

**Summary of Q&A Session at Financial Results Briefing for the 30th Period
(Ended June 2021)**

<Q>

**Do you plan to maintain the amount of 2,800 yen, which is set as the minimum target for DPU, for the next two fiscal periods or for the time being?
(If it will be maintained for the time being), for how long do you plan to maintain 2,800 yen as the target?**

<A >

As the impact of the departure of large tenants is expected to be seen also in the 33rd Period (ending December 2022), we intend to maintain a DPU level of 2,800 yen not only for these two fiscal periods (31st Period and 32nd Period) but also beyond those periods while utilizing internal reserves. It is difficult to say for how long such level will be maintained, but we believe that we can return distribution to an upward trend as downtime and free rent end and the CF occupancy rate picks up over time, based on the assumption that the leasing market will gradually recover from the beginning of next year.

<Q>

Please explain the future forecast on the trend of departure of large tenants.

<A>

The impact of the departure of large tenants has been incorporated into the performance forecasts for the 31st Period (ending December 2021) and the 32nd Period (ending June 2022). It appears that it will generally settle down over the next year or so.

<Q>

The performance forecasts are made based on the assumption that lease-up of tenants will increase and departure of tenants will decrease in the 32nd Period (ending June 2022). Please explain if there are any specific movements that are currently seen or special basis regarding the increase in lease-up of tenants. Also, as for the assumption of the decrease in tenant departure, is there not a possibility that more tenants will move out in the future?

<A>

The departure of large tenants has already been incorporated into the plan for the 31st Period (ending December 2021), and because some departures have been postponed to the 32nd Period (ending June 2022), tenant departure has decreased compared with the previous plan. The forecast for the 32nd Period (ending June 2022) was made by including both postponed departures and those that are likely to newly occur. As for lease-ups, we are currently conducting leasing activities and have seen some action such as preliminary inspection, but progress is yet to be made.

<Q>

Is there an imbalance in terms of the size or area of tenant departure, or does departure occur equally at each property? Also, is there an imbalance in the size or area of refilling of vacant floors?

<A>

With regard to tenant departure, there is a considerable imbalance due to the incorporation of large tenants alone. Historically, the departure rate remained at 2% ($\pm 1\%$), but the figure is increasing due to a special factor of the departure of large tenants. As for lease-up of tenants, we assume downtime based on the level of difficulty for each property, taking into consideration the status of the area where the property is located as well as its vacancy rate.

<Q>

Gain on sale will be recorded by selling Kowa Shirokanedai Building, but is there any plan to consider selling existing properties until they recover? Or have property sales settled down? Please share your thoughts on property sales.

<A>

We will constantly consider property sales from the viewpoint of qualitative improvement of the portfolio. For properties for which we have concerns over future competitiveness in light of the building age and attributes of the area, we will consider selling them if there are good conditions. Because NOI, which is the source of distribution payment, will decrease if only property sales are conducted, property sales are conducted at this stage under the assumption that replacement will also occur.

<Q>

You said that you will consider acquiring a substitute property for Kowa Shirokanedai Building which was sold, but do properties in the BIZCORE series as well as existing properties owned by sponsors fall under the target of acquisition? Please share your thoughts on the selection of properties to be acquired.

<A>

We mentioned the linkage with the medium-term management plan of the sponsor. However, although the properties in the BIZCORE series, which will be the center of the asset turnover business, are the most promising candidates, we believe that existing properties may also be considered as candidate properties, and we plan to have an extensive discussion on matters including such with the sponsors. In addition, when it becomes possible to acquire properties from not only sponsors but also third parties, such properties will be acquired as part of replacement.

<Q>

Concerning the departure of large tenants, what figure do you assume for the rent level when refilling vacancies?

<A>

The previous rent level for large tenants who will move out was similar to or slightly below the market rent. Therefore, we would like to realize tenant replacement without lowering the rent level.

<Q>

You said it is likely that properties in the BIZCORE series will be selected as substitute properties for properties that have been sold, but what is the level of the acquisition yield? Looking ahead at the mass supply of offices in 2023, please explain the progress in leasing activities for properties in the BIZCORE series that have already been completed or are scheduled to be completed in the future.

<A>

Properties in the BIZCORE series have similar locational characteristics, and although there are differences in property size, the specifications are generally similar. Therefore, we believe that the yield will be at a level close to the acquisition yield of BIZCORE JIMBOCHO. Looking ahead at the mass supply of offices in 2023, we anticipate a harsh leasing situation, but we believe that property selection trends will become more rigorous and that we can instead demonstrate our strengths as our properties fulfill the requirements of locational conditions, etc.