

**Summary of Q&A Session of the Financial Results Briefing for the 24th Period
(ended June 2018)**

<Q1>

As for the growth of distributions, will there be any change in the momentum that has led to a per-period (six-month) increase of about 50 yen? If not, for how long is the current momentum expected to continue?

<A1>

There will be no change in momentum. Over the next year, internal growth will remain strong and room for decrease in interest expenses through refinancing will also be limited in the financial strategy. However, we do not expect any rapid increase in interest expenses. The situation depends on the number and targeted area of upward rent revisions but there will be no significant changes in momentum.

<Q2>

What can you say of the scale and time axis of property replacement in the future?

<A2>

There are currently no specific projects under review but we have just started discussing properties owned by the sponsors. The acquisition scale will be around 10 billion yen and the time axis is assumed to be roughly within 2 years. We would like to conduct replacements by utilizing acquisitions from third parties other than the sponsors.

<Q3>

Please explain the rent level, room for further upward rent revision and the background of the determination of acquisition scale regarding AKASAKA INTERCITY AIR

<A3>

We believe that there is still room for increase in rent level. The contract period is relatively long and we expect to enjoy the current level of yield for the meantime. However, we believe that growth potential can be expected in the property. We determined the acquisition scale of AKASAKA INTERCITY AIR (yield after depreciation: 3.0%) to maintain and improve distributions based on the current average yield of the portfolio (NOI yield: 5.0%, yield after depreciation: 3.6%). We would like to additionally acquire AKASAKA INTERCITY AIR if we have a chance in the future.

<Q4>

What sort of image do you have on future distributions?

<A4>

There will be no change in our existing policy and we will focus on how to increase distributions in the 27th period onwards based on the forecasted amount of 2,800 yen for the 26th period. We would like to increase distributions not only with internal growth and financial strategies but also with high-quality external growth through offering. If possible, we would like to continue increasing distributions at a pace of 50 yen per fiscal period and about 100 yen per year in the 27th period onwards.

<Q5>

Please tell us your thoughts on properties for which sale is being considered as well as their amount

<A5>

Candidate properties to be sold are older properties that have been owned for a long period, properties with a large amount of unrealized loss and properties with inferior profitability and competitiveness. The scale of the properties is around 10 billion yen to 15 billion yen but we assume they will be replaced and not just sold.

<Q6>

The yield after depreciation of AKASAKA INTERCITY AIR is 3.0%, so will you be conscious of this level upon additional acquisition in the future, or will it vary according to acquisition scale?

<A6>

As of now, we have set a lower limit of 3.0%. If the level falls below 3.0%, we will determine the yield through comprehensive judgment.

<Q7>

How do the conditions of green bonds and green loans differ from those of normal bonds and loans?

<A7>

The interest rate, etc. of investment corporation bonds vary according to the market environment, but we think that the interest rate of the green bond issued this time, which is 0.63% in 10 years, is inexpensive. We believe that it was significant not only from the perspective of reducing financial costs but also from the perspective of expanding the base of investors including sovereign institutional investors. As for green loans, it is expected that the spread will not exceed normal loans. We would like to continue promoting both green bonds and green loans from the viewpoints of promoting ESG initiatives and reducing costs.