



## Chairman's Column

### ***Why PE Capital Is Flowing into Real Estate, and the Expansion of LPS Structures***

In the blink of an eye, the Golden Week has come and gone, and we are now entering the season when hints of summer are beginning to emerge. Forecasts suggest that this summer may be even hotter than last year's, and there is also growing concerns about the impact of the Strait of Hormuz situation on energy prices. As humidity levels continue to rise, I'm hoping you all take good care of yourselves.

Turning to the topic at hand, real estate investment structures utilizing LPSs (Limited Partnership for Investments) have recently become increasingly prominent and are attracting growing attention in practice. Since an LPS itself cannot directly hold physical real estate, the assets ultimately need to be held through a TMK or GK structure. Nevertheless, the broadening investor base represents a significant shift. An environment is gradually taking shape in which investors familiar with LP investments can also expand their AUM in the real estate sector.



Several factors are driving the increased use of LPS structures in real estate:

1. Growing real estate allocation demand from institutional investors;
2. Stabilization of AUM through steady income returns;
3. The ability to leverage PE expertise in operational real estate sectors such as data centers, logistics facilities, and hotels; and
4. Expansion into new areas amid a decline in traditional PE investment opportunities.

In addition, as pointed out in a paper published by ARES, the two structures that have been particularly increasing are the blind pool type and the open-end type.

In a blind pool structure, properties are not identified at the time of formation; instead, the GP acquires assets over time within the scope of predetermined investment guidelines. This allows for agile investment execution through a capital call mechanism.

By contrast, the open-end structure permits redemptions of LP interests while assuming long-term asset management. Although it shares characteristics with private REITs, a notable feature is the flexibility of its design through the LPS agreement framework.

As an administrator of alternative assets, we have also seen an increase in transactions involving hybrid structures combining LPSs with TMKs/GKs, and we look forward to gaining further experience by supporting a growing number of such projects going forward.

*by Kazuhiro Matsuzawa, Chairman*



## J - R E I T

**J-REIT Trends in April****【Listed REIT Information】**

(Covered Period) April 1, 2026 – April 30, 2026

&lt;REITs Announcing Financial Results During the Period&gt;

15 REITs announced financial results in April 2026 (all for the fiscal period ending February 2026)

**<Property Transactions During the Covered Period>**

Number of REITs Acquiring Properties	Total Acquisition Amount	Number of Properties Acquired
2 REITs	4.6 billion yen	3 properties
Number of REITs Disposing of Properties	Total Disposition Amount	Number of Properties Disposed
5 REITs	15.8 billion yen	7 properties

**<Property Transactions by Asset Type>**

		Office	Residential	Retail	Hotel	Logistics	Other Real Estate	Equity Interests, etc.	Total
Acquisitions	Amount (JPY)	-	¥0.7 billion	-	-	-	¥3.9 billion	-	¥4.6 billion
	Composition (%)	0%	15%	0%	0%	0%	85%	0%	100%
	Number of Properties	-	1	-	-	-	2	-	3
	Composition (%)	0%	33%	0%	0%	0%	67%	0%	100%
Dispositions	Amount (JPY)	¥3.2 billion	¥8.0 billion	-	¥4.7 billion	-	-	-	¥15.8 billion
	Composition (%)	20%	50%	0%	30%	0%	0%	0%	100%
	Number of Properties	1	5	-	1	-	-	-	7
	Composition (%)	14%	71%	0%	14%	0%	0%	0%	100%

**<REITs Announcing Earnings This Month>**

8 REITs will announce financial results in May 2026

**<Scheduled Earnings Announcements for Next Month>**

6/15 (Mon) 3287 Hoshino Resorts REIT, Inc. |  
8979 Starts Proceed Investment Corporation

6/17 (Wed) 3451 Tosei REIT Investment Corporation |  
8956 NTT UD REIT Investment Corporation |  
3476 MIRAI Corporation

3309 Sekisui House Reit, Inc.

3476 MIRAI Corporation  
8972 KDX Realty Investment Corporation

**<Last Day with Rights>** 6/26 (Fri)



## J - R E I T

### <Monthly Topic>

### ***Provision of Services Utilizing TDL***

ASA REIT Partners plans to launch its own proprietary ERP service using the core modules of TDL (Accounting, Payment, and Property Management), which is scheduled for release in June 2026.

TDL is a comprehensive accounting-centered system currently being developed by ASA Platform, a group company of ASA GROUP. The system is designed to provide an end-to-end solution covering property management, accounting, budget management, revenue simulations associated with property acquisitions and dispositions, distribution simulations, and investor disclosure materials.

By combining TDL with the “Asset Management Company Support” services that we have traditionally provided, we will achieve a level of operational efficiency not previously possible.

In addition, promoting greater operational efficiency may help address the labor shortage currently facing the REIT industry.

If you are interested, please feel free to contact us.

Contact: [group\\_re@asa-group.jp](mailto:group_re@asa-group.jp)



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*by Nguyen Thi Hong, ASA REIT Partners*



## Real Estate

### *Japan's Real Estate Market in the "Post-Yen Depreciation" Era*

In recent years, Japan's real estate market has reportedly continued to attract capital inflows from overseas investors. Particularly, large-scale properties in Tokyo, hotels, and logistics facilities appear to be drawing not only Asian investors but also an increasing presence of U.S. and European funds.

This trend is often explained simply as "overseas investors are buying Japanese real estate because of the weak yen." However, many observers believe that reality is more nuanced. Japan continues to maintain a relatively low interest-rate, making leverage financing more accessible. In addition, the stability of its legal framework and property rights protections, as well as the availability of clear exit strategies through the J-REIT market, are also said to be attractive factors.

At the same time, there also appear to be changes in the behavior of domestic capital. Amid rising inflation and increasing construction costs, the mindset of "real assets over cash" has reportedly strengthened, and demand for real estate investments from high-net-worth individuals and operating companies remains firm. There are also cases in which regional business owners invest in income-generating properties in central urban areas from the perspectives of business succession planning and asset preservation.

Looking ahead, however, changes in the Bank of Japan's monetary policy and rising interest rates may alter the market environment. Financial institutions are expected to become gradually more cautious in their lending practices, with greater emphasis potentially being placed on LTV ratios, DSCR metrics, and sponsor creditworthiness. In particular, projects premised on short-term resale strategies or those with low cap rates may face increasingly selective underwriting.



In addition, the data center sector discussed in previous editions continues to attract considerable attention. Driven by growing demand for generative AI and cloud services, factors such as power capacity and infrastructure development are reportedly becoming increasingly important investment considerations in certain regions.

In this way, Japan's real estate market appears to be transitioning away from the simplistic narrative of "properties are being bought because of the weak yen" toward a more complex environment shaped by multiple interrelated factors, including interest rates, inflation, domestic capital flows, and infrastructure demand. Going forward, success may depend not only on asset acquisition itself, but also on comprehensive capabilities encompassing capital structure design, financial strategy, and operational expertise.

by Shigeru Hirai, Quality Control Office