to disaster prevention or local communities, it evaluates and certifies real estate needed for society and economy and supports those initiatives.

Page 14

■ Change in Occupancy Rate

1. "Occupancy rate" indicates the percentage of the total leased area (*2) against the total leasable area (*1) of each of the acquired assets as of each base date, rounded to one decimal place.
- (*1) "Total leasable area" is the total area believed to be leasable (not including area for storage facilities, billboards, parking areas, etc.) based on lease agreements or building drawings, etc. pertaining to each of the acquired assets as of each date shown.
- (*2) "Total leased area" is the total leased area (not including area for storage facilities, billboards, parking areas, etc.) shown in lease agreements for the building pertaining to each of the acquired assets as of each date shown (excluding, however, lease agreements for which the lease period has not commenced). For the portion covered by a pass-through master lease, this is the total of the area for which a lease agreement has actually been concluded with an end tenant for said portion, and the lease period has commenced.
- Change in Portfolio's Actual NOI Yield and Office Buildings Average Rent Unit Price
1. Office Buildings Average Rent is calculated using "Rental and CAM revenue upon the most recent settlement / 6 months / Leasable area x Occupancy rate."

Page 15

■ (Top graph) Rent Revision Performance of Office Buildings (Based on Rental Area)

1. Of the assets acquired by Sankei Real Estate as of the end of each fiscal period, applies to properties classified under "Office Buildings" (12 properties in the fiscal period ended August 2022: Tokyo Sankei Building (2% co-ownership interest), BREEZÉ TOWER (45% quasi co-ownership interest in sectional ownership of the office portion of the building), S-GATE NIHONBASHI-HONCHO (51% co-ownership interest), S-GATE AKIHABARA, Hibiya Sankei Building, Hatchobori Sankei Building, Toyo Park Building, Shinagawa Seaside TS Tower (50% quasi co-ownership interest in sectional ownership of the building, etc.), Omori Park Building, S-GATE AKASAKA (80% quasi co-ownership interest), Miyazakidai Garden Office, and Hitachi Kyusyu Building). For example, for the fiscal period ended August 2022, in the 12 applicable properties, those with rent revision under lease agreements occurring in the period from March 1, 2022, until August 31, 2022 (limited to those for which a lease agreement was concluded or renewed during the relevant period) applied to 17 tenants with a total of 705 tsubos in area (rounded to the nearest unit). Assuming the revised area is 100%, on a leased area basis, monthly rent was increased in 0%, renewed at the same level (maintained) in 81.3%, and reduced in 18.7% (*).
- (*) Changes in floor space were treated as being maintained if there was no change in the current rent per unit.
2. "Rate of increase" refers to the figure calculated by dividing the difference between the total monthly rent after renewal and the total monthly rent before renewal by the total monthly rent before renewal for lease agreements renewed during each period (for example, from March 1, 2022 to August 31, 2022 for the period ended August 2022), with increased rent (calculated for renewal with rent revision/renewal of agreements with existing tenants; limited to lease agreements concluded or renewed during the relevant period).

Page 17

■ (Top graph) Scheduled renewal with rent revision/renewal and progress (targeting office buildings)

1. Applies to lease agreements concluded in the period from March 1, 2022, to August 31, 2022, stating the area subject to renewal with rent revision/renewal in the fiscal period ending February 2023 (8th FP) and the fiscal period ending August 2023 (9th FP). The percentage of total leased area after acquisition is shown.
2. The leased area of the office buildings subject to "contract revision/renewal planned area" is the figure corresponding to the ownership interest acquired by SANKEI REAL ESTATE in each property.
3. "Ratio to total leased area" is the value calculated by dividing the total contract revision/renewal (planned) area for each contract revision/ renewal period by the total leased area for each period.
4. "Progress rate" is the value calculated by dividing the total leased area for lease contracts that have been concluded as of August 31, 2022, and whose revision/renewal has been completed by the contract revision/renewal (planned) area for each contract revision/renewal period.
- (Bottom graph) Change in rent gap for office buildings
1. "Rent Gap" refers to the figure arrived at when the amount of difference between the average rent for SANKEI REAL ESTATE's office building portfolio (*1) and the market rent (*2) is divided by the market rent. SANKEI REAL ESTATE believes there is room for negotiation with tenants to increase rent when revising rent if this figure is negative. This applies to the assets acquired by SANKEI REAL ESTATE as of the end of each fiscal period that are categorized as "Office Buildings."

Notes

- (*)1 “Average rent of the office building portfolio” is calculated using the weighted average, based on leased area, of the total amount of monthly rent specified in lease agreements concluded as of the end of each period, for the office building portfolio* (Including CAM. Furthermore, it does not take into consideration free rent and rent holidays as of the same day and is based on the rent as of the end of each period, if there is an agreement to change rent in the future. Furthermore, if agreements with tenants include variable rent, calculation is made without taking into consideration variable rent. Consumption tax, etc. is not included).
- (*)2 “Market rent” is calculated using the weighted average, based on leased area, of the total median value of assumed new contract rent (typical floorplate) (including CAM) as of September 2022 for office buildings subject to rent gap calculation within the acquired assets of SANKEI REAL ESTATE shown in the market report prepared by CBRE. Market rent is assessed by CBRE using its own methodology assuming the conclusion of new contracts with new tenants as of September 2022 based on information collected by CBRE, and the objectivity of the assessment, and the validity and accuracy of the assessment content are not guaranteed. In particular, actual new contract rent fluctuates due to factors such as whether it is a new tenant or a rent revision with an existing tenant, the timing of the rent revision, the timing of moving in, the contract area and the region, and for this reason the rent in the CBRE-assessed rent may not be realized. Furthermore, the amount and level of actual new contract rent for office building portfolio are not guaranteed, and there are no assurances or promises that the rent increases equivalent to the “rent gap” will be made.

Page 22

1. “Portfolio matrix” is the balance and distribution of areas and yield, etc. in the overall assets acquired by SANKEI REAL ESTATE. The same applies below.
2. “Cap. Rate” refers to “appraisal NOI yield,” which is the ratio of the net operating income derived by the direct capitalization method shown on the real estate appraisal report against the acquisition price. The same applies below.
3. “Acquisition price” is shown as the transaction price of real estate and trust beneficiary rights shown on the transaction agreement pertaining to each of the acquired assets. The transaction prices do not include consumption taxes, local consumption taxes or expenses required for acquisition. The same applies below.
4. “Greater Tokyo” refers to the prefectures of Tokyo, Kanagawa, Saitama and Chiba. The same applies below.
5. “Core cities” refers to cities with a population of 200,000 or more (excluding those in Greater Tokyo, Osaka City, Nagoya City and other ordinance-designated cities).
6. “Major regional cities” refer to municipalities with a population of less than 200,000 that are deemed by Sankei Building Asset Management have a certain level of demand for specific applications.
7. “Typical floorplate” is a typical floor plan in mid- to high-rise buildings. The same applies below.
8. Tokyo Sankei Building targets 2% co-ownership interest, BREEZÉ TOWER, 45% quasi co-ownership interest in sectional ownership of the office portion of the building, etc., S-GATE NIHONBASHI-HONCHO, 51% co-ownership interest, Shinagawa Seaside TS Tower, 50% quasi co-ownership interest in sectional ownership of the building, etc., and S-GATE AKASAKA, 80% quasi co-ownership interest.
9. “Actual NOI yield” refers to the actual NOI yield of all assets held at each point in time calculated using the following formula for assets after acquisition. The same applies below.

$$\text{Actual NOI yield} = \text{Actual NOI (annualized)}(*) \div \text{acquisition price}$$

(*) Actual NOI states the level of normal operation(*). For example, as some fixed asset taxes on acquired assets have not been expensed in the fiscal period ended August 2019, the fiscal period ended February 2020, the fiscal period ended February 2021, and the fiscal period ended February 2022, these are the figures after adjustment being made assuming these are expensed. For the fiscal period ended August 2022, it is the figure calculated by subtracting other temporarily occurring revenue.

(*) “During normal operation” (also referred to as “the level of normal operation”) refers to the level at the time of stable operations rather than the temporary level immediately after commencement of operations by SANKEI REAL ESTATE. The same applies below.
10. “Investment ratio by geographic area” states the percentage in terms of acquisition price, after categorizing overall assets acquired by SANKEI REAL ESTATE by geographic area.
11. “Investment ratio by asset” states the percentage in terms of acquisition price, after categorizing overall assets acquired by SANKEI REAL ESTATE into office buildings and those other than office buildings.

Page 23

1. “BELS”, the Building-Housing Energy-efficiency Labeling System, is a third-party evaluation system that evaluates energy-saving performance of buildings based on evaluation standards set by the Ministry of Land, Infrastructure, Transport and Tourism. The same applies below.

Page 24

1. “Office building (main asset) development properties” refers to those developed or scheduled to be developed by Sankei Building, special purpose companies or specified purpose companies in which Sankei Building invests through a silent partnership, preferred equity investment or other means, and affiliates of Sankei Building.
2. The development plans shown in the sub asset development properties are those targeted or planned by Sankei Building and its execution is neither guaranteed nor committed.

Page 27

- (Top left figure) Financing Highlights
 1. “Balance of interest-bearing liabilities” shows the figure as of September 5, 2022.
 2. “Ratio of long-term debt” is the ratio of the balance of the long-term interest-bearing debt (not including the current portion) included in the balance of interest-bearing liabilities as of September 5, 2022.
 3. “Average financing interest rate” is calculated using the weighted average, based the balance of interest-bearing debt, of the anticipated applicable interest rate of each interest-bearing liability as of September 5, 2022. Calculations are on an interest payable basis and do not include arrangement fee and other borrowing related expenses.
 4. “LTV” is the balance of interest-bearing liabilities divided by the amount of total assets and multiplied by 100, rounded to one decimal place. The figures at the end of the 8th FP and the end of the 9th FP at the bottom are forecasts.
 5. “Ratio of fixed interest rate” refers to the ratio of the balance of interest-bearing liabilities with fixed interest included in the balance of interest-bearing liabilities as of September 5, 2022.
 6. “Average remaining time to maturity” refers to the period determined by the weighted average, based on the balance of each interest-bearing liability, of the period until the repayment date or redemption date of each interest-bearing liability on September 5, 2022.
- (Middle left figure) Distribution map of average financing interest rates and average remaining time to maturity of office J-REITs
 1. “J-REIT” refers to a listed real estate investment corporation, and “Office J-REITs” refer to J-REITs with an office buildings rate (*) exceeding 50% in the portfolio of each investment corporation at the end of the most recent fiscal period as of September 30, 2022.

(*) “Office buildings rate” is the percentage (on acquisition price basis) of “office buildings” included in an investment corporation’s entire portfolio. The same applies below.

 2. Uses the figures for the most recent fiscal period of “Office J-REITs” as of September 30, 2022.
 3. The dotted lines in the graphs are straight lines approximating the relationships between “average financing interest rate” and “average remaining time to maturity” for Office J-REITs that are statistically calculated to minimize the sum of the error (distance between the anticipated line and the coordinates of the distribution) using the least-squares method

Notes

Page 28

1. “AIFMD Article 8 (SFDR)” refers to one of the specific measures in the “clarifying institutional investors and asset managers duties” which is one of the ten actions in the “Action Plan: Financing Sustainable Growth” published in the EU by the European Commission in 2018.

■ (Bottom figure) Maturity ladder

1. “Maturity ladder” refers to a diagram that aggregates the amounts of each interest-bearing liability for a certain period by maturity date and lists these in order of time.

Page 31

1. “GRESB” is the name of an annual benchmark assessment measuring consideration for the environment, society and governance (ESG) in real estate companies and funds, and the organization that manages this. It was founded in 2009 by a group of major European pension funds leading the Principles for Responsible Investment (PRI). There are currently 140 investor members utilizing GRESB data in the selection of investment targets and dialogue with investment targets, and several institutions in Japan, including the Government Pension Investment Fund (GPIF) use GRESB assessment results. 1,520 listed and unlisted real estate companies and funds participated in the 2021 GRESB Real Estate Assessment assessing real estate companies and funds.

Page 32

■ Environment

1. “DBJ Green Building Certification” was obtained by The Sankei Building Co., Ltd. for Tokyo Sankei Building and BREEZÉ TOWER

Page 42

1. The actual values of NAV per unit in each period are calculated as follows.
 Actual value of NAV per unit = Net assets per unit (*1) at end of each FP + Unrealized gain (loss) at end of each FP (*2) / Number of investment units issued and outstanding at end of each FP (*3)
 (*1) “Net assets per unit” is obtained using the following formula. This is simply shown as “Net assets” in the graph. The same applies below.
 Net assets per unit = Net assets at end of FP (after deducting distributions at the end of each FP) ÷ Number of investment units issued and outstanding at end of FP
 (*2) “Unrealized gain/loss at end of FP” is obtained using the following equation. It is referred to as “unrealized gain” if the result is positive and “unrealized loss” if negative. This is simply shown as “Unrealized gain” or “Unrealized loss” in the graph.
 Unrealized gain/loss at end of FP = Total appraisal value of assets held by SANKEI REAL ESTATE at end of FP - Total book value of assets held by SANKEI REAL ESTATE at end of FP
 (*3) “Number of investment units issued and outstanding at end of each FP” is the number of investment units issued and outstanding at the end of each fiscal period.
2. Average annual growth rate is shown as the annualized value of the rate of increase from the NAV per unit of 108,184 yen for the fiscal period ended August 31, 2019 (1st FP) to the NAV per unit of 122,093 yen for the fiscal period ended August 31, 2022 (7th FP).
3. The figures shown on this page are rounded to the nearest unit and percentages are rounded to one decimal place.

Pages 43 and 44

1. Entries with multiple “acquisition dates” indicate additional acquisitions of interest.
2. “PML value” refers to the probable maximum loss ratio in earthquake risk analysis, which is represented by the percentage of the probable maximum loss in relation to the replacement cost (value in the event of reconstructing the building) in the event of the largest anticipated earthquake during the period of use of the building), PML = probable maximum loss / replacement cost x 100).

Page 47

1. “Sponsor support rate” is the percentage (on an acquisition price basis) of sponsor-owned properties or those acquired by using sales information on properties owned by third parties provided based on a sponsor support agreement. The same applies below.
2. “Percentage by Walking Time to the Nearest Station” is the percentage, based on acquisition price, of assets held after classifying them by the number of minutes required to walk from the nearest station assuming that it takes one minute to travel a road distance of 80 meters, and the average is the weighted average based on acquisition price of each property of the calculated figures, rounded to one decimal place.
3. “Percentage by Building Age” is the percentage, based on acquisition price, of assets held after classifying them by building age as of August 31, 2022, and the average is the weighted average, based on acquisition price of each property, of the calculated figures, rounded to one decimal place.
4. “Percentage by Typical Floorplate (Office Buildings)” is the percentage, based on acquisition price, of assets held of which use is office buildings after classifying them by typical floorplate, and the average is the weighted average, based on acquisition price of each property, of the calculated figures, rounded to one decimal place

Page 48

1. “Percentage by Contract Form” is the percentage of assets held based on leased area, rounded to one decimal place.
2. “Percentage by Lease Period” is the percentage of assets held classified into “including hotels” and “excluding hotels,” based on leased area, rounded to one decimal place. The average is the weighted average based on leased area of each property of the calculated figures, rounded to one decimal place.
3. “Percentage by Business Type” is the percentage of assets held classified by tenant business type based on leased area, rounded to one decimal place.
4. “Percentage by Business Type (Manufacturing)” is the percentage of assets held classified by tenant business type within manufacturing based on leased area, rounded to one decimal place.
5. The leased area for properties leased through a master lessee is calculated using the areas stated in the lease agreements concluded with end tenants as the areas leased to the end tenants

Page 49

1. “Total leased area” and “% of portfolio’s total leased area” are based on figures after considering SANKEI REAL ESTATE’s ownership interest.
2. “% of portfolio’s total leased area” refers to the total leased area expressed as a percentage of the entire portfolio’s total leased area, rounded to one decimal place.
3. “Total leased area” and “% of portfolio’s total leased area” for properties leased through a master lessee are calculated using the areas stated in the lease agreements concluded with end tenants as the areas leased to the end tenants