

For Immediate Release

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ORIX JREIT Announces Disposition of Properties "Beside Kiba" and "Cross Residence Kanazawa Kohrinbo"

TOKYO, March 31, 2022 — ORIX JREIT Inc. ("OJR") announced that our asset management company, ORIX Asset Management Corporation ("OAM"), passed a resolution on the disposition of properties described below.

1. Disposition Summary

Property name	Beside Kiba	Cross Residence Kanazawa Kohrinbo	
Specified asset category	Real estate trust beneficiary interest (Scheduled) (Note 2)	Real estate trust beneficiary interest	
Type	Office	Residential property	
Area	Remaining Tokyo Wards (Note 3) (Koto-ku, Tokyo)	Other areas (Note 4) (Kanazawa-shi, Ishikawa)	
Disposition price	4,135 million yen	3,525.8 million yen	
Appraisal value	2,990 million yen	2,760 million yen	
Book value	1,800 million yen (Note 5,6)	2,046 million yen (Note 5,6)	
Estimated gain/loss on disposition	2,186 million yen (Note 5,6)	1,345 million yen (Note 5,6)	
Buyer	Not-disclosed (Note 7)	Hoosiers Co.,LTD	
Contract date	March 31, 2022	March 31, 2022	
Disposition date	June 1, 2022 (Note 8)	February 1, 2023 (Note 8)	
Existence of intermediary	Yes	Yes	

Notes

- "Property" refers to each property or collectively to all the properties indicated above. "Disposition" refers to the disposition of the Property.
- 2. As of today, no trust has been established for the Property. OJR plans to establish trust for the Property upon the Disposition.
- 3. "Remaining Tokyo Wards" refers to the remaining Tokyo wards other than the "6 central Tokyo wards (Chiyoda, Chuo, Minato, Shibuya, Shinagawa and Shinjuku wards)."
- 4. "Other areas" refers to areas other than the Greater Tokyo Area (Tokyo, Kanagawa, Saitama and Chiba prefectures)
- 5. Figures are rounded down to the nearest million yen.
- 6. Book value is an estimate as of the disposition date. Estimated gain or loss on disposition is pro forma amount based on the book value and assumed disposition expenses. The amounts are subject to change.
- 7. The buyer is not disclosed because the consent of the buyer could not be obtained, including information on the type of company.
- 8. Each purchase and sale agreement pertaining to the Disposition (hereinafter collectively the "Purchase and Sale Agreement") falls under the category of Forward Commitment as provided in the Comprehensive Guideline for Supervision of Financial Instruments Business Operators, etc. set by the Financial Services Agency since it is a postdated purchase and sale agreement where the settlement and delivery of the property will be conducted later than one month after the conclusion of such agreement.



<Financial Impact on OJR in case the forward commitment cannot be fulfilled.>

In this regard, the Purchase and Sale Agreement stipulates cancellation provisions as follows:

- i. In the event either the seller or the purchaser commits material breach of the Purchase and Sale Agreement (such party is hereinafter the "Breaching Party"), the other party (hereinafter the "Terminating Party") shall set a certain reasonable period and demand the Breaching Party to perform its obligations within such period. If the Breaching Party fails to remedy its breach within such period, the Terminating Party may terminate the Purchase and Sale Agreement. Provided, however, that in case it is evident that it is impossible to remedy its breach within a reasonable period, the Terminating Party may immediately terminate the Purchase and Sale Agreement without notice.
- ii. In the event the Purchase and Sale Agreement is terminated due to the reason mentioned in i) above, the Breaching Party shall immediately pay the amount equivalent to 20% of the total amount of the Disposition price of the property to be disposed to the Terminating Party as a penalty. Even if the damage incurred or born by the Terminating Party exceeds the amount of the penalty, the Terminating Party may not claim an amount in excess of the penalty to the Breaching Party. Even if the amount of such damage is less than the amount of the penalty, the Breaching Party may not claim a reduction of the penalty.

2. Future Outlook

This Disposition is part of our asset reshuffling strategy to enhance portfolio quality. Gain on the Dispositions will be recognized during the 41st Fiscal Period ending August 31, 2022, and the 42nd Fiscal Period ending February 28, 2023 respectively, with due consideration of DPU.

For details, please refer to the press release "ORIX JREIT Announces Revisions to Earnings and Distribution Forecasts for the 41st Fiscal Period ending August 31, 2022" and Earnings and Distribution Forecasts for the 42nd Fiscal Period ending February 28, 2023" announced today.

Furthermore, proceeds from the Disposition will be used for various initiatives that contribute to the stable growth in unitholder value, such as future property acquisition and the repayment of loans.

3. Reason for the Disposition

OJR has been promoting the selective disposition of properties with concerns over future competitiveness or relatively low profitability and thus have been implementing an asset reshuffling strategy focused on enhancing portfolio quality to achieve stable growth of unitholder value. Under this policy and management strategy, we decided to dispose the Property.

(1) Beside Kiba

- This property was owned since 2002 upon listing and is now in its 31st year since Construction. Thus, we estimate that a considerable amount of additional repair costs is to be incurred in the future.
- In addition, although the property is currently fully occupied, as it is situated in an unaccommodating office location, we believe maintaining future competitiveness to be a concern.

(2) Cross Residence Kanazawa Kohrinbo

Despite this property being a high grade residential property, leasing has been competitive due to the increased supply of newly built condominiums available for rent. The amenities and specifications of this property have thus become inferior to those competing properties due to its age (15 years old). With the weakened occupancy, there is a concern of declining competitiveness in the future.

4. Summary of the Property

(1) Beside Kiba

Property name	Beside Kiba	
Type of ownership	Full ownership	
Address	2-17-16 Kiba, Koto-ku, Tokyo (Notel)	
Appraisal value (Date of value)	2,990 million yen (as of February 28, 2022)	
Summary of rental status as of Januar	ry 31, 2022	
Number of tenants	6	
Gross rental income	13 million yen per month (Note2)	
excluding parking		
Security deposits	147 million yen (Note2)	



	including parking					
	Total rent space	4,758.03 m ²				
	Total rentable space	4,758.03 m ²				
		August	August	August	August	August
Occu	Occupancy rate during past 5 years	2017	2018	2019	2020	2021
		84.5%	100%	100%	100%	100%
Spec	ial notes	None				

(2) Cross Residence Kanazawa Kohrinbo

(2) Closs Residence Ranazawa Rommoo					
Property name	Cross Residence Kanazawa Kohrinbo				
Type of ownership	Full ownership				
Address	2-4-3 Kohrinl	oo, Kanazawa-s	shi, Ishikawa ^{(N}	lote1)	
Appraisal value (Date of value)	2,760 million	yen (as of Febr	ruary 28, 2022)	
Summary of rental status as of Januar	y 31, 2022				
Number of tenants	Residential: 1 (pass through-type master lease agreement) Retail: 3				
Gross rental income excluding parking	16 million yen per month (Note2)				
Security deposits including parking	82 million yen (Note2)				
Total rent space	5,928.48 m ²				
Total rentable space	6,680.44 m ²				
Occupancy rate during past 5 years	August 2017 90.5%	August 2018 93.2%	August 2019 85.7%	August 2020 84.4%	August 2021 83.6%
Special notes None			03.070		

Notes

5. Profile of the Buyer

(1) Beside Kiba

The buyer is not disclosed because the consent of the buyer could not be obtained, including information on the type of company. The buyer is not a "related party" to OJR nor OAM.

(2) Cross Residence Kanazawa Kohrinbo

As of March 1, 2022

Company name	Hoosiers Co.,LTD		
Address	2-2-3 Marunouchi, Chiyoda-ku, Tokyo		
Representative	CEO Eiichi Ogawa		
Primary Business	Real estate transaction, intermediation, leasing, management and		
	consulting, etc		
Capital	2.4 billion yen		
Date of establishment	December 21, 1994		
Net Assets	101:11:		
(As of March 31, 2021)	19 billion yen		
Total Assets	51 billion yen		
(As of March 31, 2021)	31 billion yen		
Major shareholders	Hoosiers Holdings 100%		
(As of March 31, 2021)			
Relationships with OJR or OAM			
Capital relationship	There is no capital relationship required for reporting among OJR		
Capital Telationship	or OAM and the Company.		
Personal relationship	There is no personal relationship required for reporting among		
1 Cisonal Telationship	OJR or OAM and the Company.		

^{1.} The "Address" column shows the residence indication if there is, and if there is none, the building address recorded in the registry. Accordingly, the address may differ from the lot number recorded in the registry.

^{2.} Figures are rounded down to the nearest million yen.



Business relationship	There is no business relationship required for reporting among OJR or OAM and the Company.		
Applicable to related party	The Company does not fall under "related party" of OJR nor OAM.		

6. Payment terms

(1) Beside Kiba

Settlement terms: 100% on delivery

(2) Cross Residence Kanazawa Kohrinbo

Settlement terms: 10% on execution of purchase and sales agreement, 90% on delivery



7. Appraisal Summary

(1) Beside Kiba

Name of asset		Beside Kiba		
Date of value	February 28, 2022			
Appraisal value (In thousands of yen)	2,990,000			
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.			
	1 _	(In thousands of yen)		
Item	Content	Grounds		
Income Approach Value	2,990,000	We estimated the value indicated by the Income Approach mainly based on the value indicated by the DCF Method, also verified it by the value indicated by the DC Method.		
Valuation by the Direct Capitalization Method	3,040,000			
(1) Gross Operating Revenue [(a)-(g)]	189,797			
(a) Effective gross revenue $[(b)+(c)+(d)+(e)+(f)]$	200,721	Assessed Rental income, Utility Fee income, Parking Fee income, which are considered to be stable levels, based on the competitiveness of subject property, the trends of track record, market trends, the lease evidences, and so on.		
(b) Rental income	169,290	Assessed the market rent taking into account the lease evidences and so on.		
(c) CAM income	0			
(d) Utility reimbursement	23,980	Assessed based on the trends of track record, and so on.		
(e) Parking Fee income	6,300	Assessed based on the trends of track record, and so on.		
(f) Other income	1,150	Assessed based on the trends of track record, and so on.		
(g) Vacancy loss	10,923	Assessed based on the vacancy rate deemed to be a stable level, taking into account the competitiveness of subject property, the trends of track record, market trends, and so on.		
(2) Operating Expenses	56,841			
Maintenance Expense	12,561	Assessed based on the trends of track record, BM fee-related materials , and the level of similar properties, and so on.		
Utility Expense	22,838	Assessed based on the trends of track record, and so on.		
Repair Expense	3,875	Assessed based on Engineering Report, the level of similar properties, and so on.		
Property Management Fee	2,338	Assessed based on Property Management Contract, the level of similar properties, and so on.		
Tenant Advertisement Cost	1,579	Assessed based on the turnover rate deemed to be a stable level, taking into account the competitiveness of the subject property, the trends of track record, market trends, and so on.		
Tax and Public Dues	12,609	Assessed based on taxable materials.		
Casualty Insurance	279	Assessed based on insurance materials and the level of similar properties, and so on.		
Other Expenses	759	Assessed based on the trends of track record, and so on.		
(3) Net Operating Income [(1)-(2)]	132,956			
(4)Profit from Managing Security Deposit (5)Capital Expenditure	1,616	Assessed investment yield as 1.0%. Assessed based on Engineering Report, the level of similar properties, and so		
(3)Capital Experiuture	10,073	on.		
(6)Net Revenue [(3)+(4)-(5)]	124,498			
(7)Cap Rate	4.1%	Assessed by taking into account the use of the subject property, its location and building conditions, market trends, the comparable evidences, the type of lease, the relations of rights, and so on.		
DCF Method	2,970,000			
Discount Rate	4.2%	Assessed by taking into account the use of the subject property its location and building conditions, the level of funding costs, market trends, the type of lease, the relations of rights, and so on.		
Terminal Cap Rate	4.3%	Assessed by taking into account future uncertainty and other factors in the capitalization rate at the date of value.		
Cost Approach	2,750,000			
Ratio of Land	73.2%			
Ratio of Building	26.8%			
Additional considerations made in the reconciliation of evaluation	liquidity at the reflected this p	ticipants make decisions focusing on the stability of income, growth potential, e resale, and other factors. The value indicated by the Income Approach process is highly normative. Accordingly, we determined the final opinion of ue indicated by the Income Approach.		



(2) Cross Residence Kanazawa Kohrinbo

Appraisal value (in thousands of yen) Appraiser Chuo Real Estate Appraisal Co., Ltd. (in thousands of yer Chuo Real Pstate Ltd. (in thousands	Name of asset		Cross-Residence Kanazawa Korinbo		
Chain Content Conten	Date of value	February 28, 2022			
Item	Appraisal value (In thousands of yen)		2,760,000		
Item Content Counter Grounds Income Approach Value Income Approach Value 2,760,0000 [ADF method, with membrasis on income approach by the Income Approach by Defree Membrasis on Income approach by the Direct Capitalization Method 2,600,000 [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method, with morne approach sing the direct capitalization method also taken into consideration [ADF method also taken into consideration [ADF method also taken into consideration and the direct capitalization and the level of parking fees at similar properties into consideration [ADF method also taken into consideration and the level of parking fees at similar properties into consideration [ADF method also taken into consideration and the level of parking fees at similar properties into consideration [ADF method also taken into consideration and similar properties into consideration and similar properties into consideration [ADF method also taken into consideration and similar properties into consideration [ADF method also taken into consideration and similar prop	Appraiser		Chuo Real Estate Appraisal Co., Ltd.		
Income Approach Value 2,760,000 DCF method, with income approach is determined with emphasis on income approach by the Direct Capitalization Method 2,60,000 Comming Revenue [(a)-{(a)-1}) [188,916 [(a)-Effective gross revenue [(a)-{(a)-1})] [188,916 [(a)-Effective gross revenue [(a)-{(a)-1})] [188,916 [(a)-Effective gross revenue [(a)-{(a)-1})] [184,700 [(a)-Effective gross revenue [(a			(In thousands of yen)		
Valuation by the Direct Capitalization Method 2,620,000 CF method, with income approach using the direct capitalization method also taken into consideration	Item	Content	Grounds		
(1) Gross Operating Revenue [(a)-(g)] 189,916 216,433 216,433 Assessed taking factors such as rent and CAM charges under the existing ((b)+(c)+(d)+(e)+(f)] 216,433 Assessed taking factors such as rent and CAM charges under the existing (b)+(c)+(d)+(e)+(f) 318,4370 desse agreement and other arrangements and the level of rents and CAM charges at similar properties into consideration of the consideration of the parking fee income (d) Utility reimbursement (e) Parking Fee income (e) Park	Income Approach Value	2,760,000	DCF method, with income approach using the direct capitalization method		
(a) Effective gross revenue (b)+(c)+(d)+(d)+(e)+(f)] 216,433 Assessed taking factors such as rent and CAM charges under the existing 184,470 lesses agreement and other arrangements and the level of rents and CAM charges at similar properties into consideration (c) CAM income 9,490 Same as above (d) Utility reimbursement 5,770 Assessed based on actual past data, taking the level of utilities income of similar properties into consideration on actual past data. The current agreement and the level of parking fee income 14,760 Assessed taking factors such as the parking fee under the current agreement and the level of parking fees at similar properties into consideration (g) Vacancy loss (g) Vacancy loss Maintenance Expense 11,911 Assessed based on actual past data Medium-to-long-term occupancy rate (vacancy rate), etc. is assessed taking factors such as actual occupancy data of the target real estate and similar properties and future market trend forecasts into consideration (2) Operating Expenses 46,589 Maintenance Expense 11,911 Assessed based on contract conditions, taking factors such as past data and level of expenses of similar properties into consideration Repair Expense 5,976 Assessed based on contract conditions, taking factors such as level of expenses of similar properties into consideration Repair Expense 5,976 Assessed based on contract conditions, taking factors such as level of expenses of similar properties into consideration Repair Expense 5,976 Assessed based on EXPENSE of Same as above 13,955 Assessed based on EXPENSE of Same as above 13,956 Assessed based on EXPENSE of Same as above 14,976 Assessed based on contract conditions 15 Same as above 16) Casualty Insurance 300 Same as above 3,915 Same as above 3,916 Assessed based on intended to the properties and taking into consideration factors such as the individual features of the property such as location, building spec and rights and benefits 4,886 Assessed with reference to investment yields in transactions of simi	Valuation by the Direct Capitalization Method	2,620,000			
(b) F(c) + (c) + (d) + (e) + (f)] 216.433 Assessed taking factors such as rent and CAM charges under the existing (b) Rental income (c) CAM income (d) Utility reimbursement (e) Parking Fee income (f) Other income (g) Vacancy loss (hinternance Expense) (hill by Expense) (hill	(1) Gross Operating Revenue [(a)-(g)]	189,916			
(c) CAM income (d) Utility reimbursement (e) Parking Fee income (f) Other income (g) Vacancy loss (hatter a comparison of the compari	(a) Effective gross revenue	216 422			
(c) CAM income 184,970 lease agreement and other arrangements and the level of rents and CAM charges at similar properties into consideration	[(b)+(c)+(d)+(e)+(f)]	210,433			
d) Utility reimbursement 5.770 Assessed based on actual past data, taking the level of utilities income of similar properties into consideration 14.760 Assessed taking factors such as the parking fee under the current agreement and the level of parking fees at similar properties into consideration 1.443 Assessed based on actual past data Medium-to-long-term occupancy data of the target real estate and similar properties and actual occupancy data of the target real estate and similar properties and future market trend forecasts into consideration 11.911 Assessed based on contract conditions, taking factors such as past data and level of expenses of similar properties into consideration 11.911 Assessed based on contract conditions, taking factors such as past data and level of expenses of similar properties into consideration 11.911 Assessed based on contract conditions, taking factors such as past data and level of expenses of similar properties into consideration 12.922 Assessed based on contract conditions, taking factors such as level of expenses of similar properties into consideration 12.922 Assessed based on Expenses 12.922 Assessed based on Expenses 12.922 Assessed based on contract conditions 12.922 Assessed based on Expensive 12.922 Assessed	(b) Rental income	184,970	lease agreement and other arrangements and the level of rents and CAM		
(c) Parking Fee income	(c) CAM income	9,490	Same as above		
(i) Other income	(d) Utility reimbursement	5,770			
Medium-to-long-term occupancy rate (vacancy rate), etc. is assessed taking factors such as actual occupancy data of the target real estate and similar properties and future market trend forecasts into consideration Coordinate Coordi	(e) Parking Fee income	14,760			
Q) Vacancy loss 26,517 factors such as actual occupancy data of the target real estate and similar properties and future market trend forecasts into consideration	(f) Other income	1,443	Assessed based on actual past data		
Maintenance Expense	(g) Vacancy loss	26,517	factors such as actual occupancy data of the target real estate and similar		
Utility Expense 6,479 Assessed based on actual past data, taking factors such as level of expenses of similar properties into consideration Repair Expense 7,976 Assessed based on actual past data, taking factors such as level of expenses of similar properties into consideration Repair Expense 7,976 Assessed based on actual past data, taking factors such as level of expenses of similar properties into consideration Repair Expense 7,976 Assessed based on actual past data, taking factors such as level of expenses of similar properties into consideration Repair Expense 7,976 Assessed based on actual past data, taking factors such as level of expenses of similar properties into considerations Repair Expense 7,976 Assessed based on actual past data, taking factors such as level of expenses of similar properties and taking into control actual amounts 8,976 Assessed based on contract conditions 8,977 Assessed based on actual past data, taking factors such as the individual features of the property such as location, building spec and rights and benefits 8,787 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios 8,787 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios. 8,787 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums 1,787 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums 1,787 Assessed with reference to investment yields in transactions of similar properti	(2) Operating Expenses	46,589			
Repair Expense 5.976 Assessed based on ER Property Management Fee 3.960 Assessed based on contract conditions Tenant Advertisement Cost 3.915 Same as above Tax and Public Dues 13.995 Assessed based mainly on most recent actual amounts Casualty Insurance 302 Same as above Other Expenses 51 Same as above (3) Net Operating Income [(1)-(2)] 143,327 (4) Profit from Managing Security Deposit 693 Assessed based on rate of return of 1.0% (5) Capital Expenditure 7,872 Assessed based on ER (6) Net Revenue [(3)+(4)-(5)] 136,148 (7) Cap Rate 5.2% properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits DCF Method 2,820,000 Discount Rate 5.0% Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 52.4% Ratio of Building 47.6%	Maintenance Expense	11,911			
Property Management Fee 3,960 Assessed based on contract conditions Temant Advertisement Cost 3,915 Same as above Tax and Public Dues 13,995 Assessed based mainly on most recent actual amounts Casualty Insurance 302 Same as above Other Expenses 51 Same as above (3) Net Operating Income [(1)-(2)] 143,327 (4)Profit from Managing Security Deposit 693 Assessed based on rate of return of 1.0% (5)Capital Expenditure 7,872 Assessed based on ER (6)Net Revenue [(3)+(4)-(5)] 136,148 Assessed with reference to investment yields in transactions of similar properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits DCF Method 2,820,000 Discount Rate 5.0% properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 52.4% Ratio of Building 47.6%	Utility Expense	6,479	Assessed based on actual past data, taking factors such as level of expenses of similar properties into consideration		
Tenant Advertisement Cost Tax and Public Dues 13,995 Assessed based mainly on most recent actual amounts Casualty Insurance Other Expenses 51 Same as above (3) Net Operating Income [(1)-(2)] 4)Profit from Managing Security Deposit (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] 7,872 Assessed based on rate of return of 1.0% (5)Capital Expenditure 7,872 Assessed based on ER (6)Net Revenue [(3)+(4)-(5)] 136,148 (7)Cap Rate 5.2% Assessed with reference to investment yields in transactions of similar properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits DCF Method 2,820,000 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 32.4% Ratio of Building 47.6%	Repair Expense	5,976	Assessed based on ER		
Tax and Public Dues Casualty Insurance Other Expenses (3) Net Operating Income [(1)-(2)] (4)Profit from Managing Security Deposit (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] Tas, 27 Assessed based on rate of return of 1.0% (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] Tas, 27 Assessed based on rate of return of 1.0% (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] Tas, 27 Assessed based on rate of return of 1.0% Assessed based on ER (6)Net Revenue [(3)+(4)-(5)] Assessed with reference to investment yields in transactions of similar property such as location, building spec and rights and benefits DCF Method Discount Rate Discount Rate Terminal Cap Rate Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios future market risks and other risk premiums Cost Approach Cost Approach Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums	Property Management Fee	3,960	Assessed based on contract conditions		
Casualty Insurance Other Expenses (3) Net Operating Income [(1)-(2)] (4) Profit from Managing Security Deposit (5) Capital Expenditure (6) Net Revenue [(3)+(4)-(5)] (7) Cap Rate (7) Cap Rate Discount Rate Discount Rate Terminal Cap Rate Cost Approach Cost Approach Ratio of Land Ratio of Building Security Deposit 51 Same as above 143,327 143,327 143,327 143,327 149.7631 143,327 149.7631 143,327 149.7631 143,327 149.7631 143,327 149.7632 143,327 149.7632 143,327 149.7632 143,327 149.7632 143,327 149.7632 143,327 149.7632 143,327 143,327 143,327 143,327 143,327 143,327 143,327 143,327 144,328 145,328 145,328 146,328 146,328 146,328 146,328 147,636 148,327 149.7632 149.7632 140,7632 140,7632 140,7632 140,7632 141,327 140,768 14	Tenant Advertisement Cost	3,915	Same as above		
Other Expenses (3) Net Operating Income [(1)-(2)] (4)Profit from Managing Security Deposit (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] DCF Method Discount Rate DCF Method Discount Rate Terminal Cap Rate Cost Approach Cost Appro	Tax and Public Dues	13,995	Assessed based mainly on most recent actual amounts		
(3) Net Operating Income [(1)-(2)] (4) Profit from Managing Security Deposit (5) Capital Expenditure (6) Net Revenue [(3)+(4)-(5)] (7) Cap Rate (7) Cap Rate (8) Assessed based on ER (8) Assessed with reference to investment yields in transactions of similar properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits (8) DCF Method (9) Discount Rate (1) Cap Rate (1) Cap Rate (2) Exponor Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums (1) Cap Rate (2) Exponor (3) Net Operating Income [(1)-(2)] Assessed based on rate of return of 1.0% Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums (2) Exponor (3) Net Operating Income [(1)-(2)] Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums (3) Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums	Casualty Insurance	302	Same as above		
(4)Profit from Managing Security Deposit (5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] 7,872 Assessed based on ER (6)Net Revenue [(3)+(4)-(5)] Assessed with reference to investment yields in transactions of similar property such as location, building spec and rights and benefits DCF Method 2,820,000 Assessed with reference to investment yields in transactions of similar property such as location, building spec and rights and benefits 5.0% Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios. Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 52.4% Ratio of Building 47.6%	Other Expenses	51	Same as above		
(5)Capital Expenditure (6)Net Revenue [(3)+(4)-(5)] (7)Cap Rate (7)Cap Rate (8)Rethod (8) Assessed with reference to investment yields in transactions of similar properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits (8) DCF Method (8) DCF Method (8) Discount Rate (8) DCF Method (8) Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios (8) Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums (8) Cost Approach (9) Cap Rate (10) Cap Rate (11) Cap Rate (12) Cap Rate (13) Cap Rate (14) Cap Rate (15) Cap Rate (15) Cap Rate (16) Net Revenue [(3)+(4)-(5)] (16) Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums (16) Cap Rate (17) Cap Rate (18) Cap Rate (18) Cap Rate (18) Cap Rate (18) Cap Rate (19) Cap Rate	(3) Net Operating Income [(1)-(2)]	143,327			
(6)Net Revenue [(3)+(4)-(5)] 136,148 Assessed with reference to investment yields in transactions of similar property such as location, building spec and rights and benefits DCF Method 2,820,000 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 72,080,000 Ratio of Building 47.6%	(4)Profit from Managing Security Deposit	693	Assessed based on rate of return of 1.0%		
Assessed with reference to investment yields in transactions of similar property such as location, building spec and rights and benefits DCF Method 2,820,000 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 52.4% Ratio of Building 47.6%	(5)Capital Expenditure	7,872	Assessed based on ER		
(7)Cap Rate 5.2% properties and taking into consideration the individual features of the property such as location, building spec and rights and benefits DCF Method 2,820,000 Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach 2,080,000 Ratio of Land 52.4% Ratio of Building 47.6%	(6)Net Revenue [(3)+(4)-(5)]	136,148			
Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach Ratio of Land Ratio of Building Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums 2,080,000 Ratio of Land Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums	(7)Cap Rate	5.2%	1 1		
Discount Rate 5.0% properties and taking into consideration factors such as the individual features of the property and valuation scenarios Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach Ratio of Land Ratio of Building 5.4% 7.4% Assessed with reference to investment yields in transactions of similar properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums 7.4% 8.48 8.5.4% 8.68 8.79 8	DCF Method	2,820,000			
Terminal Cap Rate 5.4% properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums Cost Approach Ratio of Land Ratio of Building 5.4% properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other risk premiums 4.080,000 Ratio of Building 47.6%	Discount Rate	5.0%			
Ratio of Land 52.4% Ratio of Building 47.6%	Terminal Cap Rate	5.4%	properties and taking into consideration factors such as the individual features of the property, valuation scenarios, future market risks and other		
Ratio of Building 47.6%	Cost Approach	2,080,000			
	Ratio of Land	52.4%			
Additional considerations made in the reconciliation of Determined by adopting income approach value in reference to cost approach as demand for	Ratio of Building	47.6%			
	Additional considerations made in the reconciliation of	f Determined by	adopting income approach value in reference to cost approach as demand fo		

Note: This is the English translation of original Japanese documents and is provided solely for information purposes. If there are any discrepancies between the translation and the Japanese original, the latter shall prevail.