



## Semi-Annual Report for the Period ended May 31, 2022 (the 21st Period)

From December 1, 2021 to May 31, 2022

21<sup>st</sup>

3279





Activia Properties Inc. aims at **proactive management** through selecting **assets that appeal to retail customers and office tenants** as urban centers and hubs for business activity, in order to maximize unitholder value over the medium- to long-term. API also takes initiatives to improve its asset management.

#### Basic Policy of Activia Properties Inc.

- 1 *Focused investment in Urban Retail Properties and Tokyo Office Properties*
- 2 *Utilization of the comprehensive support and capabilities of the Tokyu Fudosan Holdings Group's value chain*
- 3 *Strong governance structure aimed at maximizing unitholder value*



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#### Cash Distributions (Actual)

The Period ended May 2022 (the 21st Period)

Cash distributions per unit

¥ **9,510**

#### Cash Distributions (Forecasts)

The Period ending November 2022 (the 22nd Period)

Cash distributions per unit

¥ **9,300**

The Period ending May 2023 (the 23rd Period)

Cash distributions per unit

¥ **9,350**

#### Financial Highlights

	Period ended November 30, 2021 (the 20th Period)	Period ended May 31, 2022 (the 21st Period)
Operating revenue	¥15,646 million	¥15,512 million
Operating profit	¥8,758 million	¥8,624 million
Ordinary profit	¥7,781 million	¥7,734 million
Profit	¥7,753 million	¥7,731 million
Total assets	¥566,257 million	¥562,272 million
Net assets	¥278,716 million	¥274,768 million
Unitholders' equity to total assets (%)	49.2%	48.9%
Net assets per unit (yen) <sup>(Note)</sup>	¥338,760	¥338,149

(Note) API implemented a 2-for-1 investment unit split effected as of October 1, 2015.



## We Aim to Return to the Path of Improving Unitholder Value through Various Initiatives in Response to a Changing Market



**Nobuhide Kashiwagi**  
Executive Director  
Activia Properties Inc.

Thank you very much for your continued support for Activia Properties Inc (API).

Recently we closed all accounts for the period from December 1, 2021 to May 31, 2022. We owe this achievement to your understanding and continued support for which we wish to extend our deep appreciation.

The Japanese economy in the fiscal period under review showed signs of a gradual recovery, despite another slight contraction due to the expansion of COVID-19 variants and the resulting issuance of a quasi-state of emergency to prevent the spread of COVID-19.

The J-REIT market saw volatile price movements due to accelerated monetary tightening in the US from the beginning of 2022 and the escalation of tensions in Ukraine in March, but subsequently, the market regained ground, and prices bounced back by the end of May 2022.

With respect to the environment surrounding the management of assets owned by API, the impact from changing tenant requirements became obvious following the COVID outbreak. Although, despite the prevalence of teleworking, as well as office consolidations and relocations to smaller offices aimed at cost reductions continuing in the rental market, we recovered a higher occupancy rate in the greater Shibuya area, one of our focused investment areas, following progress made in leasing activities backed by a recovery in demand shown earlier than other areas. We also achieved a series of upward rent revisions at lease renewals in areas where there is actual-to-market rent gap, such as Osaka. For retail properties, although the changes in the consumer behavior and market environment, such as the prevalence of e-commerce, exerted a certain degree of impact, we succeeded in continually securing stable revenue due to long and fixed term of lease contracts that we have with most of our tenants.

Furthermore, during the period under review, we made announcements about two consecutive asset dispositions to be conducted in the fiscal period ending November 2022 onwards, which is in line with our asset replacement

strategy aiming at improving the profitability and quality of our portfolio.

We will make a continuous effort in our operation in response to a changing market, taking advantage of the superiority of the location and quality that our assets have.

API's portfolio at the end of the period under review was 47 properties with the total acquisition price of ¥548.0 billion. And as a result of the above-mentioned management, operating revenue, operating profit, and profit for the period under review were ¥15,512 million, ¥8,624 million and ¥7,731 million, respectively, for the period ended May 2022. Distributions per investment unit were ¥9,510.

API has included ESG (environment, social, governance) perspectives into the long-term management strategy to realize a sustainable society. We have so far promoted a wide range of initiatives to address our Materiality (material issues), and recently made further progress in our actions for reducing our environmental burden: in July 2022, we have advanced the renewable energy procurement target and updated our CO<sub>2</sub> emission reduction target in our environmental KPIs that we newly set in January 2022. Also, an information disclosure was made based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

We will continue to promote our ESG initiatives to enhance trustworthy relationships with all our stakeholders including unitholders.

For the 22nd period ending November 2022 onwards, we will seek to return to the path to improving unitholder value with a portfolio strategy in the medium to long term, through asset replacements and other measures including external growth leveraging the sponsor support as well as internal growth backed by the competitiveness of our properties with superior quality and locations.

We would be most grateful for your continued support and encouragement. Thank you.

## 1 Performance by Key Indicators for the 21st Period Ended May 2022

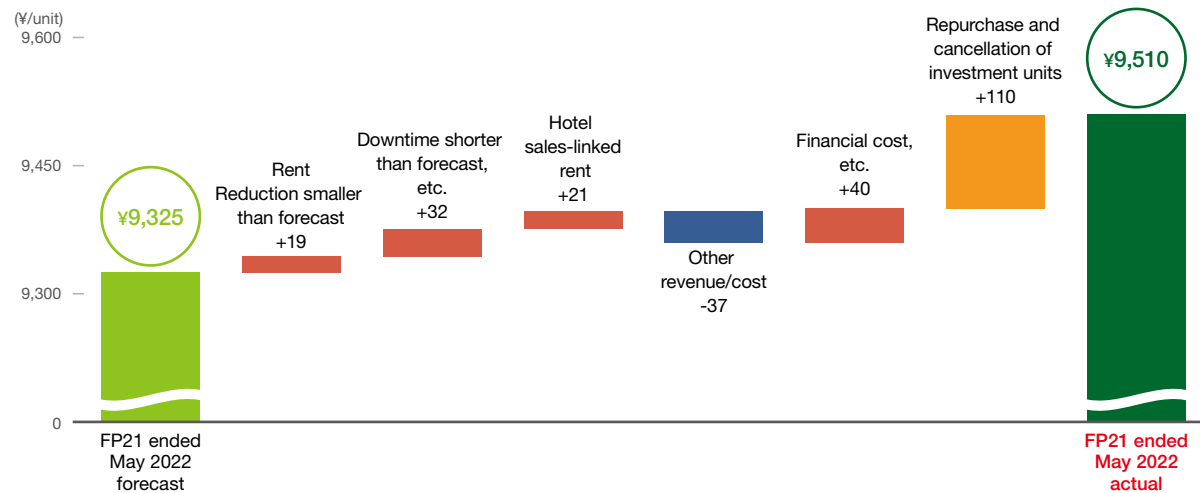
Financial Results (FP21 ended May 2022)			
Operating revenue (Gain on sale of real estate)		Profit	
¥15.5 billion (-)	vs. Previous period -¥0.1 billion (-¥0.2 billion)	¥7.7 billion	vs. Previous period -¥0.0 billion
DPU		NAV per unit	
¥9,510	vs. Previous period +¥150	¥466,090	vs. Previous period +¥5,853

Internal Growth (Offices) (FP21 ended May 2022)	Properties under Management (End of May 2022)	Debt Financing (End of May 2022)
Ratio of area with increased rent 11% vs. Previous period -13pt	Number of properties 47 vs. End of November 2021 -	Interest-bearing debt ¥260.3 billion vs. End of November 2021 -
Increased amount -27 million vs. Previous period -¥53 million	AUM ¥548.0 billion vs. End of November 2021 -	LTV (book value) 46.3% vs. End of November 2021 +0.3pt
Increase rate -2% vs. Previous period -4pt	Core asset ratio (UR + TO) 81.1% vs. End of November 2021 -	Avg. remaining years to maturity 4.4 years vs. End of November 2021 +0.0 years
Average rent ¥22.6k vs. Previous period -¥0.1k	Appraisal value ¥646.7 billion vs. End of November 2021 +¥3.3 billion	Avg. interest rate 0.54% vs. End of November 2021 +0.01pt
Rent gap +3% vs. Previous period +3pt	Unrealized gain ¥103.9 billion vs. End of November 2021 +¥4.0 billion	Commitment line ¥21.0 billion vs. End of November 2021 -

(Note) Figures for "Internal Growth (Offices)" are calculated based on all offices of Tokyo Office Properties and Activia Account Properties. Increased amount refers to the amount of the total difference before and after rent revision (at contract renewal or tenant replacement) adjusted for the period covered.

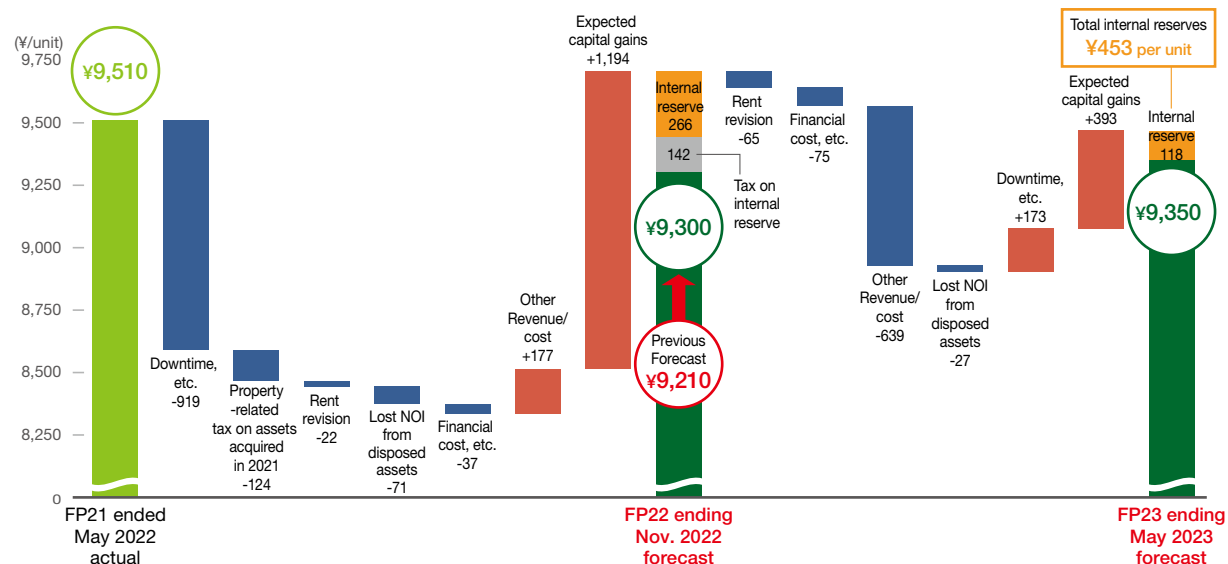
## 2 DPU Summary for FP21 Ended May 2022 vs. Forecast

- The profit from leasing business exceeded the forecast in FP21, due to favorable progress in leasing activities, hotel sales-linked rent income, and compensation for loss of business
- Repurchased and cancelled investment units to improve unitholder return, resulting in DPU that is ¥185 higher than the forecast



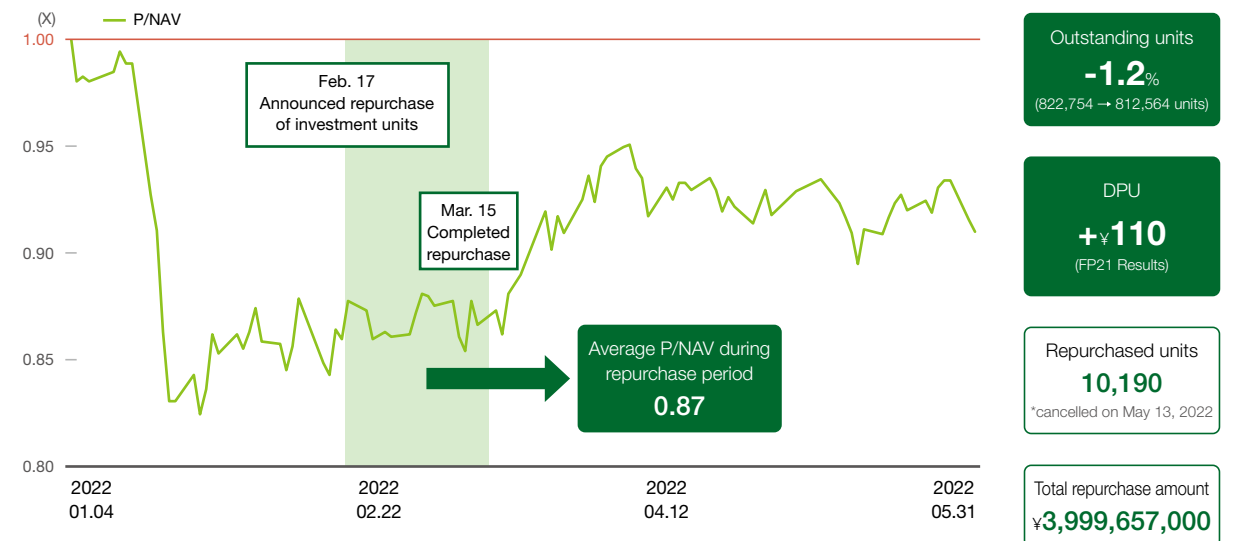
## 3 Forecast DPU Summary for FP22 Ending Nov. 2022 and FP23 Ending May 2023

- For FP22 ending Nov. 2022, DPU is expected to exceed the previous forecast of ¥9,210 as tenant departures will be offset by capital gains from asset replacements
- For FP23 ending May 2023, DPU is expected to increase due to the occupancy recovery and utilization of capital gains
- For each period, part of the capital gains will be accumulated as internal reserve and we will continue measures to stabilize this



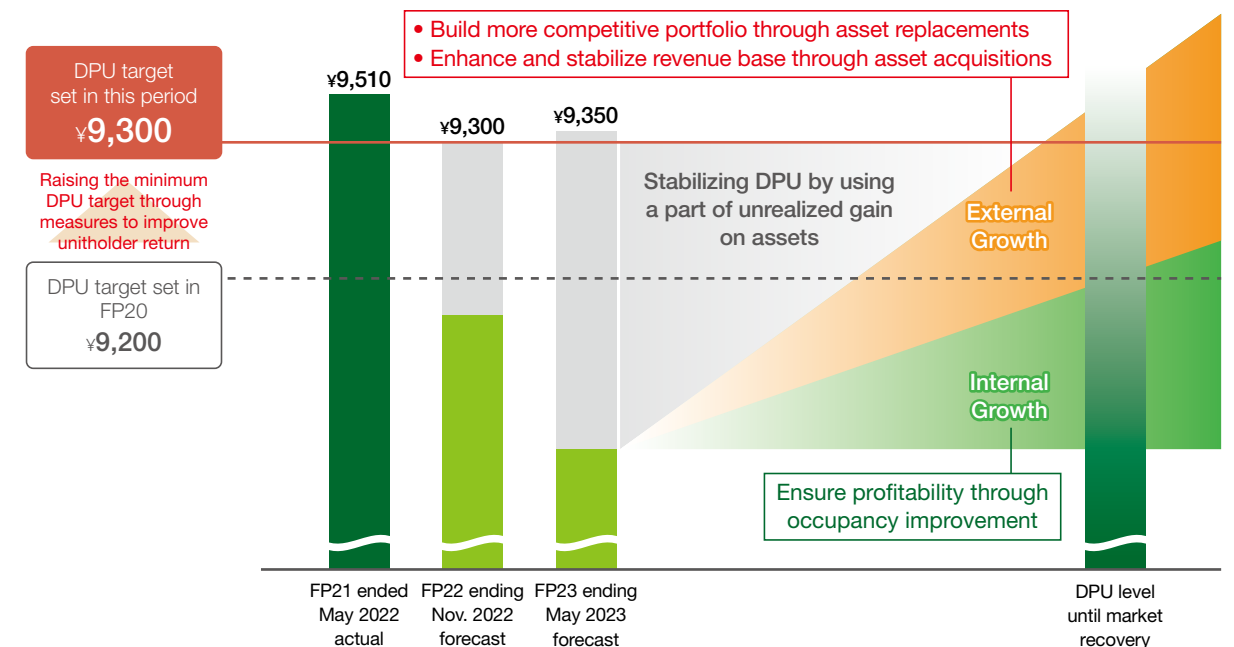
## 4 Repurchase of Investment Units

- As the unit price was largely below the level of NAV per unit, we conducted the first repurchase of investment units, aiming to improve unitholder value
- Successfully improved DPU and NAV per unit as a result of proactive repurchase of investment units



## 5 Path to Post-Pandemic Growth

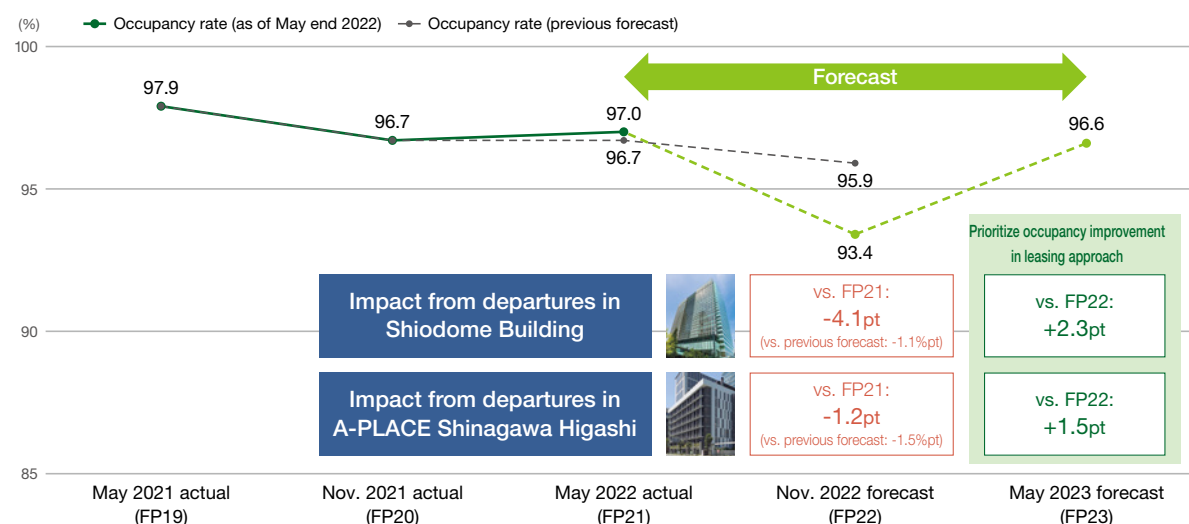
- Raise the minimum DPU target to ¥9,300 by using the unrealized gains based on asset replacement strategy, and repurchasing investment units
- Establish the base for future DPU growth driven by improving profitability through operations and qualitative improvement of the portfolio through asset replacements and acquisitions



# 6 Office Leasing Status

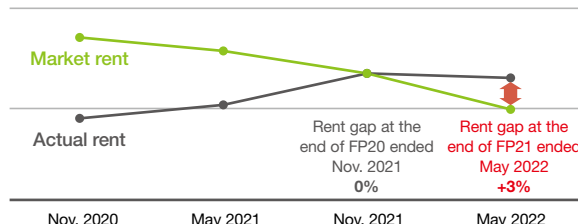
## 1. Occupancy rate (actual and forecast)

- **Occupancy rate exceeded the forecast** in FP21 due to solid progress in leasing
- While occupancy rate is expected to decline in FP22 due to departures of major tenants, **we aim for a quick recovery in FP23 with leasing approaches prioritizing improved occupancy rates** of specific buildings

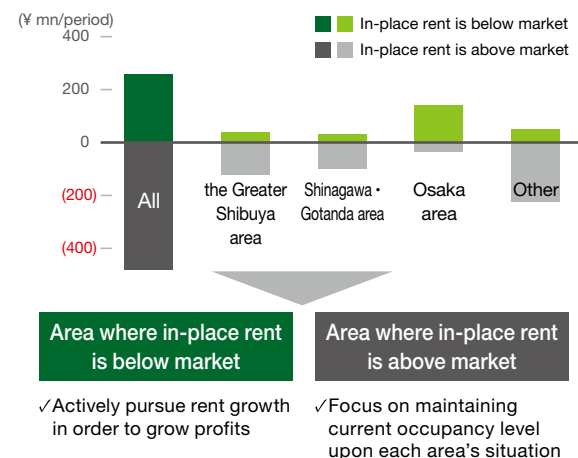


## 2. Trend in actual-to-market rent gap

- While the market rent is declining, the in-place rent remains almost unchanged, generating a rent gap of +3%

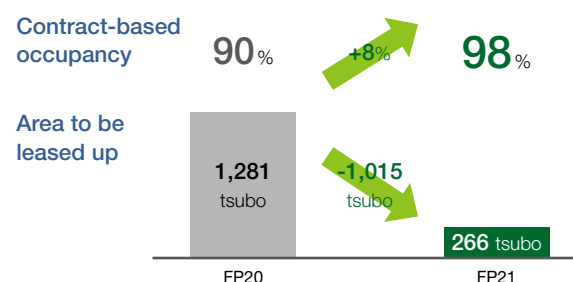


### Rent gap by area

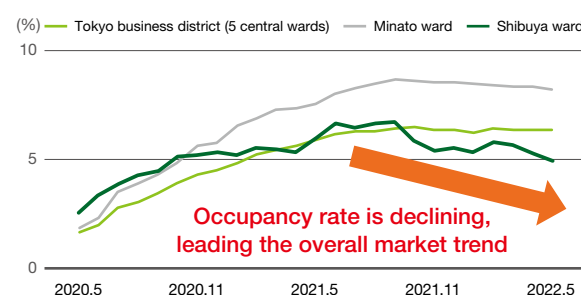


## 3. Leasing status of individual properties in the greater Shibuya area

- **Demand in the greater Shibuya area shows signs of recovery**, and our properties in the area are making solid progress in their leasing



### Vacancy rate in the Shibuya area



Source: Miki-Shoji, Co., Ltd.

# 7 Retail Leasing Status

- While a recovery in urban retail properties is underway, **we aim to secure revenue by meeting the needs of consumers and tenants and by pursuing growth**
- **A high degree of stability is secured as most of the retail tenants are under fixed-rent and fixed-term contracts and the lease expiry periods are spread out**

## 1. Strategic leasing of retail properties

### Actively attract new businesses

UR-1 Tokyu Plaza Omotesando Harajuku

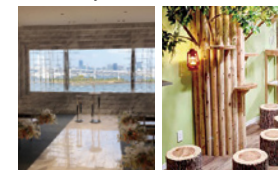
- In FY2023, planned a large-scale renewal of the 4th and 5th floors, which consist of merchandise stores including apparel



Co-working, lounge, shops, event space, etc.

UR-15 DECKS Tokyo Beach

- Strengthen the amusement and entertainment aspects of the restaurant floor, which has experienced a prolonged vacancy



Small-scale wedding venue  
Animal cafe

### Secure revenue through flexible approaches to leasing

UR-17 Q plaza HARAJUKU

- Held a pop-up event for imported Western liquor and sales company by utilizing its prime location



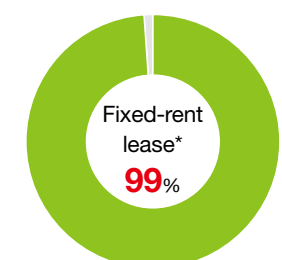
### Strengthen revenue structure by lowering dependence on tenant

UR-1 Tokyu Plaza Omotesando Harajuku

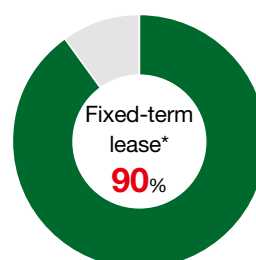
- Featuring its prime location, we earned advertising revenue by allowing third parties to run an advertisement at the entrance



## 2. Leases for retail tenants

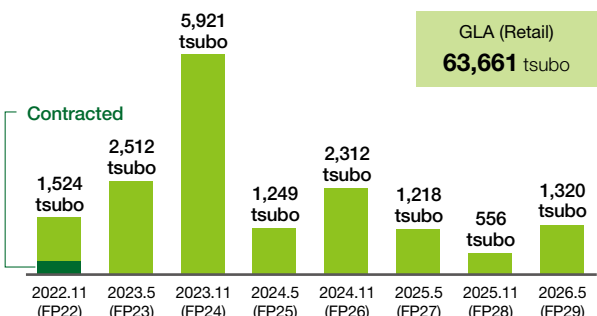


\* Based on the UR and AA retail properties' lease contracts in FP21



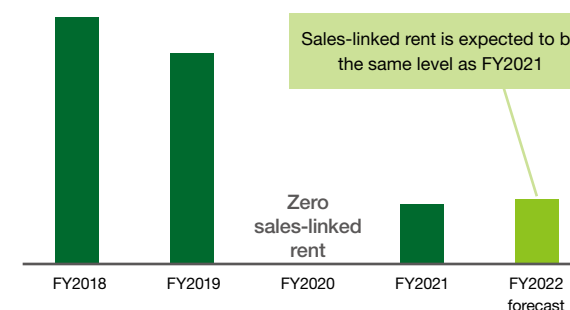
\* Based on the UR and AA retail properties' fixed-term lease contracts

## 3. Lease expiry diversification

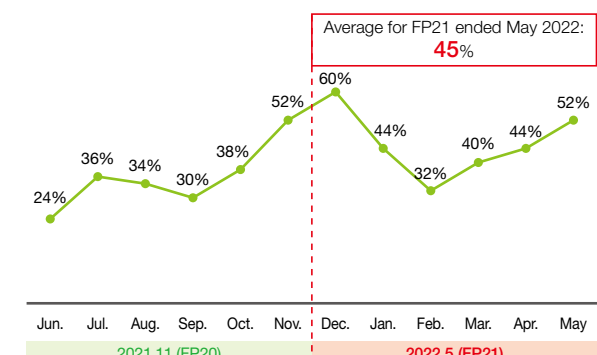


- **Sales-linked rents have resumed** at a hotel due to revenue growth from the economic recovery

## 4. Sales-linked rent of Kobe Kyu Kyoryuchi 25Bankan



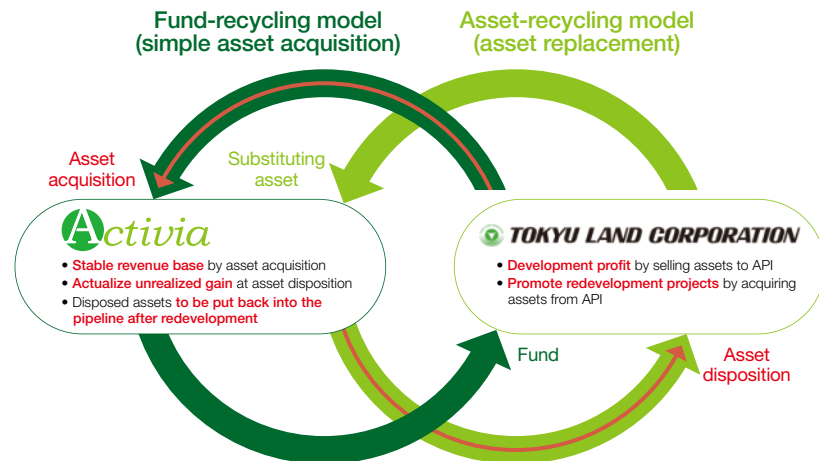
## 5. Room occupancy (vs. two years ago)





## 8 External Growth Strategy

- Combined strategy of **fund-recycling model** and **asset-recycling model** for external growth
- Higher possibility of **medium- to long-term growth** and **quality improvement of the portfolio**, utilizing the **sponsor's development strengths**



### Acquisition / Disposition Policy

- For acquisitions, we will **focus both on immediate stability and on growth potential in the medium to long term**, as market conditions remain uncertain
- Assets to be disposed will be selected using three criteria: **1. profitability**, **2. building age**, and **3. competitiveness**

#### 1. Acquisition criteria

Locational advantage and competitiveness of the buildings

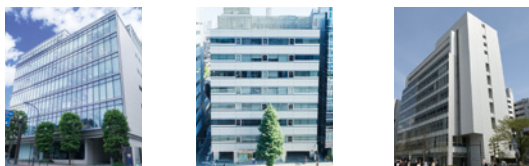
Contribution to improving unitholder value, such as growth potential in DPU and NAV

- Generate stable revenue through **long and fixed-term contract**



Q plaza Shinjuku-3chome    A-FLAG SAPPORO    Kyoto Karasuma Parking Building

- Potential **revenue upside** over the medium- to long-terms



Meguro Tokyu Building    A-PLACE Shibuya Nampaidai    A-PLACE Tamachi East

#### 2. Disposition criteria

1) Profitability	● Properties with relatively low yield and limited upside potential
2) Building age	● Properties requiring a large amount of cash in future for maintenance and capital expenditures, etc.
3) Competitive-ness	● Properties with a risk of significant rent decrease, long-term vacancy, etc.
Disposition method	<ul style="list-style-type: none"> <li>● <b>Asset replacement in principle</b> to improve portfolio profitability</li> <li>● Deliver stable DPU through methods such as <b>asset disposition over multiple fiscal periods and internal reserves</b></li> </ul>
Disposition size	<ul style="list-style-type: none"> <li>● Up to several billions of yen/period (Disposition over multiple fiscal periods is an option)</li> <li>● Unrealized gain to total appraisal value of assets at end of May 2022 is <b>19%</b> (<b>45 properties/total unrealized gain of ¥102.1 bn</b>)</li> <li>● * Excluding A-FLAG KITA SHINSAIBASHI and Luogo Shiodome</li> </ul>
Buyers	<ul style="list-style-type: none"> <li>● Assets for which profitability improvement by redevelopment can be expected</li> <li>→ Dispose to the sponsor and <b>acquire opportunity for external growth after redevelopment</b></li> <li>● Assets for which profitability improvement by redevelopment cannot be expected</li> <li>→ Disposition to third parties is an option</li> </ul>

## Overview of Asset Disposition to Be Conducted in FP22 Onwards

- Decided to dispose 2 properties based on our asset replacement strategy**, with an aim to improve portfolio profitability, which **will contribute in securing stable DPU** as it takes longer to lease properties
- Continue to deliver strategy to improve DPU mainly through acquisitions of alternative properties**, using capital gains from a series of asset replacements

### 1. Overview of assets disposition decided in FP21

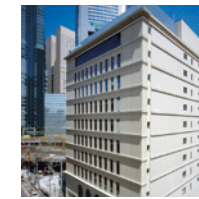


#### UR-14 A-FLAG KITA SHINSAIBASHI

- Disposed the property, given its current profitability and growth potential
- Eliminated unrealized losses by disposing the property at above book value and appraisal value

Expected capital gain	¥87 mn	Disposition date	Jun. 30, 2022
Actual NOI yield (FP 21)	2.5% (after depreciation)	Disposition price	¥5,100 mn
		Book value*	¥4,830 mn
		Appraisal value	¥4,670 mn

\*Anticipated book value as of the date of delivery

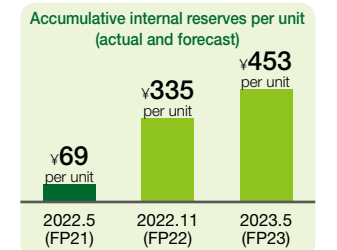
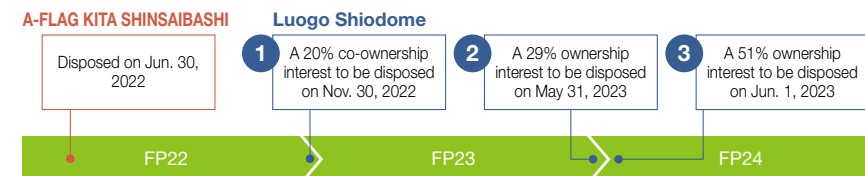


#### TO-5 Luogo Shiodome

- Dispose the property, given its low locational competitiveness in the area and weak internal growth potential
- Dispose the property at a price significantly exceeding appraisal value, and manage to stabilize revenue by disposing it in installments over 3 financial periods

Expected capital gain	¥4,446 mn	Disposition date	(20%) Nov. 30, 2022 (29%) May 31, 2023 (51%) Jun. 1, 2023
Actual NOI yield (FP 21)	1.8% (after depreciation)	Disposition price	¥9,100 mn
		Book value*	¥4,339 mn
		Appraisal value	¥6,400 mn

### 2. Disposition timeline



## Advanced Depreciation and Policy on Utilization of Internal Reserves

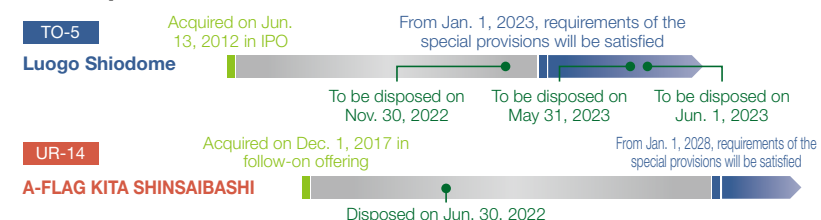
- For the disposition of Luogo Shiodome, we **partially used special provisions for advanced depreciation that are applicable in cases of replacement of assets held for over 10 years**
- Flexibility in DPU management will improve by using internal reserves, as we have been listed for 10 years

### 1. Overview of advanced depreciation

Special provisions for advanced depreciation in cases of replacement of assets held for over 10 years (Article 65-7 of the Act on Special Measures Concerning Taxation)

Disposed assets	Holding period* must be over 10 years *A period from the day following the acquisition date through Jan. 1 of the year that contains the date of disposition
Acquired assets	Either of the following requirements must be satisfied; a) An asset acquired in the financial period when the disposition is made b) An asset acquired within one year before the first date of the financial period when the disposition is made c) An asset to be acquired within one year from the day following the last date of the financial period when the disposition is made
Maximum reserve for advanced depreciation	Book value can be reduced or internal reserves can be accumulated within 80% of the capital gain

### 2. Requirements of special provisions for the dispositions decided in FP21



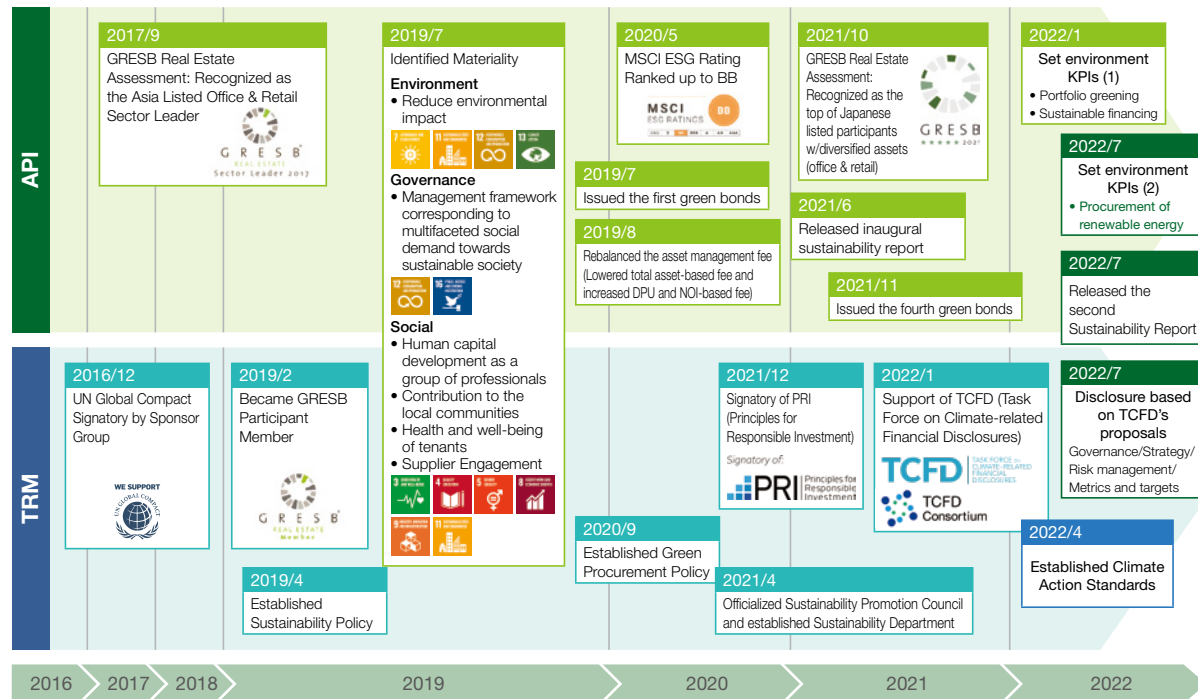
### 3. Policy on utilization of internal reserves

- Address temporary rent reduction due to major tenant departures
- Address temporary revenue reduction due to external environmental changes
- Address cost increases due to major renovation and remodeling
- Address repair & maintenance costs due to natural disasters, etc.

Secure a tool to control DPU to address downside risks over the medium to long term

# 9 Initiatives for ESG

- API set environmental KPIs in January 2022, and moved up the **renewable energy procurement** targets and also updated targets for **CO<sub>2</sub> emission reduction** in July 2022
- TRM endorsed the **TCFD proposal** in January 2022, and API **disclosed** information based on the proposal in July 2022



## Setting renewable energy-related KPIs

- New **targets** related to **renewable energy procurement** and **carbon reduction** have been defined in July following the environmental KPIs set in January 2022

	Materiality	Initiatives	KPIs
E	<b>Reduce environmental impact</b> Relevant SDGs 7.3 By 2030, double the global rate of improvement in energy efficiency 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.8 By 2030, ensure that people everywhere have the necessary information and awareness for sustainable development and lifestyles in harmony with nature	<b>Initiatives for climate change</b> • <b>Energy use:</b> Medium- to long-term target of 1% average annual reduction in energy use intensity • <b>Energy-related CO<sub>2</sub> emissions:</b> Aiming for 100% reduction of CO <sub>2</sub> generated by electricity by the end of FY2025 • <b>Water conservation:</b> Medium- to long-term target of 0.5% average annual reduction in water use intensity • <b>Waste generation:</b> Medium- to long-term target of 0.5% average annual reduction in waste intensity	<b>Renewable energy procurement</b>  New KPIs • Transition to renewable electricity in all portfolio properties <b>by the end of FY2025</b> (Note) • 100% reduction of CO <sub>2</sub> generated by electricity <b>by the end of FY2025</b> , relative to FY2015 baseline (Note)  <b>Portfolio greening</b> • <b>70% or more</b> green-certified assets by <b>2030</b> • Promote green leases for <b>100%</b> of new contracts  <b>Sustainable financing</b> • <b>100%</b> of new issuances of investment corporation bonds to be green bonds • Consider diversification of sustainable financing methods <small>*On the condition of issuance based on the current framework</small>

(Note) Excluding co-owned, sectionally owned, and land-only properties that have not employed renewable electricity as of July 2022

### Acquisition of ISO14001

- Environmental Management System of API for real estate investment management and management of portfolio properties has been certified to **an international standard**



### Disclosure based on TCFD recommendations

- The asset manager of API became signatory to TCFD in January 2022 and API has **disclosed related information** on our website



## 1. External evaluation/certification (as of May 31, 2022)

GRESB Real Estate Assessment	Green-certified assets
<p>Global rating</p> <p>5 stars for <b>four consecutive years</b>. <b>Highest</b> among Japanese listed participants w/diversified assets (office/retail)</p>	<p>Green-certified assets <b>29</b></p> <p>GFA <b>65%</b></p>
<p>Disclosure</p> <p>Highest A rank for <b>four consecutive years</b></p>	

## 2. Green bonds (as of May 2022)

Outstanding	¥17.4 bn
Remaining capacity	¥82.7 bn

## 3. Green leases

New leases contracted in FP ended May 2022	50
Green lease ratio	100%

## 4. Environmental measures taken at properties

### Resource recycling program (Tokyu Plaza Omotesando Harajuku)

- **Compost raw waste** generated in restaurants and manure will be utilized for strawberry plants in rooftop garden on the premises. Strawberries will be used in the dishes in restaurants
- Participating in a project to collect and recycle **plastic materials** in retail facilities in Tokyo



## 5. Measures taken for tenants

### Tenant satisfaction survey

- In addition to periodic office tenant surveys, retail tenant surveys are conducted with significantly increased number of subject tenants
- Survey results help to continuously improve tenant satisfaction



## 6. Measures taken for investors

### Online financial results presentation for retail investors

- Held online presentation using several platforms
- Continuous investor relations even amid the pandemic

March 23, 2022	Nikkei J-REIT Infrastructure Fund Forum Web Seminar Annual event cohosted by the Nikkei newspaper and Pronexus, aimed at further promoting J-REITs and infrastructure funds. Conducted an online seminar
April 11, 2022	Online Nihon Securities Journal, "J-REIT Online Seminar" Delivered FP2021/11 financial results presentation on Online Nihon Securities Journal (Japan's only national securities and financial newspaper) and YouTube

## 7. Social measures taken at properties

### Perks for tenant employees working in API's office properties

- Perks for tenant employees working in API's office properties: **Workers' Gardens** were introduced at **24 properties**
- Various perks for tenant employees such as discount coupons for API **sponsor group's** commercial facilities and hotels
- Tenants can **enhance employee benefits** which represents an opportunity for API to be tenants' first choice



### Academic-industrial alliance event

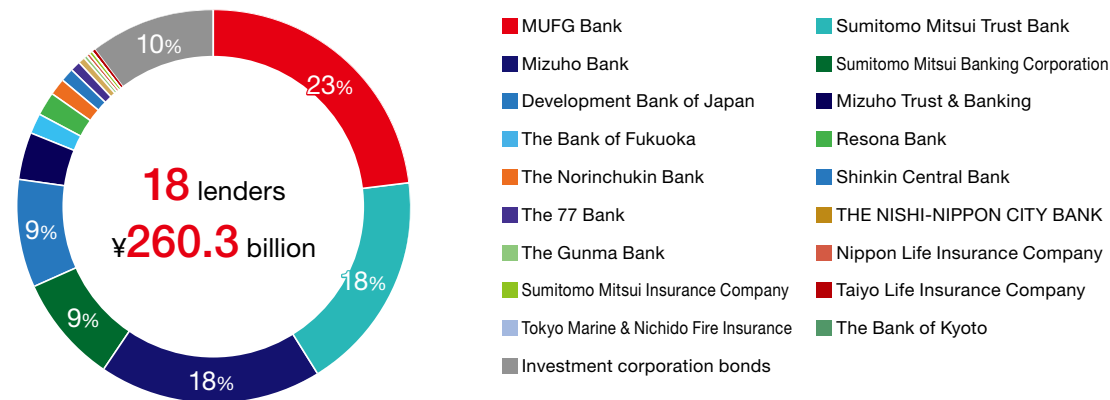
(Tokyu Plaza Omotesando Harajuku)

- An exhibition of students and graduates' pieces was held on the property in collaboration with Tokyo Design Academy
- The event provided a place for students who have lost exhibition opportunities during the pandemic, and also contributed to revitalizing the property



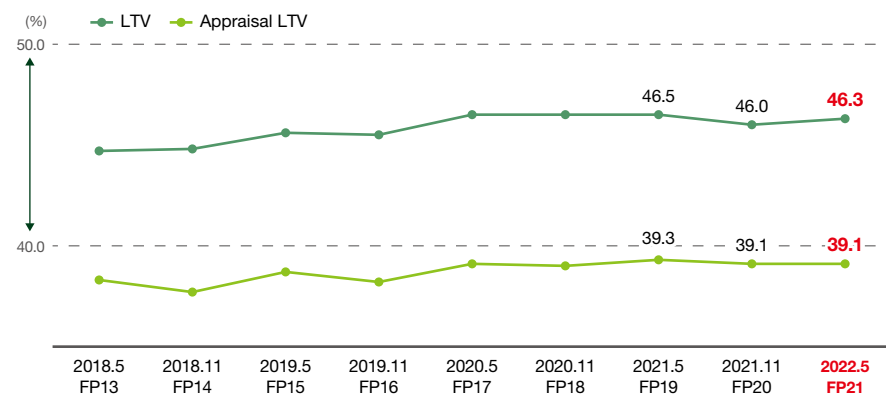
# 10 Status of Financial Management

## List of lenders



## Trend in LTV

LTV at the end of the FP21 ended May 2022 was **46.3%** (appraisal LTV was 39.1%), being controlled within the guidance range of 40% to 50%



LTV	Appraisal LTV
46.3%	39.1%
Acquisition capacity	Rating (JCR)
¥41.6 billion *at LTV 50%	AA (Stable) *Eligible for BoJ purchase

\* As of May 31, 2022

## Trends in average period remaining to maturity and average interest rate

Maintaining the current level of remaining years to maturity and interest rate, we will continue to work for **debt cost reduction**

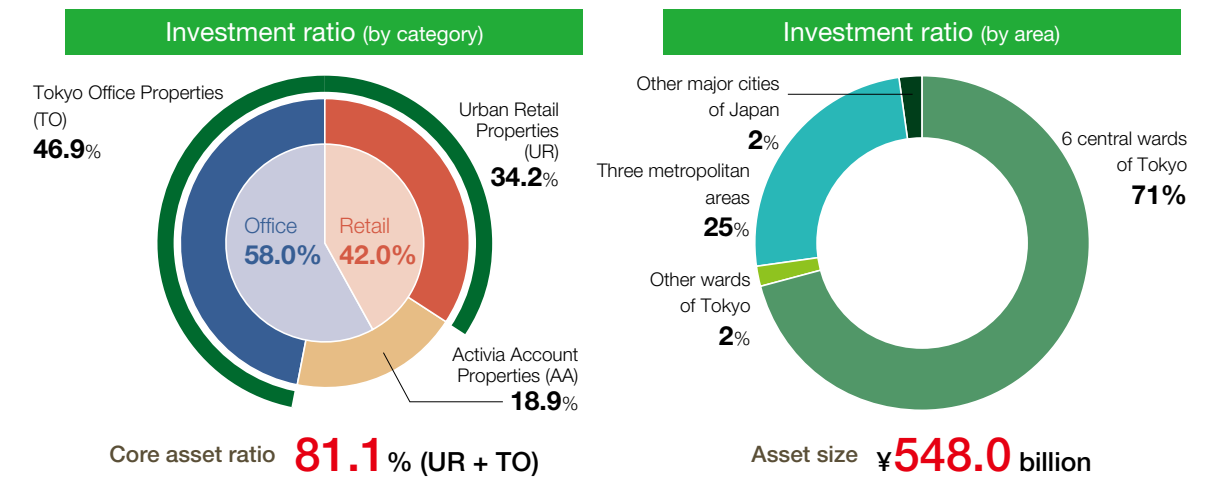
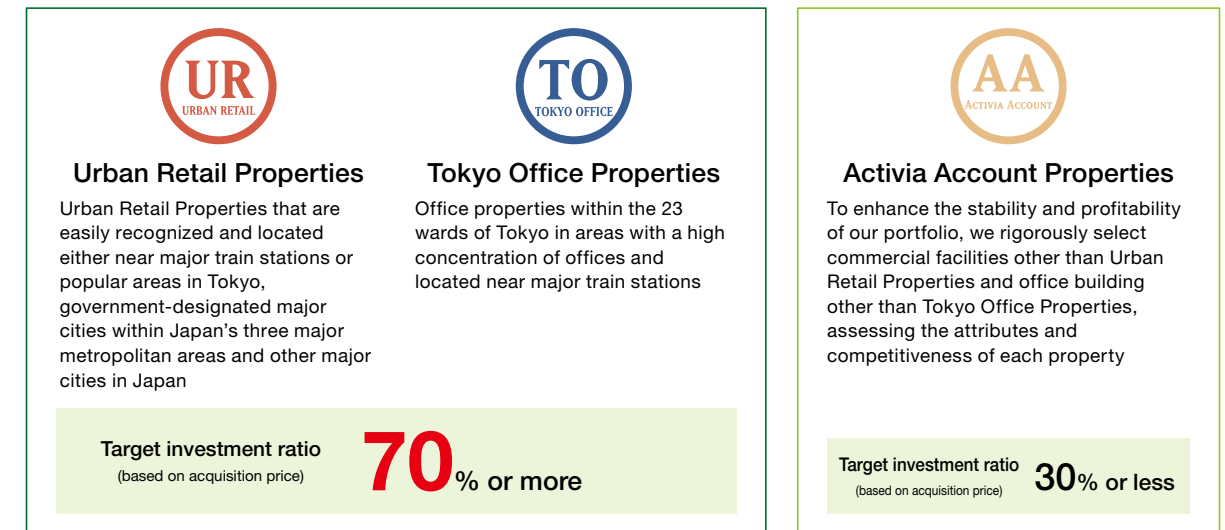


\* As of May 31, 2022

## API's Strengths

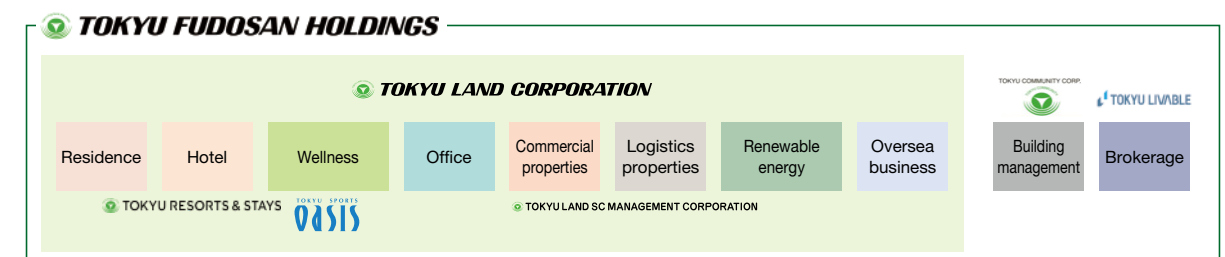
### 1. Portfolio composition policy

We intend to maintain a competitive portfolio in the medium to long term by investing primarily in Urban Retail Properties and Tokyo Office Properties upon careful consideration of location as the most important factor, followed by other factors such as size, quality, specifications and suitability of tenants.



### 2. Utilizing sponsor's value chain

We utilize the support and capabilities of Tokyu Fudosan Holdings Group companies' value chain during the various phases of managing our assets, including at acquisition of competitive assets (external growth) and by maximizing the profitability of our assets under management (internal growth).







<b>UR-1</b> Tokyu Plaza Omotesando Harajuku	<b>UR-3</b> Q plaza EBISU	<b>UR-9</b> A-FLAG SHIBUYA	<b>UR-11</b> A-FLAG KOTTO DORI	<b>UR-12</b> A-FLAG BIJUTSUKAN DORI
<b>UR-13</b> A-FLAG DAIKANYAMA WEST	<b>UR-15</b> DECKS Tokyo Beach	<b>UR-16</b> Tokyu Plaza Ginza (Land)	<b>UR-17</b> Q plaza HARAJUKU	<b>TO-1</b> TLC Ebisu Building
<b>TO-2</b> A-PLACE Ebisu Minami	<b>TO-3</b> A-PLACE Yoyogi	<b>TO-4</b> A-PLACE Aoyama	<b>TO-5</b> Luogo Shiodome	<b>TO-6</b> TAMACHI SQUARE (Land)
<b>TO-7</b> A-PLACE Ikebukuro	<b>TO-8</b> A-PLACE Shinbashi	<b>TO-9</b> A-PLACE Gotanda	<b>TO-10</b> A-PLACE Shinagawa	<b>TO-11</b> OSAKI WIZTOWER
<b>TO-12</b> Shiodome Building	<b>TO-13</b> A-PLACE Ebisu Higashi	<b>TO-14</b> A-PLACE Shibuya Konnoh	<b>TO-15</b> A-PLACE Gotanda Ekimae	<b>TO-16</b> A-PLACE Shinagawa Higashi
<b>TO-18</b> Ebisu Prime Square	<b>TO-19</b> A-PLACE Tamachi East	<b>TO-20</b> Meguro Tokyu Building	<b>TO-21</b> Q plaza Shinjuku-3chome	<b>TO-22</b> A-PLACE Shibuya Nampoedai



AA-4 icot Mizonokuchi



AA-5 icot Tama Center



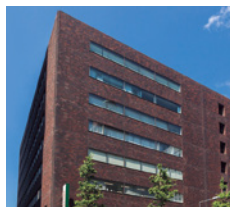
AA-8 icot Omori



AA-9 Market Square Sagami-hara



AA-11 A-PLACE Bashamichi



URBAN RETAIL

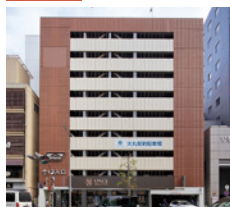


ACTIVA ACCOUNT

AA-12 Commercial Mall Hakata



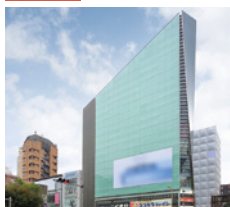
UR-5 Kyoto Karasuma Parking Building



UR-7 Kobe Kyu Kyoryuchi 25Bankan



UR-10 Q plaza SHINSAIBASHI



UR-14 A-FLAG KITA SHINSAIBASHI (Note 1)



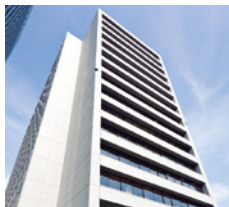
AA-1 Amagasaki Q's MALL (Land)



AA-2 icot Nakamozu



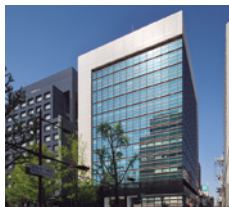
AA-7 Osaka Nakanoshima Building



AA-10 Umeda Gate Tower






AA-13 EDGE Shinsaibashi (Note 2)



(Note 1) The property was disposed as of June 30, 2022.

(Note 2) Property name was renamed as "A-PLACE Shinsaibashi" as of September 1, 2022.

(As of May 31, 2022)

Category	Property number	Property name	Location	Acquisition price (In millions of yen)	Investment ratio	Total leasable area (m <sup>2</sup> )	Completion (Note 1)	Occupancy rate	
	UR-1	Tokyu Plaza Omotesando Harajuku <sup>(Note 2)</sup>	Jingumae, Shibuya-ku, Tokyo	45,000	8.2%	4,918.43	Mar. 2012	93.1%	
	UR-3	Q plaza EBISU	Ebisu, Shibuya-ku, Tokyo	8,430	1.5%	4,024.88	Aug. 2008	100.0%	
	UR-5	Kyoto Karasuma Parking Building	Motohononijicho, Nakagyo-ku, Kyoto	8,860	1.6%	21,616.04	Jul. 2006	100.0%	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kyomachi, Chuo-ku, Kobe City, Hyogo	21,330	3.9%	19,653.90	Jan. 2010	98.0%	
	UR-8	A-FLAG SAPPORO	Minami-Yonjo-Nishi, Chuo-ku, Sapporo City, Hokkaido	4,410	0.8%	21,229.16	May 1980	96.1%	
	UR-9	A-FLAG SHIBUYA	Udagawacho, Shibuya-ku, Tokyo	6,370	1.2%	3,403.07	Jun. 1988	100.0%	
	UR-10	Q plaza SHINSAIBASHI	Shinsaibashi-suji, Chuo-ku, Osaka City, Osaka	13,350	2.4%	2,820.23	Nov. 2007	100.0%	
	UR-11	A-FLAG KOTTO DORI	Minami-Aoyama, Minato-ku, Tokyo	4,370	0.8%	2,656.53	Jan. 1992	88.9%	
	UR-12	A-FLAG BIJUTSUKAN DORI	Minami-Aoyama, Minato-ku, Tokyo	4,700	0.9%	1,994.65	Dec. 1998	100.0%	
	UR-13	A-FLAG DAIKANYAMA WEST	Sarugakucho, Shibuya-ku, Tokyo	2,280	0.4%	2,579.08	Apr. 1992	100.0%	
	UR-14	A-FLAG KITA SHINSAIBASHI <sup>(Note 3)</sup>	Minami-Senba, Chuo-ku, Osaka City, Osaka	4,725	0.9%	2,540.93	Mar. 2008	100.0%	
	UR-15	DECKS Tokyo Beach <sup>(Note 2)</sup>	Daiba, Minato-ku, Tokyo	12,740	2.3%	16,119.47	Jun. 1996 Nov. 2000 (Extension)	97.0%	
	UR-16	Tokyu Plaza Ginza (Land) <sup>(Note 2)</sup>	Ginza, Chuo-ku, Tokyo	37,500	6.8%	1,130.04	—	100.0%	
	UR-17	Q plaza HARAJUKU <sup>(Note 2)</sup>	Jingumae, Shibuya-ku, Tokyo	13,200	2.4%	3,378.49	Mar. 2015	97.0%	
	Urban Retail properties				187,265	34.2%	108,064.90	—	97.7%
		TO-1	TLC Ebisu Building	Ebisu, Shibuya-ku, Tokyo	7,400	1.4%	7,342.60	Mar. 1993	82.5%
		TO-2	A-PLACE Ebisu Minami	Ebisu-Minami, Shibuya-ku, Tokyo	9,640	1.8%	7,950.49	Jan. 1995	100.0%
TO-3		A-PLACE Yoyogi	Sendagaya, Shibuya-ku, Tokyo	4,070	0.7%	3,106.17	Feb. 2007	100.0%	
TO-4		A-PLACE Aoyama	Kita-Aoyama, Minato-ku, Tokyo	8,790	1.6%	7,303.69	Sep. 1966	100.0%	
TO-5		Luogo Shiodome	Higashi-Shinbashi, Minato-ku, Tokyo	4,540	0.8%	4,476.35	Jul. 2004	91.8%	
TO-6		TAMACHI SQUARE (Land) <sup>(Note 4)</sup>	Shiba, Minato-ku, Tokyo	2,338	0.4%	1,287.96	—	100.0%	
TO-7		A-PLACE Ikebukuro	Minami-Ikebukuro, Toshima-ku, Tokyo	3,990	0.7%	3,409.73	Oct. 2011	100.0%	
TO-8		A-PLACE Shinbashi	Shinbashi, Minato-ku, Tokyo	5,650	1.0%	5,054.19	Mar. 1999	79.0%	
TO-9		A-PLACE Gotanda	Nishi-Gotanda, Shinagawa-ku, Tokyo	5,730	1.0%	4,028.69	Feb. 2012	100.0%	
TO-10		A-PLACE Shinagawa	Konan, Minato-ku, Tokyo	3,800	0.7%	2,986.36	Sep. 1991	86.4%	
TO-11		OSAKI WIZTOWER	Osaki, Shinagawa-ku, Tokyo	10,690	2.0%	7,193.28	Jan. 2014	100.0%	
TO-12		Shiodome Building <sup>(Note 2)</sup>	Kaigan, Minato-ku, Tokyo	71,600	13.1%	28,136.05	Dec. 2007	97.8%	
TO-13		A-PLACE Ebisu Higashi	Higashi, Shibuya-ku, Tokyo	7,072	1.3%	4,010.69	Jan. 1992	100.0%	
TO-14		A-PLACE Shibuya Konnoh	Shibuya, Shibuya-ku, Tokyo	4,810	0.9%	3,010.53	Mar. 1992	100.0%	
TO-15		A-PLACE Gotanda Ekimae	Nishi-Gotanda, Shinagawa-ku, Tokyo	7,280	1.3%	4,333.64	Nov. 1993	100.0%	
TO-16		A-PLACE Shinagawa Higashi	Konan, Minato-ku, Tokyo	18,800	3.4%	14,658.98	Aug. 1985 (Main building) Sep. 1999 (Annex)	95.2%	
TO-18		Ebisu Prime Square <sup>(Note 2)</sup>	Hiroo, Shibuya-ku, Tokyo	30,700	5.6%	18,063.03	Jan. 1997	97.6%	
TO-19		A-PLACE Tamachi East	Shibaura, Minato-ku, Tokyo	6,800	1.2%	4,288.88	Apr. 2003	100.0%	
TO-20		Meguro Tokyu Building	Kami-osaki, Shinagawa-ku, Tokyo	16,300	3.0%	6,993.70	Dec. 2002	100.0%	
TO-21		Q plaza Shinjuku-3chome	Shinjuku, Shinjuku-ku, Tokyo	18,400	3.4%	4,528.01	Sep. 1992	100.0%	
TO-22		A-PLACE Shibuya Nampeidai	Nampeidai-cho, Shibuya-ku, Tokyo	8,800	1.6%	4,373.54	Jul. 1989	100.0%	
Tokyo Office properties				257,200	46.9%	146,536.56	—	96.7%	
	AA-1	Amagasaki Q's MALL (Land)	Shioe, Amagasaki City, Hyogo	12,000	2.2%	27,465.44	—	100.0%	
	AA-2	icot Nakamozu	Nakamozucho, Kita-ku, Sakai City, Osaka	8,500	1.6%	28,098.02	Jun. 2007	100.0%	
	AA-4	icot Mizonokuchi	Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa	2,710	0.5%	14,032.05	Jul. 1998	100.0%	
	AA-5	icot Tama Center	Ochiai, Tama City, Tokyo	2,840	0.5%	5,181.58	Mar. 2006	100.0%	
	AA-6	A-PLACE Kanayama	Kanayama, Naka-ku, Nagoya City, Aichi	6,980	1.3%	9,314.90	Feb. 2009	100.0%	
	AA-7	Osaka Nakanoshima Building	Nakanoshima, Kita-ku, Osaka City, Osaka	11,100	2.0%	20,125.63	Mar. 1984	100.0%	
	AA-8	icot Omori	Omorikita, Ota-ku, Tokyo	5,790	1.1%	6,209.78	Mar. 2007	100.0%	
	AA-9	Market Square Sagamihara	Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa	4,820	0.9%	15,152.42	Jun. 2014	100.0%	
	AA-10	Umeda Gate Tower	Tsurunocho, Kita-ku, Osaka City, Osaka	19,000	3.5%	13,509.41	Jan. 2010	93.5%	
	AA-11	A-PLACE Bashamichi	Honcho, Naka-ku, Yokohama City, Kanagawa	3,930	0.7%	9,710.91	May 1975	100.0%	
	AA-12	Commercial Mall Hakata	Tokojimachi, Hakata-ku, Fukuoka City, Fukuoka	6,100	1.1%	9,612.88	Nov. 2005	90.3%	
	AA-13	EDGE Shinsaibashi <sup>(Note 5)</sup>	Nishi-Shinsaibashi, Chuo-ku, Osaka City, Osaka	19,800	3.6%	15,897.10	Apr. 1986	97.0%	
	Activia Account properties				103,570	18.9%	174,310.12	—	98.7%
Total				548,035	100.0%	428,911.58	—	97.8%	

(Note 1) The completion date is the date of construction of the main building as described in the property registry. For properties with multiple main buildings, the construction date of the oldest building is listed. However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection that confirms the completion of construction written on the certificate of inspection is provided.

(Note 2) Figures provided for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square are in proportion to our pro rata share of the co-ownership interests (75%, 49%, 30%, 60%, 35% and 51%, respectively).

(Note 3) A-FLAG KITA SHINSAIBASHI was disposed as of June 30, 2022.

(Note 4) The acquisition price of TAMACHI SQUARE (Land) is the land acquisition price at the time of the initial acquisition (June 13, 2012).

(Note 5) Property name was renamed as "A-PLACE Shinsaibashi" as of September 1, 2022.



## Asset Management Report for the 21st Fiscal Period (Semi-Annual Report)

From December 1, 2021 to May 31, 2022

I.	Asset Management Report
II.	Balance Sheets
III.	Statements of Operations
IV.	Statements of Changes in Unitholders' Equity
V.	Statements of Cash Distributions
VI.	Statements of Cash Flows
VII.	Notes to Financial Statements
VIII.	Schedule of Financial Statements
	Independent Auditor's Report

Activia Properties Inc.  
21-1 Dogenzaka 1-chome,  
Shibuya-ku, Tokyo

## I. Asset Management Report

### 1. Review of Asset Management

#### (1) Investment Performance of the Investment Corporation

Fiscal period		17th period	18th period	19th period	20th period	21st period
Business period		From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022
Operating revenue	(millions of yen)	14,984	15,073	14,715	15,646	15,512
[Lease business revenue]	(millions of yen)	[13,903]	[14,009]	[13,765]	[14,283]	[14,490]
Operating expenses	(millions of yen)	6,778	6,845	6,614	6,887	6,887
[Expenses related to rent business]	(millions of yen)	[5,470]	[5,588]	[5,369]	[5,551]	[5,558]
Operating profit	(millions of yen)	8,206	8,228	8,101	8,758	8,624
Ordinary profit	(millions of yen)	7,333	7,363	7,250	7,781	7,734
Profit	(millions of yen)	7,332	7,363	7,249	7,753	7,731
Net assets	(millions of yen)	255,700	255,705	255,581	278,716	274,768
[Change from the previous period]	(%)	[-0.2]	[0.0]	[-0.0]	[9.1]	[-1.4]
Total assets	(millions of yen)	525,686	525,378	525,379	566,257	562,272
[Change from the previous period]	(%)	[2.0]	[-0.1]	[0.0]	[7.8]	[-0.7]
Unitholders' capital, net	(Note4) (millions of yen)	248,370	248,370	248,370	270,963	266,963
Number of units issued and outstanding	(units)	771,224	771,224	771,224	822,754	812,564
Net assets per unit	(yen)	331,551	331,558	331,397	338,760	338,149
Total distributions	(millions of yen)	7,332	7,362	7,250	7,700	7,727
Basic earnings per unit	(Note1) (yen)	9,507	9,547	9,400	9,754	9,453
Cash distributions per unit	(yen)	9,508	9,547	9,401	9,360	9,510
[Earnings distributions per unit]	(yen)	[9,504]	[9,514]	[9,386]	[9,360]	[9,510]
[Distributions per unit in excess of earnings]	(yen)	[4]	[33]	[15]	[-]	[-]
Ordinary profit to total assets	(Note2) (%)	1.4	1.4	1.4	1.4	1.4
Return on unitholders' equity	(Note2) (%)	2.9	2.9	2.8	2.9	2.8
Unitholders' equity to total assets	(Note2) (%)	48.6	48.7	48.6	49.2	48.9
[Change from the previous period]	(Note2) (%)	[-1.1]	[0.1]	[-0.1]	[0.6]	[-0.3]
Payout ratio	(Note2) (%)	100.0	99.7	99.8	99.3	99.9
[Other reference]						
Number of properties	(properties)	44	44	44	47	47
Total leasable area	(Note3) (m <sup>2</sup> )	425,551.96	425,490.09	425,493.08	429,067.46	428,911.58
Occupancy rate at end of period	(%)	99.8	98.9	98.1	97.5	97.8
Depreciation	(millions of yen)	1,334	1,335	1,352	1,374	1,367
Capital expenditure	(millions of yen)	702	650	678	810	645
NOI	(Note2) (millions of yen)	10,704	10,803	10,705	11,224	11,323

- (Note1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units issued and outstanding (771,224 units, 771,224 units, 771,224 units, 794,871 units, 817,847 units for the 17th, 18th, 19th, 20th and 21st fiscal periods, respectively).
- (Note2) The indicators are calculated as follows:  
Ordinary profit to total assets: Ordinary profit ÷ Average total assets × 100; Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2  
Return on unitholders' equity: Profit ÷ Average net assets × 100; Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2  
Unitholders' equity to total assets: Net assets at end of period ÷ Total assets at end of period × 100  
Payout ratio: Total distribution amount (excluding distributions in excess of earnings) ÷ Profit × 100 (rounded down to the first decimal place)  
NOI: Rental operating income (Lease business revenue + Other lease business revenue - Expenses related to rental business) + Depreciation + Loss on retirement of non-current assets
- (Note3) The total leasable area is equal to the gross floor area of leasable space in each property excluding properties for which we acquire land only, based on the lease agreements for building or floor plans as of the end of each fiscal period. Total leasable area for properties for which only land is acquired is based on the lease agreement for land or land plans as of the end of each fiscal period. As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Shiodome Building, Q plaza HARAJUKU, Tokyu Plaza Ginza (Land) and Ebisu Prime Square, the figures are in proportion to a pro rata share of co-ownership interests of each property (75%, 49%, 35%, 60%, 30% and 51% respectively).
- (Note4) The amount of unitholders' capital less deduction from unitholders' capital. The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

**(2) Asset Management during the Fiscal Period under Review**

**1) Transition of Investment Corporation**

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) was established on September 7, 2011, with unitholders’ capital of ¥200 million (400 units) and TLC Township Inc. (on April 1, 2017, an absorption-type merger took place with current TLC REIT Management Inc. (hereinafter referred to as the “Asset Manager”) as a surviving company and TLC Activia Investment Management Inc. (its trade name was changed from TLC Township Inc. on April 1, 2012) as an absorbed company) as the organizer under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions; hereinafter referred to as the “Investment Trust Act”), and completed its registration in the Kanto Local Finance Bureau on September 20, 2011 (Director-General of the Kanto Local Finance Bureau No. 73).

After that, the Investment Corporation was listed on the real estate investment trust securities market of Tokyo Stock Exchange, Inc. (Securities code 3279) on June 13, 2012. On September 7, 2021, the Investment Corporation carried out its seventh publicly offered capital increase after the listing, and on September 28, 2021, it carried out a third-party allotment. “Activia” of “Activia Properties,” the name of the Investment Corporation, has been coined from the words “activate” and “ia,” a suffix meaning “place.” By investing in and managing real estate appropriate to its name, the Investment Corporation seeks to become an entity capable of broadly energizing society. The Investment Corporation will also select real estate capable of sustaining customer demand as a location for both corporate activities and urban recreation in popular areas, with the aim of maximizing the medium- and long-term value of unitholders, supported by its proactive management (management to improve the circumstances by taking initiatives and acting for the future).

The Investment Corporation has continued to carefully select investment assets with a focus on location and quality since having concluded its IPO, and consequently held 47 properties (with the total acquisition price of ¥548,035 million) at the end of the fiscal period under review.

**2) Investment Environment and Investment Performance**

During the fiscal period under review, the Japanese economy showed signs of a gradual recovery, despite another slight contraction due to the expansion of the COVID-19 mutations and the resulting issuance of a quasi-state of emergency to prevent the spread of COVID-19.

With respect to the environment surrounding retail properties, a recovery trend in personal consumption, as well as robust sales of high-end products and spring/summer clothing, was observed due in part to a return of the flow of people as a result of a decrease in the number of people who were infected with the disease.

The rental office market has become more stable than before, although the prevalence of teleworking, as well as office consolidations and relocations to smaller offices aimed at cost reductions, continue. Meanwhile, the average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of May 31, 2022, according to data published by Miki Shoji Co., Ltd., was 6.37%, an increase of 0.02 percentage points from the period ended November 30, 2021. Rent levels have dropped for 22 consecutive months starting in August 2020. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of May 31, 2022, was ¥20,319. Vacancy rates remain high in major cities other than Tokyo, but there are signs that rent levels have bottomed out.

The J-REIT market saw volatile price movements due to accelerated monetary tightening in the U.S. from the beginning of 2022 and the escalation of tensions in Ukraine in March, but subsequently, the market regained its ground, and the price bounced back by the end of May 2022.

The Investment Corporation has continued to maintain and improve its portfolio in accordance with the basic asset management policy set forth in the Articles of Incorporation. Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 47 properties (with the total acquisition price of ¥548,035 million) with the total leasable area of 428,911.58 m<sup>2</sup> (129,743 *tsubo*).

**3) Initiatives Regarding Sustainability**

In order to build a portfolio consisting of “real estate capable of sustaining customer demand” with the aim of maximizing medium- and long-term unitholder value, the Investment Corporation has been promoting various initiatives with its sights set on lowering environmental loads and contributing to our nearby surroundings and local communities, thereby extending beyond considerations such as location, use, size and qualities. In July 2019, as material issues that the Investment Corporation needs to address, we released quantitative targets encompassing a wider range of performance benchmarks from an environmental standpoint, and also clearly stated practical management policy to such ends. In addition, we are striving daily to achieve our basic objective of cutting unit energy consumption, etc. by an annual average of 1% over the medium to long term. Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System of TLC REIT Management Inc., our Asset Manager. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program. Environmental load reduction work during the fiscal period under review includes escalator control renewal at A-FLAG SHIBUYA and air conditioning equipment replacement at Commercial Mall Hakata. The introduction of eco-mode operation, which senses usage conditions and controls speed, in the escalator control renewal work at A-FLAG SHIBUYA, has led to power consumption saving and improved energy-saving performance.

Moreover, we continue to engage in annual initiatives geared to acquiring green building certifications. During the fiscal period under review, we have acquired the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate certification for icot Nakamozu (A class) and A-FLAG SHIBUYA (A class). We have also acquired the DBJ Green Building Certification for Shiodome Building (four stars). As such, a total of 29 of our properties have acquired green building certification, which amounted to 65.5% of our holdings calculated on the basis of gross floor area (as of May 31, 2022).

In addition, in a total of 24 office properties, including TLC Ebisu Building and A-PLACE Ebisu Minami, service to provide preferential group services for tenant employees has been launched. As well, Tokyu Plaza Omotesando Harajuku provides space to exhibit the works of graduates and current students of nearby vocational schools. Industry-academia collaboration is also underway. The Investment Corporation will contribute to achieving a sustainable society by engaging in such initiatives geared to the environment and society.

**4) Overview of Financing**

During the fiscal period under review, the Investment Corporation borrowed ¥14,100 million largely in order to cover repayment of borrowings that had come due, and worked to otherwise maintain a stable financial base through ongoing moves that have included diversifying repayment dates. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥260,350 million (borrowings of ¥233,650 million and investment corporation bonds of ¥26,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.3% as of the end of the fiscal period under review. The long-term debt ratio and the ratio of fixed-interest debt to total interest-bearing debt were 100% and 98.3%, respectively.

The credit rating the Investment Corporation has obtained as of the end of the fiscal period under review is as follows. This investment unit does not have a credit rating provided or made available for inspection by a credit rating agency or one scheduled to be provided or made available for inspection by a credit rating agency at the Investment Corporation’s request.

Credit Rating Agency	Rating	Forecast
Japan Credit Rating Agency (JCR)	Long-term issuer rating: AA	Stable

**5) Overview of Financial Results and Distributions**

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥15,512 million, ¥8,624 million, and ¥7,734 million, respectively, for the fiscal period under review, and profit was ¥7,731 million.

As for distributions for the fiscal period under review, the decision was made with respect to paying distributions of profit of ¥7,727,483,640, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations). Consequently, distributions per investment unit resulted in ¥9,510.



**(3) Capital Increase, etc.**

A summary of capital increases until the fiscal period under review is as follows:

Date	Summary	Number of total investment units issued		Total unitholders' capital, net (millions of yen)		Remarks
		Increase	Total	Increase	Total	
September 7, 2011	Establishment through private placement	400	400	200	200	(Note 1)
June 12, 2012	Capital increase through public offering	204,100	204,500	90,834	91,034	(Note 2)
July 10, 2012	Capital increase through third-party allotment	762	205,262	339	91,373	(Note 3)
December 16, 2013	Capital increase through public offering	43,100	248,362	32,636	124,010	(Note 4)
January 15, 2014	Capital increase through third-party allotment	2,700	251,062	2,044	126,054	(Note 5)
December 17, 2014	Capital increase through public offering	24,050	275,112	22,800	148,855	(Note 6)
January 8, 2015	Capital increase through third-party allotment	2,020	277,132	1,915	150,770	(Note 7)
October 1, 2015	Investment unit split	277,132	554,264	—	150,770	(Note 8)
December 15, 2015	Capital increase through public offering	41,870	596,134	19,152	169,922	(Note 9)
January 6, 2016	Capital increase through third-party allotment	3,520	599,654	1,610	171,532	(Note 10)
December 1, 2016	Capital increase through public offering	61,040	660,694	28,583	200,116	(Note 11)
December 15, 2016	Capital increase through third-party allotment	4,520	665,214	2,116	202,233	(Note 12)
December 13, 2017	Capital increase through public offering	31,090	696,304	13,793	216,026	(Note 13)
December 26, 2017	Capital increase through third-party allotment	2,400	698,704	1,064	217,091	(Note 14)
December 19, 2018	Capital increase through public offering	67,320	766,024	29,036	246,127	(Note 15)
January 7, 2019	Capital increase through third-party allotment	5,200	771,224	2,242	248,370	(Note 16)
September 7, 2021	Capital increase through public offering	49,030	820,254	21,496	269,867	(Note 17)
September 28, 2021	Capital increase through third-party allotment	2,500	822,754	1,096	270,963	(Note 18)
May 13, 2022	Cancellation	(10,190)	812,564	(3,999)	266,963	(Note 19)

- (Note 1) The Investment Corporation was established through an investment of Tokyu Land Corporation, which underwrote the investment units with an offer price per unit of ¥500,000.
- (Note 2) API issued new investment units through a public offering at a price of ¥460,000 per unit (issue price of ¥445,050 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 3) Following the public offering on June 12, 2012, API issued new investment units through a third-party allotment at a price of ¥445,050 per unit.
- (Note 4) API issued new investment units through a public offering at a price of ¥782,925 per unit (issue price of ¥757,229 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 5) Following the public offering on December 16, 2013, API issued new investment units through a third-party allotment at a price of ¥757,229 per unit.
- (Note 6) API issued new investment units through a public offering at a price of ¥979,020 per unit (issue price of ¥948,051 per unit) to raise funds for the acquisition of new properties.
- (Note 7) Following the public offering on December 17, 2014, API issued new investment units through a third-party allotment at a price of ¥948,051 per unit.
- (Note 8) A 2-for-1 investment unit split was implemented with September 30, 2015 as the record date and October 1, 2015 as the effective date.
- (Note 9) API issued new investment units through a public offering at a price of ¥472,360 per unit (issue price of ¥457,418 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 10) Following the public offering on December 15, 2015, API issued new investment units through a third-party allotment at a price of ¥457,418 per unit.
- (Note 11) API issued new investment units through a public offering at a price of ¥483,326 per unit (issue price of ¥468,283 per unit) to raise funds for the acquisition of new properties.
- (Note 12) Following the public offering on December 1, 2016, API issued new investment units through a third-party allotment at a price of ¥468,283 per unit.
- (Note 13) API issued new investment units through a public offering at a price of ¥458,150 per unit (issue price of ¥443,657 per unit) to raise funds for the acquisition of new properties.
- (Note 14) Following the public offering on December 13, 2017, API issued new investment units through a third-party allotment at a price of

- ¥443,657 per unit.
- (Note 15) API issued new investment units through a public offering at a price of ¥445,410 per unit (issue price of ¥431,320 per unit) to raise funds for the acquisition of new properties.
- (Note 16) Following the public offering on December 19, 2018, API issued new investment units through a third-party allotment at a price of ¥431,320 per unit.
- (Note 17) API issued new investment units through a public offering at a price of ¥452,760 per unit (issue price of ¥438,438 per unit) to raise funds for the acquisition of new properties.
- (Note 18) Following the public offering on September 7, 2021, API issued new investment units through a third-party allotment at a price of ¥438,438 per unit.
- (Note 19) From February 18, 2022, to March 15, 2022, the Investment Corporation acquired its treasury investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement with a securities company. All of the acquired treasury investment units (10,190 units) were canceled on May 13, 2022, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2022.
- (Note 20) The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

#### Fluctuation in Market Price of the Investment Securities

Changes in prices of the investment units listed on the Tokyo Stock Exchange REIT Market are as follows.

(yen)

Fiscal period	17th period	18th period	19th period	20th period	21st period
Business period	From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022
Highest	582,000	426,000	515,000	531,000	443,000
Lowest	227,400	335,000	390,500	425,500	364,500

#### (4) Distributions, etc.

As for distributions for the fiscal period under review, the decision was made with respect to paying distributions of profit of ¥7,727,483,640, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations). Consequently, distributions per investment unit resulted in 9,510.

Fiscal period	17th period	18th period	19th period	20th period	21st period
Business period	From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022
Unappropriated retained earnings	¥7,333,243 thousand	¥7,366,549 thousand	¥7,278,928 thousand	¥7,793,594 thousand	¥7,784,892 thousand
Retained earnings	¥3,530 thousand	¥29,124 thousand	¥40,219 thousand	¥53,379 thousand	¥56,542 thousand
Total distributions [Distributions per unit]	¥7,332,797 thousand [¥9,508]	¥7,362,875 thousand [¥9,547]	¥7,250,276 thousand [¥9,401]	¥7,700,977 thousand [¥9,360]	¥7,727,483 thousand [¥9,510]
Of which, total distributions of profits [Distributions of profits per unit]	¥7,329,712 thousand [¥9,504]	¥7,337,425 thousand [¥9,514]	¥7,238,708 thousand [¥9,386]	¥7,700,977 thousand [¥9,360]	¥7,727,483 thousand [¥9,510]
Of which, total return on unitholders' capital [Return on unitholders' capital per unit]	¥3,084 thousand [¥4]	¥25,450 thousand [¥33]	¥11,568 thousand [¥15]	¥— thousand [¥—]	¥— thousand [¥—]
Of the total return on unitholders' capital, the total distribution payments from the allowance for temporary difference adjustment [Of the return on unitholders' capital per unit, the distribution payment from the allowance for temporary difference adjustment per unit]	¥3,084 thousand [¥4]	¥25,450 thousand [¥33]	¥11,568 thousand [¥15]	¥— thousand [¥—]	¥— thousand [¥—]
Of the total return on unitholders' capital, the total distribution payments from investments and other decreased distribution under tax laws [Of the return on unitholders' capital per unit, the distribution payments from investments and other decreased distribution under tax laws]	¥— thousand [¥—]	¥— thousand [¥—]	¥— thousand [¥—]	¥— thousand [¥—]	¥— thousand [¥—]

#### (5) Future Investment Policy and Issues to Address

The Japanese economy is expected to normalize its economic activities and recover thanks to progress in vaccination rollout and various government measures. Meanwhile, it is necessary to closely monitor risks such as the progress of the depreciation of the yen, stagnation in supply chains, and instability in financial and capital markets due to the monetary policies of central banks in various countries, in addition to the prolonged tension in Ukraine. With respect to the environment surrounding retail properties, the number of foreign visitors to Japan is expected to pick up due to the recent easing of immigration restrictions; on the other hand, the risk of household purchasing power being pressured by full-scale price hikes in food and other products due to the depreciated yen and soaring energy prices requires careful consideration. In the rental office market, although an increase in new supply from FY2023 onward should be closely watched, the choices of and preference for properties in favorable locations, in particular, are expected to continue to dominate as the trend of relocations to smaller offices and partial contract cancellations appears to have been leveled off. The J-REIT market has had relatively stable medium- to long-term earnings performance, despite the fact that the outlook remains uncertain with the market on the verge of recovering from COVID-19, and a continuous influx of money is expected for J-REIT with its enticingly high dividend yield level. Amid this environment, the Investment Corporation will fulfill its social responsibility in preventing the spread of infections, etc. while minimizing the impact of the COVID-19 pandemic through its abundant management expertise, and in line with its medium- to long-term portfolio strategy of asset replacement, etc., it will aim to return to the path of improving unitholder value through external growth by leveraging sponsor support and through internal growth by utilizing the strength of its properties focused on location and quality.

##### 1) Basic Policy

The Investment Corporation's basic policies are to invest in assets, with targeted investments in Urban Retail and Tokyo Office properties; utilize the Tokyu Fudosan Holdings Group's value chain based on the comprehensive support system; and a governance structure that maximizes unitholder value.

##### 2) External Growth Strategy

The Investment Corporation will invest in Urban Retail and Tokyo Office properties as a main target. It will make its investment decisions carefully, concentrating on selecting properties in excellent locations, including surrounding areas, and thoroughly considering individual factors such as use, size, specifications and other qualities of properties, and credibility and name recognition of tenants, in order to construct a competitive portfolio in the medium to long term. To acquire these competitive assets on an ongoing basis, the Investment Corporation will work to maintain and improve the quality of its portfolio by rigorously selecting investment assets based on the information it receives under its sponsor support agreement with Tokyu Land Corporation regarding the Investment Corporation and its support agreement with four group companies in the Tokyu Fudosan Holdings Group. It will also acquire properties through the exclusive know-how and information-gathering network of the Asset Manager.

##### 3) Internal Growth Strategy

The Investment Corporation will operate, manage, and refurbish its portfolio to maintain and improve the competitiveness of its facilities through a comprehensive understanding of the features of its overall portfolio and its individual assets under management, based on the unique expertise of its Asset Manager. The Investment Corporation will also seek to manage its portfolio in a stable manner and strengthen its earnings by establishing appropriate operational and management systems tailored to the specific characteristics of the assets it has invested in, and through regular and non-regular inspections by the property management company that has considerable experience in the operation and management of real estate. The Investment Corporation will also maintain and improve the value of its assets through its expertise in internal growth through operating and managing properties. It will maximize the competitiveness of its assets through the ongoing assistance of Tokyu Land Corporation and other support companies, which, through their face-to-face business with consumers, have rich information regarding consumer needs and developments in industries such as retail and services. With respect to the property management business for the assets under management, leasing support has been provided from Tokyu Land Corporation, Tokyu Land SC Management Corporation or Tokyu Community Corp.

##### 4) Financial Strategy

Having a sound financial strategy in an effort to conservatively control LTV as well as make stable long-term borrowings and diversify maturities (diversifying repayment dates), the Investment Corporation will endeavor to build a stable financial base with a solid bank formation based on good relationships with major financial institutions. In addition, with the aim of diversifying means of raising funds, the Investment Corporation will issue investment corporation bonds while paying close attention to trends in financial markets. Concerning the issuance of new investment units, moreover, the Investment Corporation will prudently and flexibly carry out such issuance while paying appropriate attention to various environmental factors with the aim of achieving long-term and stable growth.



(6) Significant Matters after Book Closing

Not applicable.

< Reference Information >

The Investment Corporation transferred below in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(UR-14) A-FLAG KITASHINSAIBASHI

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥5,100 million in total
Scheduled delivery date	June 30, 2022
Location	10-11, Minami Senba 3-chome, Chuo-ku, Osaka City, Osaka
Use	Retail, office and parking
Land area	627.13 m2
Gross floor area	3,096.18 m2
Structure	Steel frame, reinforced concrete / 7 floors above and 1 floor underground
Month and year of completion	March 2008
Ownership	Owned

The Investment Corporation plans to transfer property listed below in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(TO-5) Luogo Shiodome

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥9,110 million in total (1) ¥1,822 million (20% co-ownership interest) (2) ¥2,642 million (29% co-ownership interest) (3) ¥4,646 million (51% co-ownership interest)
Scheduled delivery date	(1) November 30, 2022 (20% co-ownership interest) (2) May 31, 2023 (29% co-ownership interest) (3) June 1, 2023 (51% co-ownership interest)
Location	3-3, Higashi-shinbashi 2-chome, Minato-ku, Tokyo
Use	Office
Land area	1,134.44 m2
Gross floor area	8,242.61 m2
Structure	Steel frame, steel-framed reinforced concrete / 11 floors above and 1 floor underground
Month and year of completion	July 2004
Ownership	Owned

(Note)The contract for the sale of beneficial interests in trust falls under a forward commitment, etc. as provided in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by Financial Services Agency (forward commitment, etc. refers to a postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto).

2. Overview of the Investment Corporation

(1) Unitholders’ Capital

	17th period As of May 31, 2020	18th period As of November 30, 2020	19th period As of May 31, 2021	20th period As of November 30, 2021	21st period As of May 31, 2021
Total number of authorized investment units (units)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued (units)	771,224	771,224	771,224	822,754	812,564
Unitholders’ capital, net (Note) (millions of yen)	¥248,370	¥248,370	¥248,370	¥270,963	¥266,963
Number of unitholders (persons)	7,758	7,542	7,160	8,164	8,547

(Note) The amount of unitholders' capital less deduction from unitholders' capital. The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

(2) Matters Relating to Investment Units

The top 10 unitholders as of the end of the fiscal period under review are as follows:

Name	Number of units owned	Percentage of total units issued (%) (Note)
Custody Bank of Japan, Ltd. (Trust accounts)	209,902	25.83
The Master Trust Bank of Japan, Ltd. (Trust accounts)	132,748	16.33
Tokyu Land Corporation	89,230	10.98
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	36,830	4.53
SMBC Nikko Securities Inc.	17,662	2.17
State Street Bank & Trust Company (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited. Tokyo office)	12,611	1.55
JAPAN SECURITIES FINANCE CO., LTD.	10,634	1.30
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy:Mizuho Bank, Ltd.)	9,940	1.22
The Shinkumi Federation Bank	8,425	1.03
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	7,695	0.94
Total	535,677	65.92

(Note) The percentage of total units issued is calculated by rounding down to the second decimal place.

(3) Matters Relating to Officers, etc.

1) Executive Director, Supervisory Directors, and Independent Auditor during the Fiscal Period under Review			
Title	Name of officer, etc.	Major concurrent post, etc.	Total amount of compensation for each position during the business period under review (thousands of yen)
Executive Director (Note)	Nobuhide Kashiwagi	TLC REIT Management Inc., Chief Division Officer of Activia Management Division	—
Supervisory Directors (Note)	Yonosuke Yamada	Yamada, Goya and Suzuki Law Office Managing Partner	3,300
	Yoshinori Ariga	Ariga Yoshinori Accounting Office Managing Partner	
Independent Auditor	Ernst & Young ShinNihon LLC	—	11,600

(Note) Executive director or supervisory directors do not hold any investment units of the Investment Corporation under their or another person's name. Supervisory directors may serve as directors of companies other than those mentioned above, but there are no mutual business interests whatsoever between such companies and the Investment Corporation.

2) Policy Regarding the Dismissal of or Refusal to Reappoint the Accounting Auditor

The Investment Corporation will dismiss the accounting auditor in conformity with the provisions of the Investment Trust Act and determine not to reappoint the accounting auditor through a resolution of a general meeting of unitholders while comprehensively considering various factors.

(4) Matters concerning Directors and Officers Liability Insurance Agreement

Scope of the insured	Overview of agreement
All Executive Director and Supervisory Directors	<p>[Overview of insured event covered by the insurance]</p> <p>The Investment Corporation has concluded a directors and officers liability insurance agreement to cover such losses as compensation payment and dispute costs to be borne by the insured to a certain extent when they receive a claim for compensation for the actions they have taken as an officer of the Investment Corporation.</p> <p>[Burden ratio of insurance premium]</p> <p>The insurance agreement contains the special provision concerning the unitholder lawsuit. The Executive Director and the Supervisory Directors shall bear the insurance premium in relation to special provision (10% of all insurance premium), and the Investment Corporation shall bear other insurance premium (90%)</p> <p>[Measures to ensure the appropriateness of the execution of deties]</p> <p>When the insured suffers damages by actions which they executed while recognizing that it may constitute criminal act or violate the laws and regulations, the loss is not subject to the protection.</p>

(5) Asset Manager, Custodian Company, and Administrative Agent

Consignment classification	Name
Asset manager	TLC REIT Management Inc.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
General administrator (unitholder registry administration, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrator (accounting service, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrator (administrative service)	Sumitomo Mitsui Trust Bank, Limited
General administrator (investment corporation bond service)	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited

3. Assets of the Investment Corporation

(1) Composition of Assets of the Investment Corporation

Type of assets	Category	20th period As of November 30, 2021		21st period As of May 31, 2022	
		Total amount of assets owned (millions of yen) (Note 1)	Ratio to total assets (%)	Total amount of assets owned (millions of yen) (Note 1)	Ratio to total assets (%)
Real estate	Urban Retail Properties	—	—	—	—
	Tokyo Office Properties	—	—	—	—
	Activia Account Properties	—	—	—	—
	Subtotal	—	—	—	—
Real estate in trust	Urban Retail Properties	186,299	32.9	186,154	33.1
	Tokyo Office Properties	255,093	45.0	254,741	45.3
	Activia Account Properties	102,044	18.0	101,848	18.1
	Subtotal	543,438	96.0	542,744	96.5
Total real estate, etc.		543,438	96.0	542,744	96.5
Deposits and other assets		22,818	4.0	19,527	3.5
Total assets (Note 2)		566,257 (543,438)	100.0 (96.0)	562,272 (542,744)	100.0 (96.5)

(Note 1) The total amount of assets owned is based on the amounts on the balance sheets as of the end of each fiscal period (for real estate and real estate in trust, book value less depreciation expenses), in accordance with the asset valuation method set forth in the Articles of Incorporation of the Investment Corporation.

(Note 2) Total assets represent the amounts recorded on the balance sheets as of the end of each fiscal period. The figures in parentheses represent portions that practically correspond to real estate owned in the object assets.

(2) Major Assets Owned

Major assets owned by the Investment Corporation (the 10 largest properties by book value) as of the end of the fiscal period under review are as follows:

Property name	Book value at end of period (millions of yen)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Major use
Shiodome Building (Note 4)	70,270	28,136.05	27,508.15	97.8	9.9	Office
Tokyu Plaza Omotesando Harajuku (Note 4)	44,487	4,918.43	4,578.33	93.1	6.1	Retail
Tokyu Plaza Ginza (Land) (Note 4)	37,895	1,130.04	1,130.04	100.0	3.7	Retail
Ebisu Prime Square (Note 4)	30,974	18,063.03	17,620.67	97.6	5.1	Office
Kobe Kyu Kyoryuchi 25Bankan	19,983	19,653.90	19,265.71	98.0	4.7	Retail
EDGE Shinsaibashi	19,971	15,897.10	15,421.89	97.0	3.6	Office
Umeda Gate Tower	18,986	13,509.41	12,634.87	93.5	3.0	Office
A-PLACE Shinagawa Higashi	18,735	14,658.98	13,956.02	95.2	3.8	Office
Q plaza Shinjuku-3chome	18,518	4,528.01	4,528.01	100.0	2.8	Office
Meguro Tokyu Building	16,378	6,993.70	6,993.70	100.0	2.1	Office
Total	296,202	127,488.65	123,637.39	97.0	44.9	

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of May 31, 2022 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of May 31, 2022.

(Note 2) Leased area refers to the leased area of each property based on lease agreements as of May 31, 2022. For properties with master lease agreements, leased area refers to leased areas of each property and is actually leased based on sublease agreements with end-tenants.

(Note 3) Occupancy rate refers to the percentage of total leased area for each property to total leasable area for each property as of May 31, 2022, rounding down to the first decimal place.

(Note 4) As for Shiodome Building, Tokyu Plaza Omotesando Harajuku,Tokyu Plaza Ginza (Land) and Ebisu Prime Square , the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (35%, 75%, 30% and 51% , respectively).



**(3) Details of Assets, such as Real Estate, Incorporated into the Portfolio**

A summary of properties owned and under management by the Investment Corporation as of the end of the fiscal period under review is as follows:

Property name		Location	Asset type	Total leasable area (m <sup>2</sup> ) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Urban Retail Properties	Tokyu Plaza Omotesando Harajuku (Note 4)	30-3 Jingu-mae 4-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,918.43	62,100	44,487
	Q plaza EBISU	8-12 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,024.88	11,700	8,134
	Kyoto Karasuma Parking Building	678 Motohonenjicho, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficiary interests	21,616.04	10,300	8,635
	Kobe Kyu Kyoryuchi 25Bankan	25 Kyomachi, Chuo-ku, Kobe City, Hyogo	Trust beneficiary interests	19,653.90	26,800	19,983
	A-FLAG SAPPORO	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	21,229.16	7,470	4,673
	A-FLAG SHIBUYA	32-13, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	3,403.07	7,890	6,419
	Q plaza SHINSAIBASHI	1-10 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	2,820.23	14,400	13,360
	A-FLAG KOTTO DORI	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,656.53	4,850	4,380
	A-FLAG BJUTSUKAN DORI	3-16, Minami-Aoyama 6-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,994.65	4,890	4,695
	A-FLAG DAIKANYAMA WEST	11-6, Sarugakucho, Shibuya-ku, Tokyo	Trust beneficiary interests	2,579.08	2,300	2,434
	A-FLAG KITA SHINSAIBASHI	10-11, Minami Senba 3-chome, Chuo-ku, Osaka city, Osaka	Trust beneficiary interests	2,540.93	4,670	4,831
	DECKS Tokyo Beach (Note 4)	6-1, Daiba 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	16,119.47	12,005	12,922
	Tokyu Plaza Ginza (Land) (Note 4)	2-1, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficiary interests	1,130.04	39,000	37,895
	Q plaza HARAJUKU (Note 4)	28-6, Jingu-mae 6-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,378.49	12,800	13,300
	Subtotal			108,064.90	221,175	186,154
Tokyo Office Properties	TLC Ebisu Building	18-18 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,342.60	12,200	7,163
	A-PLACE Ebisu Minami	15-1 Ebisu-minami 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,950.49	16,300	9,562
	A-PLACE Yoyogi	23-15 Sendagaya 5-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,106.17	5,060	3,829
	A-PLACE Aoyama	11-3 Kita-Aoyama 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	7,303.69	11,000	8,493
	Luogo Shiodome	3-3 Higashi-Shinbashi 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,476.35	6,400	4,421
	TAMACHI SQUARE (Land)	26-24 Shiba 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,287.96	2,940	2,362
	A-PLACE Ikebukuro	16-22 Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficiary interests	3,409.73	5,830	3,641
	A-PLACE Shinbashi	11-1 Shinbashi 4-chome, Minato-ku, Tokyo	Trust beneficiary interests	5,054.19	7,420	5,734
	A-PLACE Gotanda	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,028.69	7,790	5,350
	A-PLACE Shinagawa	8-40, Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,986.36	6,640	3,762
	OSAKI WIZTOWER	11-1 Osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	7,193.28	14,800	10,375
	Shiodome Building (Note 4)	2-20 Kaigan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	28,136.05	76,650	70,270
	A-PLACE Ebisu Higashi (Note 5)	13-11 Higashi 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,010.69	7,790	6,969
	A-PLACE Shibuya Konnoh (Note 5)	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,010.53	5,860	4,896
	A-PLACE Gotanda Ekimae	5-1 Nishigotanda 1-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,333.64	7,870	7,593
	A-PLACE Shinagawa Higashi	7-18 Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	14,658.98	21,700	18,735
	Ebisu Prime Square (Note 4)	1-9,39,40 Hiroo 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	18,063.03	31,400	30,974
	A-PLACE Tamachi East	2-16, Shibaura 3-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,288.88	7,230	6,847
	Meguro Tokyu Building	13-17, Kami-osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,993.70	16,800	16,378
	Q plaza Shinjuku-3chome	5-6 Shinjuku 3-chome, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,528.01	19,200	18,518
	A-PLACE Shibuya Nampeidai	2-17 Nampeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	4,373.54	9,290	8,858
	Subtotal			146,536.56	300,170	254,741

Property name		Location	Asset type	Total leasable area (m <sup>2</sup> ) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Activia Account Properties	Amagasaki Q's MALL (Land)	3-1 Shioe 1-chome, Amagasaki City, Hyogo (main building) 2-3 Shioe 1-chome, Amagasaki City, Hyogo (sports club)	Trust beneficiary interests	27,465.44	14,200	12,113
	icot Nakamozu	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Trust beneficiary interests	28,098.02	10,600	8,101
	icot Mizonokuchi	11-1 Mizonokuchi 6-chome, Takatsu-ku, Kawasaki City, Kanagawa	Trust beneficiary interests	14,032.05	3,250	2,579
	icot Tama Center	35 Ochiai 1-chome, Tama City, Tokyo	Trust beneficiary interests	5,181.58	3,970	2,528
	A-PLACE Kanayama	14-18 Kanayama 1-chome, Naka-ku, Nagoya City, Aichi	Trust beneficiary interests	9,314.90	8,760	6,077
	Osaka Nakanoshima Building	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	20,125.63	18,100	11,000
	icot Omori	8-2, Omorikita 1-chome, Ota-ku, Tokyo	Trust beneficiary interests	6,209.78 (Note 5)	7,050	5,654
	Market Square Sagamihara	777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interests	15,152.42	5,010	4,544
	Umeda Gate Tower	1-9, Tsurunochi, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	13,509.41	21,600	18,986
	A-PLACE Bashamichi	43 Honcho 4-chome, Naka-ku, Yokohama City, Kanagawa	Trust beneficiary interests	9,710.91	5,100	4,010
	Commercial Mall Hakata	6-40, Tokojimachi 2-chome, Hakata-ku, Fukuoka city, Fukuoka	Trust beneficiary interests	9,612.88	5,720	6,279
	EDGE Shinsaibashi (Note 6)	2-3, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	15,897.10	22,000	19,971
	Subtotal			174,310.12	125,360	101,848
	Total			428,911.58	646,705	542,744

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of May 31, 2022 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of May 31, 2022.

(Note 2) The appraisal of each property is commissioned to the Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sogo Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Mori Valuation & Advisory K.K.. Assessed value at end of period stands for the appraised value described in each real estate appraisal report, with May 31, 2022 taken as the point of evaluation.

(Note 3) Book value at end of period stands for the book value minus depreciation as of May 31, 2022, rounded down to the nearest ¥ million.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 49%, 30%, 60%, 35%, and 51%, respectively).

(Note 5) The calculation of total leasable area for icot Omori includes part of an external bicycle parking lot (approximately 21 m<sup>2</sup>) and part of a common area on the second floor (approximately 28 m<sup>2</sup>).

(Note 6) Property name was renamed as "A-PLACE Shinsaibashi" as of September 1, 2022.

Changes in key figures in the rental business (figures by property owned and under management by the Investment Corporation)

		20th period (From June 1, 2021 to November 30, 2021)				21st period (From December 1, 2021 to May 31, 2022)			
		Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Urban Retail Properties	Tokyu Plaza Omotesando Harajuku (Note 4)	30	97.5	1,074	7.0	26	93.1	946	6.1
	Tokyu Plaza Akasaka (Note 4)	—	—	437	2.8	—	—	—	—
	Q plaza EBISU	4	100.0	273	1.8	4	100.0	271	1.7
	Kyoto Karasuma Parking Building	2	100.0	(Note 5)	(Note 5)	2	100.0	(Note 5)	(Note 5)
	Kobe Kyu Kyoryuchi 25Bankan	6	98.0	697	4.5	6	98.0	722	4.7
	A-FLAG SAPPORO	13	96.1	376	2.4	13	96.1	450	2.9
	A-FLAG SHIBUYA	2	100.0	212	1.4	2	100.0	218	1.4
	Q plaza SHINSAIBASHI	6	100.0	356	2.3	6	100.0	349	2.2
	A-FLAG KOTTO DORI	7	88.9	103	0.7	7	88.9	105	0.7
	A-FLAG BIJUTSUKAN DORI	4	100.0	119	0.8	4	100.0	122	0.8
	A-FLAG DAIKANYAMA WEST	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-FLAG KITA SHINSAIBASHI	5	100.0	101	0.7	7	100.0	90	0.6
	DECKS Tokyo Beach (Note 4)	78	95.0	518	3.4	77	97.0	472	3.0
	Tokyu Plaza Ginza (Land) (Note 4)	1	100.0	581	3.8	1	100.0	581	3.7
	Q plaza HARAJUKU (Note 4)	14	93.0	227	1.5	15	97.0	200	1.3
	Subtotal	173	97.5	—	—	171	97.7	—	—
Tokyo Office Properties	TLC Ebisu Building	11	88.7	286	1.9	11	82.5	271	1.8
	A-PLACE Ebisu Minami	10	100.0	435	2.8	9	100.0	430	2.8
	A-PLACE Yoyogi	4	100.0	125	0.8	5	100.0	137	0.9
	A-PLACE Aoyama	8	100.0	282	1.8	8	100.0	330	2.1
	Luogo Shiodome	6	87.3	160	1.0	8	91.8	122	0.8
	TAMACHI SQUARE (Land)	1	100.0	62	0.4	1	100.0	62	0.4
	A-PLACE Ikebukuro	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-PLACE Shinbashi	10	100.0	209	1.4	11	79.0	185	1.2
	A-PLACE Gotanda	11	100.0	197	1.3	12	100.0	193	1.2
	A-PLACE Shinagawa	8	100.0	144	0.9	7	86.4	141	0.9
	OSAKI WIZTOWER	6	100.0	347	2.3	6	100.0	351	2.3
	Shiodome Building (Note 4)	36	99.5	1,506	9.8	38	97.8	1,535	9.9
	A-PLACE Ebisu Higashi	7	100.0	188	1.2	7	100.0	190	1.2
	A-PLACE Shibuya Konnoh	4	100.0	149	1.0	4	100.0	150	1.0
	A-PLACE Gotanda Ekimae	11	100.0	199	1.3	10	100.0	210	1.4
	A-PLACE Shinagawa Higashi	7	95.2	579	3.8	7	95.2	589	3.8
	Ebisu Prime Square(Note 4)	103	89.6	795	5.2	112	97.6	797	5.1
	A-PLACE Tamachi East	23	98.8	31	0.2	24	100.0	175	1.1
	Meguro Tokyu Building	8	100.0	144	0.9	9	100.0	320	2.1
	Q plaza Shinjuku-3chome	4	100.0	197	1.3	4	100.0	441	2.8
	A-PLACE Shibuya Nampoedai	13	100.0	88	0.6	12	100.0	205	1.3
	Subtotal	297	96.7	—	—	306	96.7	—	—

		20th period (From June 1, 2021 to November 30, 2021)				21st period (From December 1, 2021 to May 31, 2022)			
		Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Activia Account Properties	Amagasaki Q's MALL (Land)	1	100.0	356	2.3	1	100.0	356	2.3
	icot Nakamozu	2	100.0	311	2.0	2	100.0	311	2.0
	icot Mizonokuchi	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	icot Tama Center	9	98.6	142	0.9	10	100.0	141	0.9
	A-PLACE Kanayama	21	100.0	306	2.0	21	100.0	303	2.0
	Osaka Nakanoshima Building	39	99.5	550	3.6	39	100.0	554	3.6
	icot Omori	8	100.0	219	1.4	8	100.0	229	1.5
	Market Square Sagamihara	3	100.0	(Note 5)	(Note 5)	3	100.0	(Note 5)	(Note 5)
	Umeda Gate Tower	16	85.5	502	3.3	19	93.5	466	3.0
	A-PLACE Bashamichi	36	100.0	203	1.3	37	100.0	200	1.3
	Commercial Mall Hakata	17	89.7	192	1.3	18	90.3	186	1.2
	EDGE Shinsaibashi	20	100.0	570	3.7	18	97.0	562	3.6
	Subtotal	173	98.2	—	—	177	98.7	—	—
	Total	643	97.5	15,396	100.0	654	97.8	15,512	100.0

- (Note 1) The number of tenants refers to the total number of tenants for each property at the end of each fiscal period, based on each lease agreement. In the case where a master lease agreement is in place, the number of end tenants is counted. In the case of a property for which only land is acquired, the total number of tenants on the land is counted.
- (Note 2) Occupancy rate refers to the percentage of leased area to leasable area for each property as of the end of each fiscal period, rounding down to the first decimal place.
- (Note 3) Rental revenue includes other rental revenue.
- (Note 4) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 50%, 49%, 30%, 60%, 35% and 51%, respectively). Tokyu Plaza Akasaka was disposed October 29,2021.
- (Note 5) Rental revenue and the ratio of rental revenue to total rental revenues are not disclosed, as consent from tenants has not been obtained.

#### (4) Details of Specified Transaction

The outstanding contract amount and fair value of specified transactions as of the end of the fiscal period under review are as follows:

(Thousands of yen)

Classification	Transaction	Notional contract amount (Note 1)		Fair value (Note 2) (Note 3)
			Over 1 year	
Over-the-counter	Interest rate swaps (Receive floating pay fixed)	30,140,000	25,140,000	20,177
Total		30,140,000	25,140,000	20,177

- (Note 1) The contract amount of interest rate swaps is presented based on its notional principal.
- (Note 2) The statement of the fair value is omitted for those transactions that satisfy requirements for special treatment based on accounting standards for financial instruments.
- (Note 3) Fair value is based on prices, etc. indicated by partner financial institutions.

#### (5) Other Assets

There are no major incorporations of other specified assets that are the principal investment targets of the Investment Corporation as of the end of the fiscal period under review.

#### (6) Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan.



4. Capital Expenditure for Assets under Management

(1) Scheduled Capital Expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held in the 21st fiscal period as of May 31, 2022. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (First period)	From March 2022 to November 2022	572	12	12
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (Second period)	From November 2022 to May 2023	480	10	10
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	461	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	(Main building/new building) repair of external wall and guest room window	From March 2023 to November 2023	444	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	401	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (First period)	From June 2023 to November 2023	357	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Fourth period)	From December 2024 to May 2025	267	—	—
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From December 2023 to May 2024	250	—	—
icot Mizonokuchi (Kawasaki, Kanagawa)	Large-scale repair work	From January 2023 to July 2023	220	—	—
A-PLACE Tamachi East (Minato, Tokyo)	Replacement of air conditioning	From October 2022 to November 2023	175	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Large-scale repair work	From December 2022 to May 2023	165	—	—
Commercial Mall Hakata (Fukuoka, Fukuoka)	Large-scale renovation of external wall	From January 2024 to May 2024	150	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of two emergency elevators	From July 2021 to November 2022	140	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generators	From December 2023 to May 2024	132	—	—
Q plaza EBISU (Shibuya, Tokyo)	Renovation of external wall	From May 2024 to May 2024	83	—	—
A-PLACE Shibuya Nampeidai (Shibuya, Tokyo)	Renewal of air conditioning units in north building (proposed expansion)	From December 2023 to May 2024	76	—	—
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From May 2023 to May 2023	74	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of vertical pipes for supply/pumped clean water and for black water	From June 2021 to November 2022	72	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor	From October 2023 to November 2023	65	—	—

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2023 to November 2023	64 (Note)	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2023 to May 2024	64 (Note)	—	—
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From December 2022 to May 2023	62	—	—
icot Tama Center (Tama, Tokyo)	Replacement of elevator and escalator	From March 2023 to May 2023	61	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 2nd to 5th floors	From December 2022 to May 2023	58	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renewal of 4th floor	From March 2023 to March 2023	50 (Note)	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Merchandising work in common areas	From May 2023 to May 2023	50	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Beautification of lavatory	From June 2023 to November 2023	50	—	—
A-PLACE Aoyama (Minato, Tokyo)	Installation of LED lighting	From June 2022 to November 2022	49	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Compartmentalization (Construction A) for compartment B on the 1st and 2nd floor	From September 2022 to November 2022	42	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Fourth period)	From April 2022 to August 2022	28 (Note)	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renewal of multistory parking space (renewal of lift chains)	From June 2022 to November 2022	19	—	—
Shiodome Building (Minato, Tokyo)	Restoration work on 21st floor	From September 2022 to November 2022	19 (Note)	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of T-1 receiving water tank	From July 2022 to November 2022	18	—	—
Q plaza SHINSAIBASHI (Osaka, Osaka)	Repair of light wall lamp in north building	From March 2022 to November 2022	16	—	—
Meguro Tokyu Building (Shinagawa, Tokyo)	Installation of LED lightning in private rooms	From March 2023 to May 2023	16	—	—
A-PLACE Gotanda (Shinagawa, Tokyo)	Installation of LED lightning in private areas	From July 2022 to November 2022	15	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of barrier-free access in Compartment A on the 1st floor	From July 2022 to July 2022	14 (Note)	—	—
Umeda Gate Tower (Osaka, Osaka)	Repair of air conditioning outdoor units on 7th, 13th, 14th, 18th and 20th floors	From June 2022 to November 2022	10	—	—

(Note)The shown estimated construction cost with regard to Ebisu Prime Square, Tokyu Plaza Omotesando Harajuku and Shiodome Building is the amount equivalent to the ratio of the Investment Corporation’s co-ownership beneficial interests in real estate trust (51%, 75% and 35%, respectively).

### (2) Capital Expenditure during the Period

For assets held by the Investment Corporation in the 21st fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2022 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2022 amounted to ¥645 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2022 came to ¥346 million. On aggregate, construction work of ¥992 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-FLAG SHIBUYA (Shibuya, Tokyo)	Renewal of escalator control work and equipment refurbishment	From March 2022 to March 2022	70
A-PLACE Kanayama (Nagoya, Aichi)	Installation of LED lightning in private areas	From January 2022 to May 2022	49
TLC Ebisu Building (Shibuya, Tokyo)	Installation of set-up office	From March 2022 to April 2022	44
TLC Ebisu Building (Shibuya, Tokyo)	Renovation work for mechanical parking facility	From April 2022 to May 2022	44
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of automated fire alarm system	From September 2021 to March 2022	33 (Note)
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Third period)	From October 2021 to February 2022	27 (Note)
Commercial Mall Hakata (Fukuoka, Fukuoka)	Replacement of air conditioning units	From December 2022 to January 2022	22
A-PLACE Ikebukuro (Toshima, Tokyo)	Installation of LED lighting	From January 2022 to May 2022	22
Osaka Nakanoshima Building (Osaka, Osaka)	Repair work of substation equipment according to facility planning	From February 2022 to March 2022	19
EDGE Shinsaibashi (Osaka, Osaka)	Replacement of mechanical security and entry/exit monitoring system	From November 2021 to December 2021	18
Luogo Shiodome (Minato, Tokyo)	Replacement of security system	From December 2021 to May 2022	18
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of compression machine of centrifugal chillers	From November 2021 to February 2022	16
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of total heat exchangers and ventilation fans for 3rd to 9th floors	From April 2022 to May 2022	16
A-PLACE Shinbashi (Minato, Tokyo)	Installation of LED lighting	From February 2022 to April 2022	12
Umeda Gate Tower (Osaka, Osaka)	Compartmentalization	From April 2022 to May 2022	11
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of automated fire alarm system	From February 2022 to May 2022	10
Other			204
Total			645

(Note)The shown construction cost with regard to DECKS Tokyo Beach and Shiodome Building is the amount equivalent to the ratio of the Investment Corporation's co-ownership beneficial interests in real estate trust (49% and 35%, respectively).

### (3) Money Accumulated for Long-Term Repair Plan

Not applicable

## 5. Expenses and Liabilities

### (1) Details of Expenses Related to Asset Management, etc.

Item	(Thousands of yen)	
	20th period (From June 1, 2021 to November 30, 2021)	21st period (From December 1, 2021 to May 31, 2022)
(a) Asset management fees (Note)	1,135,604	1,187,489
(b) Asset custody fees	15,281	16,019
(c) Administrative service fees	39,054	39,832
(d) Directors' compensation	3,300	3,300
(e) Other operating expenses	143,153	83,052
Total	1,336,393	1,329,694

(Note) Asset management fees contain acquisition fees that were included in the book value of acquired properties (20th fiscal period:¥251,500 thousand)



## (2) Borrowings

The status of borrowings from financial institutions as of May 31, 2022 is as follows:

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	0.41931%	December 28, 2021	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		320,000	—				
	MUFG Bank, Ltd.		640,000	—				
	Mizuho Bank, Ltd.		320,000	—				
	Sumitomo Mitsui Banking Corporation		160,000	—				
	Development Bank of Japan Inc.		160,000	—				
	Sumitomo Mitsui Trust Bank, Limited	January 9, 2015	840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		420,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		420,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	—	0.20047%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	—				
	MUFG Bank, Ltd.		720,000	—				
	Sumitomo Mitsui Banking Corporation		720,000	—				
	Development Bank of Japan Inc.	January 10, 2020	720,000	—	0.31571%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co., LTD.	March 31, 2015	2,000,000	—	0.68500%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		500,000	—				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2017	400,000	—	0.30630%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed
	The 77 Bank, Ltd.		400,000	—				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2015	200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		100,000	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		100,000	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust		1,560,000	1,560,000	0.44835%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,560,000	1,560,000				
	MUFG Bank, Ltd.		1,560,000	1,560,000				
	Sumitomo Mitsui Banking Corporation		160,000	160,000				
	Development Bank of Japan Inc.		160,000	160,000				

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2019	620,000	620,000	0.38236%	January 10, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		620,000	620,000				
	MUFG Bank, Ltd.		620,000	620,000				
	Sumitomo Mitsui Banking Corporation		320,000	320,000				
	Development Bank of Japan Inc.		320,000	320,000				
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	750,000	750,000	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		750,000	750,000				
	MUFG Bank, Ltd.		750,000	750,000				
	Sumitomo Mitsui Banking Corporation		375,000	375,000				
	Development Bank of Japan Inc.		375,000	375,000				
	Sumitomo Mitsui Trust Bank, Limited	October 6, 2016	800,000	800,000	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,600,000	1,600,000				
	Mizuho Bank, Ltd.		800,000	800,000				
	Sumitomo Mitsui Banking Corporation		400,000	400,000				
	Development Bank of Japan Inc.		400,000	400,000				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		625,000	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	1,250,000	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,500,000	2,500,000				
	Mizuho Bank, Ltd.		1,250,000	1,250,000				
	Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	1,000,000	1,000,000	0.21873%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	1,000,000				
	MUFG Bank, Ltd.		500,000	500,000				
	Taiyo Life Insurance Company	March 31, 2017	500,000	500,000	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited		500,000	500,000				
	Resona Bank, Limited.	March 31, 2020	1,500,000	1,500,000	0.19498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	500,000	0.23498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 12, 2016	1,400,000	1,400,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,400,000	1,400,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	1,400,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,400,000	1,400,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	January 10, 2020	700,000	700,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	700,000	0.78362 %	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,420,000	1,420,000	0.34459 %	January 12, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	1,420,000				
	MUFG Bank, Ltd.		720,000	720,000				
	Sumitomo Mitsui Banking Corporation		720,000	720,000				
	Development Bank of Japan Inc.	March 31, 2017	720,000	720,000	0.41380 %	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		2,000,000	2,000,000				
	Resona Bank, Limited.		1,500,000	1,500,000				
	The Bank of Fukuoka, Ltd.		1,000,000	1,000,000				
	Shinkin Central Bank	December 16, 2015	500,000	500,000	0.85377 %	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	The Norinchukin Bank		500,000	500,000				
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	1,200,000				
	MUFG Bank, Ltd. (Note 6)		1,200,000	1,200,000				
	Mizuho Bank, Ltd.	June 13, 2016	1,200,000	1,200,000	0.85377 %	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,200,000	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	600,000				
	Development Bank of Japan Inc.		600,000	600,000				
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2016	1,500,000	1,500,000	0.33150 % (Note 5)	June 17, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	1,500,000	1,500,000	0.36900 % (Note 5)	December 13, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	1,200,000	0.54094 %	March 21, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,400,000	2,400,000				
	Mizuho Bank, Ltd.		1,200,000	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	600,000				
	Development Bank of Japan Inc.	March 31, 2021	600,000	600,000	0.25000 %	March 31, 2025	(Note 4)	Unsecured, non-guaranteed
	Nippon Life Insurance Company		500,000	500,000				

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	March 16, 2017	1,800,000	1,800,000	0.70169%	September 16, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,600,000	3,600,000				
	Mizuho Bank, Ltd.		1,800,000	1,800,000				
	Sumitomo Mitsui Banking Corporation		900,000	900,000				
	Development Bank of Japan Inc.	March 16, 2018	900,000	900,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		440,000	440,000				
	Resona Bank, Limited.		440,000	440,000				
	The Bank of Fukuoka, Ltd.		440,000	440,000				
	Shinkin Central Bank	March 30, 2018	440,000	440,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank		440,000	440,000				
	THE NISHI-NIPPON CITY BANK, LTD.		500,000	500,000				
	The Bank of Kyoto, Ltd.		300,000	300,000				
	Sumitomo Mitsui Trust Bank, Limited	August 29, 2019	500,000	500,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		500,000	500,000				
	MUFG Bank, Ltd.		500,000	500,000				
	Sumitomo Mitsui Banking Corporation		250,000	250,000				
	Development Bank of Japan Inc.	September 21, 2016	250,000	250,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		1,500,000	1,500,000				
	Shinkin Central Bank		1,500,000	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited		2,100,000	2,100,000				
	MUFG Bank, Ltd.	December 13, 2016	4,200,000	4,200,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,100,000	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	1,050,000				
	Development Bank of Japan Inc.		1,050,000	1,050,000				
	Sumitomo Mitsui Banking Corporation	March 7, 2019	6,000,000	6,000,000	0.35765%	September 7, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		1,100,000	1,100,000				
	Resona Bank, Limited.		1,100,000	1,100,000				
	The Bank of Fukuoka, Ltd.		1,100,000	1,100,000				
	The Norinchukin Bank	June 13, 2017	1,100,000	1,100,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed
	The 77 Bank, Ltd.		600,000	600,000				
	Sumitomo Mitsui Trust Bank, Limited		1,750,000	1,750,000				
	MUFG Bank, Ltd.		3,500,000	3,500,000				
	Mizuho Bank, Ltd.	June 28, 2019	1,750,000	1,750,000	0.23004%	December 28, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		1,200,000	1,200,000				
	The Norinchukin Bank		1,200,000	1,200,000				



(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2018	780,000	780,000	0.70698%	January 9, 2027	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,560,000	1,560,000				
	Mizuho Bank, Ltd.		780,000	780,000				
	Sumitomo Mitsui Banking Corporation		390,000	390,000				
	Development Bank of Japan Inc.		390,000	390,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		950,000	950,000				
	MUFG Bank, Ltd.		950,000	950,000				
	Sumitomo Mitsui Banking Corporation		475,000	475,000				
	Development Bank of Japan Inc.		475,000	475,000				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2022	—	400,000	0.43309%	March 31, 2027	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	2,200,000	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,200,000	2,200,000				
	MUFG Bank, Ltd.		2,200,000	2,200,000				
	Sumitomo Mitsui Banking Corporation		200,000	200,000				
	Development Bank of Japan Inc.		200,000	200,000				
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	640,000				
	Mizuho Bank, Ltd.		320,000	320,000				
	Sumitomo Mitsui Banking Corporation		160,000	160,000				
	Development Bank of Japan Inc.		160,000	160,000				
	Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	1,000,000				
	MUFG Bank, Ltd.		1,000,000	1,000,000				
	Sumitomo Mitsui Banking Corporation	April 19, 2019	500,000	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		500,000	500,000				
	The Bank of Fukuoka, Ltd.	March 31, 2020	1,000,000	1,000,000	0.28500%	September 30, 2027	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank		500,000	500,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,210,000	3,210,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		3,210,000	3,210,000				
	MUFG Bank, Ltd.		1,610,000	1,610,000				
	Sumitomo Mitsui Banking Corporation		1,610,000	1,610,000				
	Development Bank of Japan Inc.		1,610,000	1,610,000				
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,165,000	1,165,000				
	MUFG Bank, Ltd.		590,000	590,000				
	Sumitomo Mitsui Banking Corporation		590,000	590,000				
	Development Bank of Japan Inc.		590,000	590,000				
	Sumitomo Mitsui Trust Bank, Limited	July 9, 2019	420,000	420,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		420,000	420,000				
	MUFG Bank, Ltd.		420,000	420,000				
	Sumitomo Mitsui Banking Corporation		220,000	220,000				
	Development Bank of Japan Inc.		220,000	220,000				

(Unit: Thousands of yen)

Category		Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans payable (Note 2)	Mizuho Trust & Banking Co.,LTD.	January 12, 2021	1,500,000	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.		1,500,000	1,500,000				
	The 77 Bank, Ltd.		1,000,000	1,000,000				
	THE NISHI-NIPPON CITY BANK, LTD.		1,000,000	1,000,000				
	Development Bank of Japan Inc.	June 13, 2019	6,000,000	6,000,000	0.56511%	December 13,2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.	March 31, 2022	—	2,000,000	0.56934%	March 31,2029	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		—	500,000				
	The 77 Bank, Ltd.		—	400,000				
	Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	1,200,000	1,200,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,200,000	1,200,000				
	MUFG Bank, Ltd.		600,000	600,000				
	Sumitomo Mitsui Banking Corporation		600,000	600,000				
	Development Bank of Japan Inc.		600,000	600,000				
	Sumitomo Mitsui Trust Bank, Limited	Septembe r 10, 2021	1,400,000	1,400,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	1,400,000				
	MUFG Bank, Ltd.		700,000	700,000				
	Sumitomo Mitsui Banking Corporation		700,000	700,000				
	Development Bank of Japan Inc.		700,000	700,000				
	Sumitomo Mitsui Trust Bank, Limited	Decembe r 21,2020	1,320,000	1,320,000	0.45403%	December 21,2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,320,000	1,320,000				
	MUFG Bank, Ltd.		1,320,000	1,320,000				
	Sumitomo Mitsui Banking Corporation		670,000	670,000				
	Development Bank of Japan Inc.		670,000	670,000				
	Sumitomo Mitsui Trust Bank, Limited	January 11, 2022	—	400,000	0.49750%	January 11,2030	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	400,000				
	MUFG Bank, Ltd.		—	400,000				
	Sumitomo Mitsui Banking Corporation		—	200,000				
	Development Bank of Japan Inc.		—	200,000				
	Sumitomo Mitsui Trust Bank, Limited	January 12, 2021	1,670,000	1,670,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,670,000	1,670,000				
	MUFG Bank, Ltd.		1,670,000	1,670,000				
	Sumitomo Mitsui Banking Corporation		845,000	845,000				
	Development Bank of Japan Inc.		845,000	845,000				
	Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	2,720,000	2,720,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,720,000	2,720,000				
	MUFG Bank, Ltd.		1,370,000	1,370,000				
	Sumitomo Mitsui Banking Corporation		1,370,000	1,370,000				
	Development Bank of Japan Inc.		1,370,000	1,370,000				
	Sumitomo Mitsui Trust Bank, Limited	Septembe r 10, 2021	1,400,000	1,400,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	1,400,000				
	MUFG Bank, Ltd.		700,000	700,000				
	Sumitomo Mitsui Banking Corporation		700,000	700,000				
	Development Bank of Japan Inc.		700,000	700,000				
	Sumitomo Mitsui Trust Bank, Limited	January 11, 2022	—	2,470,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	2,470,000				
	MUFG Bank, Ltd.		—	1,770,000				
	Sumitomo Mitsui Banking Corporation		—	1,245,000				
	Development Bank of Japan Inc.		—	1,245,000				
Total			233,650,000	233,650,000				

(Note 1) Weighted average rate, rounding to the sixth decimal place.

(Note 2) Long-term loans payable include current portion.

(Note 3) Use of the borrowings is acquisition of the real estate trust beneficiary interests.

(Note 4) Use of the borrowings is appropriated to repayment of outstanding loans payable.

(Note 5) This long-term loans payable is hedged by interest rate swap contract. The average interest rate reflects the effectiveness of this hedging instrument.

(Note 6) The role of Mitsubishi UFJ Trust and Banking Corporation as a lender has been taken over by MUFG Bank, Ltd. on April 16, 2018.

### Investment Corporation Bonds

Name of bonds	Issuance date	Balance as of November 30, 2020 (millions of yen)	Balance as of May 31, 2021 (millions of yen)	Interest rate (%)	Maturity date	Repayment method	Use of proceeds	Remarks
The 3rd Unsecured Investment Corporation Bond	April 21, 2015	2,000	2,000	0.726	April 21, 2025	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 4th Unsecured Investment Corporation Bond	February 3, 2016	2,000	2,000	0.770	February 3, 2026	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 6th Unsecured Investment Corporation Bond	February 2, 2017	1,000	1,000	0.480	February 2, 2027	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 7th Unsecured Investment Corporation Bond	February 2, 2017	1,000	1,000	0.810	February 2, 2032	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 8th Unsecured Investment Corporation Bond	February 13, 2018	1,000	1,000	0.160	August 12, 2022	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 9th Unsecured Investment Corporation Bond	February 13, 2018	1,000	1,000	1.050	February 12, 2038	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 10th Unsecured Investment Corporation Bond (Green Bond)	July 9, 2019	5,000	5,000	0.220	July 9, 2024	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 11th Unsecured Investment Corporation Bond (Green Bond)	November 18, 2019	4,000	4,000	0.530	November 16, 2029	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 12th Unsecured Investment Corporation Bond (Green Bond)	October 21, 2020	4,500	4,500	0.510	October 21, 2030	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 13th Unsecured Investment Corporation Bond	February 9, 2021	1,300	1,300	0.750	February 8, 2036	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 14th Unsecured Investment Corporation Bond (Green Bond)	November 16, 2021	3,900	3,900	0.400	November 14, 2031	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
Total		26,700	26,700					

(Note) The Investment Corporation may repurchase and cancel bonds at any time after the date of payment unless otherwise specified by the Japan Securities Depository Center, Inc.

### (3) Short-Term Investment Corporation Bonds

Not applicable

### (4) Subscription Rights for New Investment Units

Not applicable

## 6. Buying and Selling during the Period

### (1) Buying and Selling, etc., of Real Estate and Asset-Backed Securities, etc., Infrastructure Assets, etc. and Infrastructure-Related Assets

Not applicable

### (2) Buying and Selling, etc. of Other Assets

Not applicable. In addition, the Investment Corporation's assets other than the above-mentioned real estate and asset-backed securities are mostly comprised of direct bank deposits and bank deposits in trust.

### (3) Survey of Prices, etc. of Specified Assets

#### 1) Real Estate

Not applicable

#### 2) Others

Not applicable

### (4) Transactions between Interested Parties

Not applicable

### Commissions Paid

Category	Total amount (A) (thousands of yen)	Breakdown of transactions with interested parties		(B) / (A) (%)
		Paid to	Amount (B) (thousands of yen)	
Property management fee	436,725	Tokyu Community Corp.	223,236	51.1
		Tokyu Land SC Management Corporation	129,948	29.8
		Tokyu Land Corporation	47,923	11.0
		Tokyu Housing Leace Corporation	2,393	0.5
Building management fee	760,505	Tokyu Community Corp.	665,615	87.5
Construction management fee	11,277	Tokyu Community Corp.	8,126	72.1
		Tokyu Land SC Management Corporation	2,090	18.5
		Tokyu Land Corporation	602	5.3
Other management operation expenses	60,836	Tokyu Community Corp.	8,456	13.9
Other lease business expenses	368,754	Tokyu Community Corp.	85,775	23.3
		Tokyu Re・design Corporation	2,937	0.8
		Tokyu Land SC Management Corporation	1,139	0.3
		HANDS LAB INC. (Note 3)	506	0.1

(Note 1) The term "Interested parties" refers to interested parties of Asset Management Companies as stipulated by Article 201, Paragraph 1 of the Investment Trust Act, Article 123 of the Enforcement Ordinances of the Act on Investment Trust and Investment Corporation of Japan and Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations, issued by The Investment Trusts Association, Japan.

(Note 2) Other than commission paid as referred to above, construction works ordered to interested parties are as follows:

Tokyu Community Corp.	¥100,390 thousand
Tokyu Re・design Corporation	¥19,350 thousand
Tokyu Land SC Management Corporation	¥6,105 thousand
Ishikatsu Exterior Inc.	¥1,545 thousand
Tokyu Land Corporation	¥1,469 thousand

(Note 3) HANDS LAB INC. has not been "Interested parties" from March 3, 2022.

### (5) Transactions between the Asset Manager in Other Businesses of the Asset Manager

No relevant matter exists under this subject as the asset manager (TLC REIT Management Inc.) does not engage in any other business such as the first- or second-type financial instruments businesses under the Financial Instruments and Exchange Act, the building lots and buildings transaction business, or the real estate joint enterprise.



7. Accounting Status

(1) Assets, Liabilities, Principal, and Profit and Loss

Please refer to “II. Balance Sheets,” “III. Statements of Operations,” “IV. Statements of Changes in Unitholders’ Equity,” “V. Statements of Cash Distributions” and “VII. Notes to Financial Statements.”

(2) Changes in the Calculation Method of Depreciation Expenses

Not applicable

(3) Changes in the Evaluation Method of Real Estate, etc. and Infrastructure Assets, etc.

Not applicable

8. Other

(1) Beneficiary Certificates of Investment Trusts, etc. Set Up by the Company

Not applicable

(2) Announcements

Not applicable

(3) Status of Companies Owning Real Estate Overseas

Not applicable

(4) Status of Real Estate Owned by Companies Owning Real Estate Overseas

Not applicable

(5) Other

For the purpose of this report, the numbers for amounts below unit and percentages are rounded to units, unless otherwise mentioned specifically.

**Financial Statements**  
**II .Balance Sheet**

(Unit: Thousands of yen)

	As of November 30, 2021	As of May 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	15,986,135	12,843,945
Cash and deposits in trust	4,071,575	3,764,154
Operating accounts receivable	911,525	871,790
Prepaid expenses	388,238	599,919
Income taxes refund receivable	—	13
Other	14,324	3,772
Total current assets	21,371,798	18,083,596
Non-current assets		
Property, plant and equipment		
Buildings in trust	87,070,366	87,597,797
Accumulated depreciation	(17,086,807)	(18,371,248)
Buildings in trust, net	69,983,558	69,226,549
Structures in trust	783,513	793,559
Accumulated depreciation	(259,824)	(279,961)
Structures in trust, net	523,689	513,597
Machinery and equipment in trust	1,464,287	1,522,142
Accumulated depreciation	(501,805)	(542,401)
Machinery and equipment in trust, net	962,481	979,741
Tools, furniture and fixtures in trust	290,941	335,509
Accumulated depreciation	(182,233)	(199,934)
Tools, furniture and fixtures in trust, net	108,707	135,575
Land in trust	462,769,582	462,769,582
Construction in progress in trust	35,061	64,240
Total property, plant and equipment	534,383,081	533,689,287
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	423	4,197
Total intangible assets	9,055,510	9,059,283
Investments and other assets		
Long-term prepaid expenses	1,278,079	1,264,829
Derivatives	—	20,177
Deferred tax assets	2,765	—
Other	38,322	38,322
Total investments and other assets	1,319,167	1,323,329
Total non-current assets	544,757,758	544,071,900
Deferred assets		
Investment corporation bond issuance costs	127,469	117,273
Total deferred assets	127,469	117,273
Total assets	566,257,027	562,272,770

(Unit: Thousands of yen)

	As of November 30, 2021	As of May 31, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	928,758	1,087,755
Current portion of investment corporation bonds	1,000,000	1,000,000
Current portion of long-term borrowings	26,100,000	26,500,000
Accounts payable - other	64,640	8,047
Accrued expenses	981,085	988,033
Income taxes payable	31,233	605
Accrued consumption taxes	199,558	412,809
Advances received	784,759	634,802
Deposits received	74,548	804
Total current liabilities	30,164,583	30,632,856
Non-current liabilities		
Investment corporation bonds	25,700,000	25,700,000
Long-term borrowings	207,550,000	207,150,000
Leasehold and guarantee deposits received in trust	24,125,396	24,021,568
Derivatives liabilities	409	—
Other	—	242
Total non-current liabilities	257,375,805	256,871,810
Total liabilities	287,540,389	287,504,667
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	270,963,556	270,963,556
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (40,103)	*3 (866)
Other deduction from unitholders' capital	—	*4 (3,999,657)
Total deduction from unitholders' capital	(40,103)	(4,000,523)
Unitholders' capital, net	270,923,453	266,963,033
Surplus		
Unappropriated retained earnings (undisposed loss)	7,793,594	7,784,892
Total surplus	7,793,594	7,784,892
Total unitholders' equity	278,717,047	274,747,925
Valuation and translation adjustments		
Deferred gains or losses on hedges	(409)	20,177
Total valuation and translation adjustments	(409)	20,177
Total net assets	*2 278,716,638	*2 274,768,103
Total liabilities and net assets	566,257,027	562,272,770

### III. Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Operating revenue		
Leasing business revenue	*1, *3 14,283,556	*1, *3 14,490,760
Other leasing business revenue	*1, *3 1,112,460	*1, *3 1,021,894
Gain on sale of real estate properties	*2 250,323	—
Total operating revenue	15,646,339	15,512,654
Operating expenses		
Expenses related to leasing business	*1 5,551,549	*1 5,558,011
Asset management fees	1,135,604	1,187,489
Asset custody fees	15,281	16,019
Administrative service fees	39,054	39,832
Remuneration for directors (and other officers)	3,300	3,300
Other operating expenses	143,153	83,052
Total operating expenses	6,887,943	6,887,706
Operating profit	8,758,396	8,624,948
Non-operating income		
Interest income	82	91
Reversal of distributions payable	1,113	1,019
Insurance claim income	857	523
Compensation income	—	26,144
Total non-operating income	2,052	27,779
Non-operating expenses		
Interest expenses	616,195	630,483
Interest expenses on investment corporation bonds	60,629	67,477
Amortization of investment corporation bond issuance costs	9,186	10,196
Investment unit issuance expenses	93,250	—
Financing fees	198,829	205,731
Other	500	3,956
Total non-operating expenses	978,591	917,845
Ordinary profit	7,781,857	7,734,882
Profit before income taxes	7,781,857	7,734,882
Income taxes - current	31,245	605
Income taxes - deferred	(2,763)	2,765
Total income taxes	28,482	3,370
Profit	7,753,375	7,731,512
Retained earnings brought forward	40,219	53,379
Unappropriated retained earnings (undisposed loss)	7,793,594	7,784,892

### IV. Statement of Unitholders' Equity

Previous fiscal period (From June 1, 2021 to November 30, 2021)

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital					Surplus	
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus
		Allowance for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital			
Balance at beginning of period	248,370,846	(28,535)	—	(28,535)	248,342,311	7,278,928	7,278,928
Changes during period							
Issuance of new investment units	22,592,710				22,592,710		
Dividends of surplus						(7,238,708)	(7,238,708)
Distributions in excess of earnings from allowance for temporary difference adjustments		(11,568)		(11,568)	(11,568)		
Profit						7,753,375	7,753,375
Net changes in items other than unitholders' equity							
Total changes during period	22,592,710	(11,568)	—	(11,568)	22,581,141	514,666	514,666
Balance at end of period	*1 270,963,556	(40,103)	—	(40,103)	270,923,453	7,793,594	7,793,594

(Unit: Thousands of yen)

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	255,621,239	(39,646)	(39,646)	255,581,592
Changes during period				
Issuance of new investment units	22,592,710			22,592,710
Dividends of surplus	(7,238,708)			(7,238,708)
Distributions in excess of earnings from allowance for temporary difference adjustments	(11,568)			(11,568)
Profit	7,753,375			7,753,375
Net changes in items other than unitholders' equity		39,237	39,237	39,237
Total changes during period	23,095,808	39,237	39,237	23,135,045
Balance at end of period	278,717,047	(409)	(409)	278,716,638



Current fiscal period (From December 1, 2021 to May 31, 2022)

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital					Surplus	
	Unitholders' capital	Deduction from unitholders' capital			Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus
		Allowance for temporary difference adjustments	Other deduction from unitholders' capital	Total deduction from unitholders' capital			
Balance at beginning of period	270,963,556	(40,103)	—	(40,103)	270,923,453	7,793,594	7,793,594
Changes during period							
Dividends of surplus						(7,700,977)	(7,700,977)
Reversal of allowance for temporary difference adjustments		39,237		39,237	39,237	(39,237)	(39,237)
Profit						7,731,512	7,731,512
Purchase of treasury investment units							
Cancellation of treasury investment units			(3,999,657)	(3,999,657)	(3,999,657)		
Net changes in items other than unitholders' equity							
Total changes during period	—	39,237	(3,999,657)	(3,960,420)	(3,960,420)	(8,702)	(8,702)
Balance at end of period	270,963,556 <sup>*1</sup>	(866)	(3,999,657)	(4,000,523)	266,963,033	7,784,892	7,784,892

(Unit: Thousands of yen)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Treasury investment units	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	—	278,717,047	(409)	(409)	278,716,638
Changes during period					
Dividends of surplus		(7,700,977)			(7,700,977)
Reversal of allowance for temporary difference adjustments		—			—
Profit		7,731,512			7,731,512
Purchase of treasury investment units	(3,999,657)	(3,999,657)			(3,999,657)
Cancellation of treasury investment units	3,999,657	—			—
Net changes in items other than unitholders' equity			20,587	20,587	20,587
Total changes during period	—	(3,969,122)	20,587	20,587	(3,948,534)
Balance at end of period	—	274,747,925	20,177	20,177	274,768,103

## V.Statement of Cash Distributions

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
	Amount	Amount
I Unappropriated retained earnings	¥7,793,594,694	¥7,784,892,593
II Amount incorporated into unitholders' capital	¥39,237,355	¥866,293
Of which, reversal of allowance for temporary difference adjustments	¥39,237,355	¥866,293
III Distributions	¥7,700,977,440	¥7,727,483,640
[Cash distributions per unit]	[¥9,360]	[¥9,510]
Of which, distributions of profits	¥7,700,977,440	¥7,727,483,640
[Of which, distributions of profits per unit]	[¥9,360]	[¥9,510]
IV Earnings carried forward	¥53,379,899	¥56,542,660
Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, internal reserve of ¥53,379,899 was provided for stabilization of future distributions in view of ¥250,323,186 of gain on sale of real estate properties arising, and we will pay distributions of profits of ¥7,700,977,440, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations), for the fiscal period under review.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the decision was made with respect to paying distributions of profit of ¥7,727,483,640, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations).

## VI. Statement of Cash Flows

	(Unit: Thousands of yen)	
	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Cash flows from operating activities		
Profit before income taxes	7,781,857	7,734,882
Depreciation	1,374,955	1,367,676
Loss on retirement of non-current assets	5,229	1,097
Amortization of investment corporation bond issuance costs	9,186	10,196
Interest income and interest on securities	(82)	(91)
Interest expenses	676,825	697,960
Investment unit issuance expenses	93,250	—
Financing fees	198,829	205,731
Decrease (increase) in operating accounts receivable	(310,112)	39,735
Increase (decrease) in accrued consumption taxes	(64,232)	213,250
Decrease (increase) in prepaid expenses	203,964	(203,453)
Decrease in property, plant and equipment in trust due to sale	11,540,850	—
Increase (decrease) in operating accounts payable	(50,957)	73,131
Increase (decrease) in accrued expenses	37,228	2,889
Increase (decrease) in advances received	89,143	(149,957)
Decrease (increase) in long-term prepaid expenses	1,091	12,433
Other, net	63,838	(42,513)
Subtotal	21,650,868	9,962,969
Interest received	82	91
Interest paid	(647,967)	(697,361)
Income taxes paid	(650)	(31,247)
Net cash provided by (used in) operating activities	21,002,333	9,234,452
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(51,376,826)	(645,349)
Purchase of intangible assets	—	(4,160)
Refund of leasehold and guarantee deposits received in trust	(1,190,565)	(1,225,657)
Proceeds from leasehold and guarantee deposits received in trust	2,679,605	1,100,346
Net cash provided by (used in) investing activities	(49,887,787)	(774,820)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,898,245	—
Repayments of short-term borrowings	(3,900,000)	—
Proceeds from long-term borrowings	25,723,217	13,915,275
Repayments of long-term borrowings	(13,750,000)	(14,100,000)
Proceeds from issuance of investment corporation bonds	3,879,871	—
Proceeds from issuance of investment units	22,499,459	—
Purchase of treasury investment units	—	(3,999,657)
Distributions paid	(7,254,890)	(7,699,901)
Other, net	(34,589)	(24,957)
Net cash provided by (used in) financing activities	31,061,312	(11,909,242)
Net increase (decrease) in cash and cash equivalents	2,175,858	(3,449,610)
Cash and cash equivalents at beginning of period	17,881,851	20,057,710
Cash and cash equivalents at end of period	*1 20,057,710	*1 16,608,099

## VII. Notes to Financial Statements

Notes on Assumption of Going Concern  
Not applicable.

### Notes on Important Accounting Policies

1.Method of depreciation of non-current assets	(1)Property, plant and equipment (including trust assets) The straight-line method is used. The useful lives of major property, plant and equipment are listed below. Buildings 2 to 70 years Structures 2 to 66 years Machinery and equipment 2 to 33 years Tools, furniture and fixtures 2 to 15 years (2)Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years). (3)Long-term prepaid expenses The straight-line method is used.
2.Accounting method for deferred assets	(1)Investment unit issuance expenses The full amount is recorded as expenses when incurred. (2)Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.
3.Accounting for income and expenses	(1)Accounting for income Details of major performance obligations and typical timing of satisfying the performance obligations (timing when revenue is recognized) with regard to the Investment Corporation's revenue from contracts with customers are as follows. i)Sale of real estate properties For sale of real estate properties, revenue is recorded at the time when the buyer, a customer, obtains control of the real estate property, etc., by fulfilling the delivery obligation set forth in the agreement for the sale of the real estate property. ii)Utilities income For utilities income, revenue is recorded according to supply of electricity, water, etc. to the tenant, a customer, based on the contract for lease of the real estate property, etc. and any accompanying agreement. Of utilities income, for such income for which the Investment Corporation is considered to be an agent, the net amount of the amount received as charges for electricity, gas, etc. supplied by other parties less the amount paid to the other parties is recognized as revenue. (2)Property-related taxes For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business. The settlement money for property tax that is paid to the disposing entity for acquisition of real properties (so-called "amount equivalent to property tax") is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.
4.Method of hedge accounting	(1)Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied. (2)Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings (3)Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation. (4)Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.

5.Scope of cash (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.
6.Other matters related to the preparation of financial statements	<p>(1)Accounting method for beneficial interests in trust with real estate, etc. as trust asset</p> <p>With regard to beneficial interests in trust with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheet and statement of income. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheet.</p> <p>i)Cash and deposits in trust</p> <p>ii)Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and land leasehold interests in trust</p> <p>iii)Leasehold and guarantee deposits received in trust</p> <p>(2)Accounting method for consumption tax and local consumption tax</p> <p>Consumption taxes unqualified for deduction for tax purposes for non-current assets, etc. are included in acquisition cost for each asset.</p>

#### Additional information

#### Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments

Previous fiscal period (From June 1, 2021 to November 30, 2021)

##### 1.Reason for Reversal, Related Assets, etc. and Amount of Reversal

(Unit: Thousands of yen)

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustments
Deferred gains or losses on hedges	Elimination of loss on valuation of interest rate swaps	(39,237)

##### 2.Specific Method of Reversal

Deferred gains or losses on hedges

The reversal is to accord with changes in fair value of derivative transactions that are the hedging instruments.

Current fiscal period (From December 1, 2021 to May 31, 2022)

##### 1.Reason for Reversal, Related Assets, etc. and Amount of Reversal

(Unit: Thousands of yen)

Related assets, etc.	Reason for reversal	Allowance for temporary difference adjustments
Deferred gains or losses on hedges	Elimination of loss on valuation of interest rate swaps	(866)

##### 2.Specific Method of Reversal

Deferred gains or losses on hedges

The reversal is to accord with changes in fair value of derivative transactions that are the hedging instruments.

#### Notes to Balance Sheet

##### 1.Commitment Line Contracts

The Investment Corporation has the commitment line contracts with three of the banks with which it does business.

	As of November 30, 2021	As of May 31, 2022
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	¥– thousand	¥– thousand
Net balance	¥21,000,000 thousand	¥21,000,000 thousand

##### \*2.Minimum Net Assets Stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	As of November 30, 2021	As of May 31, 2022
	¥50,000 thousand	¥50,000 thousand

##### \*3.Allowance for Temporary Difference Adjustments

Previous fiscal period (From June 1, 2021 to November 30, 2021)

##### 1.Reason for Provision and Reversal, Related Assets, etc. and Amount of Provision

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Initial amount	Balance at beginning of period	Amount of provision for period	Amount of reversal for period	Balance at end of period	Reason for reversal
Deferred gains or losses on hedges	Recognition of loss on valuation of interest rate swaps	40,103	28,535	11,568	–	40,103	–

##### 2.Specific Method of Reversal

Deferred gains or losses on hedges

The reversal is to accord with changes in fair value of derivative transactions that are the hedging instruments.

Current fiscal period (From December 1, 2021 to May 31, 2022)

##### 1.Reason for Provision and Reversal, Related Assets, etc. and Amount of Provision

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Initial amount	Balance at beginning of period	Amount of provision for period	Amount of reversal for period	Balance at end of period	Reason for reversal
Deferred gains or losses on hedges	–	40,103	40,103	–	39,237	866	Changes in fair value of derivative transactions

##### 2.Specific Method of Reversal

Deferred gains or losses on hedges

The reversal is to accord with changes in fair value of derivative transactions that are the hedging instruments.

##### \*4.Status of Cancellation of Treasury Investment Units

	As of November 30, 2021	As of May 31, 2022
Total number of units canceled	– units	10,190 units
Total amount of cancellation	¥– thousand	¥3,999,657 thousand



## Notes to Statement of Income

### \*1.Breakdown of Profit (Loss) from Real Estate Leasing Business

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
A. Real estate leasing business revenues		
Leasing business revenue		
Rent	13,170,192	13,413,454
Common service fees	706,032	677,699
Parking lot fees	307,780	299,832
Other rent revenue	99,550	14,283,556
Other leasing business revenue	1,112,460	1,021,894
Total real estate leasing business revenues	15,396,016	15,512,654
B. Real estate leasing business expenses		
Expenses related to leasing business		
Management operation expenses	1,307,867	1,269,345
Utilities expenses	873,305	918,297
Tax and public dues	1,374,652	1,273,744
Insurance	13,324	13,296
Repair and maintenance expenses	276,218	346,175
Depreciation	1,374,701	1,367,301
Loss on retirement of non-current assets	5,229	1,097
Other expenses related to leasing business	326,250	5,551,549
Total real estate leasing business expenses	5,551,549	5,558,011
C. Profit (loss) from real estate leasing business (A – B)	9,844,466	9,954,643

### \*2.Breakdown of Gain (Loss) on Sale of Real Estate Properties

Previous fiscal period (From June 1, 2021 to November 30, 2021)

(Unit: Thousands of yen)

Tokyu Plaza Akasaka (50% co-ownership interest)	
Income from sale of real estate properties	11,800,000
Costs of sale of real estate properties	11,540,850
Other costs of sale	8,826
Gain on sale of real estate properties	250,323

Current fiscal period (From December 1, 2021 to May 31, 2022)

Not applicable.

### \*3.Transactions with Major Unitholders

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Operating transactions		
Operating revenue	974,811 (Note 1)	917,241 (Note 2)

(Note 1)Due to the Investment Corporation's issuance of new investment units through public offering that was conducted on

September 7, 2021, Tokyu Land Corporation no longer qualifies as a major unitholder. Consequently, the transaction amount stated above is for the amount until the time immediately preceding when that company ceased to qualify as a major unitholder.

(Note 2)Tokyu Land Corporation became a major unitholder on March 3, 2022, as a result of the cancellation of treasury investment units conducted by the Investment Corporation during the fiscal period under review and the acquisition of the Investment Corporation's investment units through market transactions conducted by Tokyu Land Corporation. Consequently, the transaction amount stated above is for the amount from a point in time when that company became a major unitholder.

## Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
*1. Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued	822,754 units	812,564 units

## Notes to Statement of Cash Flows

### \*1.Reconciliation between Cash and Cash Equivalents at End of Period and the Amount on the Balance Sheet

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Cash and deposits	¥15,986,135 thousand	¥12,843,945 thousand
Cash and deposits in trust	¥4,071,575 thousand	¥3,764,154 thousand
Cash and cash equivalents	¥20,057,710 thousand	¥16,608,099 thousand

## Notes to Lease Rental Revenues

The Investment Corporation leases properties on which rental revenues are earned. As of November 30, 2021 and May 31, 2022, future lease revenues under non-cancelable operating leases are summarized as follows:

	As of November 30, 2021	As of May 31, 2022
Due within one year	¥16,071,889 thousand	¥15,363,766 thousand
Due after one year	¥116,746,698 thousand	¥120,681,194 thousand
Total	¥132,818,588 thousand	¥136,044,960 thousand

## Notes on Financial Instruments

### 1. Matters Regarding Financial Instruments

#### (1) Policy for Financial Instruments

The Investment Corporation raises funds by borrowing, issuing investment corporation bonds, or issuing investment units for the purpose of acquiring real estate-related assets and repaying interest-bearing debt.

When raising funds, the Investment Corporation aims to sustain stable financing capability for a long time at low cost by enhancing its capital adequacy and maintaining conservative interest-bearing debt, looking for attributes such as extended borrowing periods for interest-bearing debt, fixed interest rates, and diversified due dates to ensure financial stability and avoid the risk of interest-rate hikes.

We also invest temporary excess funds in deposits in general, taking safety and liquidity, etc. into account and carefully considering the interest-rate environment and our cash management.

We may carry out derivatives transactions for the purpose of hedging the interest-rate risk of borrowings and other risks, but do not engage in speculative transactions.

#### (2) Content and Risks of Financial Instruments and Risk Management System

As the excess funds of the Investment Corporation are invested in deposits, they are exposed to credit risks such as the insolvency of the financial institutions in which the excess funds are deposited. However, we deposit excess funds carefully by limiting the period of deposits to the short term, taking safety and liquidity, etc. into account and carefully considering the financial environment and our cash management.

Borrowings and investment corporation bonds are mainly for the purpose of acquiring real estate and refinancing of existing borrowings. Leasehold and guarantee deposits received are deposits provided by tenants. Borrowings, investment corporation bonds, leasehold and guarantee deposits received are exposed to liquidity risks at the time of repayment or redemption. However, these risks are managed through management of liquidity in hand by preparing a monthly funding plan, efforts to reduce liquidity risk on borrowings and investment corporation bonds by diversifying repayment periods, etc., and other means.

Floating-rate borrowings are also exposed to the risk of fluctuations in interest-rates. However, these risks are managed through derivative transactions (interest rate swaps) as hedging instruments in certain floating-rate borrowings.

#### (3) Supplemental Remarks on the Fair Value of Financial Instruments

As certain assumptions are made in calculating the fair value of financial instruments, if different assumptions are used, these values could vary. Furthermore, the contract amounts related to derivative transactions, etc. stated in “Derivative transactions” on page 28 should not be considered indicative of the market risk associated with derivative transactions.

### 2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of November 30, 2021, are as shown below. Notes on “cash and deposits” and “cash and deposits in trust” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	1,000,000	1,004,125	4,125
(2) Current portion of long-term borrowings	26,100,000	26,193,790	93,790
(3) Investment corporation bonds	25,700,000	26,082,115	382,115
(4) Long-term borrowings	207,550,000	209,313,703	1,763,703
Total liabilities	260,350,000	262,593,735	2,243,735
Derivative transactions	(409)	(409)	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2022, are as shown below. Notes on “cash and deposits” and “cash and deposits in trust” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	1,000,000	1,000,995	995
(2) Current portion of long-term borrowings	26,500,000	26,585,545	85,545
(3) Investment corporation bonds	25,700,000	25,800,959	100,959
(4) Long-term borrowings	207,150,000	207,586,014	436,014
Total liabilities	260,350,000	260,973,515	623,515
Derivative transactions	20,177	20,177	—

#### (Note 1) Measurement Methods for Fair Values of Financial Instruments

##### Liabilities

##### (1) Current portion of investment corporation bonds, (3) Investment corporation bonds

These fair values are determined by discounting the total of principal and interest at a rate taking into account the remaining period and credit risk of the said investment corporation bonds.

##### (2) Current portion of long-term borrowings, (4) Long-term borrowings

These fair values are determined by discounting the total of principal and interest at the rate assumed when a new loan is made corresponding to the remaining period. The book value is used as the fair value of those borrowings with floating interest rate, given that the fair value is almost the same as the book value, as their interest rates are reviewed on a short-term interval to reflect market interest rates (however, for long-term borrowings with floating interest rate to which special treatment for interest rate swaps is applied, the fair value is the value calculated by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar new loan).

##### Derivative transactions

Please refer to “Notes on Derivative Transactions”

#### (Note 2) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 2021)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bonds	1,000,000	—	5,000,000	2,000,000	2,000,000	16,700,000
Long-term borrowings	26,100,000	32,250,000	29,500,000	26,500,000	24,500,000	94,800,000
Total	27,100,000	32,250,000	34,500,000	28,500,000	26,500,000	111,500,000

#### Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date

(May 31, 2022)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bonds	1,000,000	—	7,000,000	2,000,000	1,000,000	15,700,000
Long-term borrowings	26,500,000	35,250,000	24,500,000	27,500,000	28,500,000	91,400,000
Total	27,500,000	35,250,000	31,500,000	29,500,000	29,500,000	107,100,000

## Notes on Derivative Transactions

### 1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2021)

Not applicable.

(As of May 31, 2022)

Not applicable.

## 2.Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 2021)

The following table shows contract amount or principal amount, etc. set forth in the contract as of the account closing date by method of hedge accounting.

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	(409)	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	18,140,000	*	—

(As of May 31, 2022)

The following table shows contract amount or principal amount, etc. set forth in the contract as of the account closing date by method of hedge accounting.

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	20,177	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	13,140,000	*	—

\* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (4)”) )

## Notes on Tax Effect Accounting

### 1.Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of November 30, 2021	As of May 31, 2022
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥2,765 thousand	¥– thousand
Deferred gains or losses on hedges	¥141 thousand	¥– thousand
Subtotal of deferred tax assets	¥2,906 thousand	¥– thousand
Valuation allowance	¥(141) thousand	¥– thousand
Total deferred tax assets	¥2,765 thousand	¥– thousand
Net deferred tax assets	¥2,765 thousand	¥– thousand

### 2.Reconciliation of Significant Difference between Effective Statutory Tax Rate and Effective Income Tax Rate after Application of Tax Effect Accounting

	As of November 30, 2021	As of May 31, 2022
Effective statutory tax rate	34.59%	31.46%
Adjustments		
Distributions paid included in deductibles	(34.23)%	(31.43)%
Other	0.01%	0.01%
Effective income tax rate after application of tax effect accounting	0.37%	0.04%

## Notes on Transactions with Related Parties

### 1.Parent Company and Major Corporate Unitholders

Previous fiscal period (From June 1, 2021 to November 30, 2021)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit -holder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.52%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	11,581	Leasehold and guarantee deposits received in trust	2,461,043
								Refund of leasehold and guarantee deposits received	10,442		
								Rental revenues, etc.	974,811	Operating accounts receivable	84,988
										Advances received	60,619

(Note 1)Of the amounts above, the transaction amount does not include consumption taxes, and the balance at end of period includes consumption taxes.

(Note 2)The transaction terms are based on current market practices.

(Note 3)Due to the Investment Corporation’s issuance of new investment units through public offering that was conducted on September 7, 2021, Tokyu Land Corporation no longer qualifies as a related party. Consequently, the percentage of voting rights owning (owned), transaction amount and the ending balance stated above, are for the percentage and amount.

Current fiscal period (From December 1, 2021 to May 31, 2022)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit -holder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.98%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	375	Leasehold and guarantee deposits received in trust	2,339,896
								Refund of leasehold and guarantee deposits received	10,076		
								Rental revenues, etc.	917,241	Operating accounts receivable	120,595
										Advances received	239,442

(Note 1)Of the amounts above, the transaction amount does not include consumption taxes, and the balance at end of period includes consumption taxes.

(Note 2)The transaction terms are based on current market practices.

(Note 3)Tokyu Land Corporation became a major unitholder on March 3, 2022, as a result of the cancellation of treasury investment units conducted by the Investment Corporation during the fiscal period under review and the acquisition of the Investment Corporation’s investment units through market transactions conducted by Tokyu Land Corporation. Consequently, the transaction amount stated above is for the amount from a point in time when that company became a major unitholder.

2.Associates, etc.

Previous fiscal period (From June 1, 2021 to November 30, 2021)

Not applicable.

Current fiscal period (From December 1, 2021 to May 31, 2022)

Not applicable.

3.Sister companies, etc.

Previous fiscal period (From June 1, 2021 to November 30, 2021)



Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlock-ing officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	4,597	Leasehold and guarantee deposits received in trust	6,162,971
								Refund of leasehold and guarantee deposits received	36,633		
								Rental revenues, etc.	2,051,470	Operating accounts receivable Advances received	290,903 8,234
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Payment of asset management fee	567,802	Other accrued expenses	262,394

(Note 1) Of the amounts above, the transaction amount does not include consumption taxes, and the ending balance includes consumption taxes.

(Note 2) The transaction terms are based on current market practices.

(Note 3) Tokyu Land Corporation no longer qualifies as a related party due to the Investment Corporation's issuance of new investment units through public offering that was conducted on September 7, 2021. In conjunction with this, Tokyu Land SC Management Corporation and TLC REIT Management Inc. are no longer related parties. Consequently, the percentage of voting rights owning (owned), transaction amount and the ending balance stated above, are for the percentage and amount as of the time immediately preceding when each company ceased to qualify as a related party.

Current fiscal period (From December 1, 2021 to May 31, 2022)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlock-ing officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	18,861	Leasehold and guarantee deposits received in trust	6,638,907
								Refund of leasehold and guarantee deposits received	137,307		
								Rental revenues, etc.	2,260,142	Operating accounts receivable Advances received	240,859 9,242
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Payment of asset management fee	593,744	Other accrued expenses	529,768

(Note 1) Of the amounts above, the transaction amount does not include consumption taxes, and the ending balance includes consumption taxes.

(Note 2) The transaction terms are based on current market practices.

(Note 3) Tokyu Land Corporation became a major unitholder on March 3, 2022, as a result of the cancellation of treasury investment units conducted by the Investment Corporation during the fiscal period under review and the acquisition of the Investment Corporation's investment units through market transactions conducted by Tokyu Land Corporation. In conjunction with this, Tokyu Land SC Management Corporation and TLC REIT Management Inc. have fallen under the category of related parties from the same date, the transaction amount stated above is for the amount from a point in time when they became related parties.

#### Notes on Investment and Rental Properties

The Investment Corporation holds Urban Retail and Tokyo Office properties, etc. in Tokyo and other regions for rental revenue. The carrying amounts on the balance sheet, changes during the fiscal period, and fair values of investment and rental properties are as follows.

(Unit: Thousands of yen)

Use		Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	198,195,674	186,299,634
	Changes during period	(11,896,039)	(145,585)
	Balance at end of period	186,299,634	186,154,048
	Fair value at end of period	221,314,000	221,605,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	204,632,303	255,093,632
	Changes during period	50,461,329	(351,731)
	Balance at end of period	255,093,632	254,741,901
	Fair value at end of period	298,380,000	302,880,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	102,196,027	102,044,900
	Changes during period	(151,126)	(195,954)
	Balance at end of period	102,044,900	101,848,946
	Fair value at end of period	123,690,000	125,360,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	505,024,005	543,438,167
	Changes during period	38,414,162	(693,271)
	Balance at end of period	543,438,167	542,744,896
	Fair value at end of period	643,384,000	649,845,000

(Note 1) The carrying amount on the balance sheet is the acquisition cost less accumulated depreciation.

(Note 2) The main reason for the decrease in the current fiscal period is the provision of depreciation worth ¥1,367,301 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser. In addition, figures for A-FLAG KITA SHINSAIBASHI and Luogo Shiodome are based on the transfer prices (¥5,100,000 thousand) as indicated in the sales agreement concluded on April 27, 2022, and the transfer price (¥9,110,000 thousand) as indicated in the sales agreement concluded on May 27, 2022, respectively.

The profit/loss concerning investment and rental properties for the current fiscal period is indicated under "Notes to Statement of Income."

#### Segment Information

Segment Information for the fiscal periods ended December 1, 2021 and May 31, 2022 is as follows:

##### 1. Operating Segment Information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the property rental business.

##### 2. Enterprise-wide Disclosures

###### (1) Information about Products and Services

Disclosure is not required as revenues from external customers for the single segment is in excess of 90% of total revenues.

###### (2) Information about Geographic Areas

Revenues from Overseas Customers:

Disclosure is not required as revenues from external customers attributed to Japan are in excess of 90% of total revenues.

Property, plant and equipment:

Disclosure is not required as Property, plant and equipment located in Japan are in excess of 90% of total Property, plant and equipment.

##### 3. Information about Major Customers

Previous fiscal period (From June 1, 2021 to November 30, 2021)

(Unit: Thousands of yen)

Name of Customer	Revenues	Related Segment
Tokyu Community Corp.	6,119,946	Property rental business
Tokyu Land SC Management Corporation	4,194,567	Property rental business
Tokyu Land Corporation	2,112,992	Property rental business

Current fiscal period (From December 1, 2021 to May 31, 2022)

(Unit: Thousands of yen)

Name of Customer	Revenues	Related Segment
Tokyu Community Corp.	6,810,612	Property rental business
Tokyu Land SC Management Corporation	4,413,298	Property rental business
Tokyu Land Corporation	1,769,733	Property rental business

#### Notes on Revenue Recognition

1.Information on disaggregation of revenue from contracts with customers

Previous fiscal period (From June 1, 2021 to November 30, 2021)

(Unit: Thousands of yen)

	Revenue from contracts with customers *1	Revenues from external customers
Sale of real estate properties	11,800,000	*2 250,323
Utilities income	879,402	879,402
Others	–	14,516,614
Total	12,679,402	15,646,339

\*1Leasing business revenue, etc. that is subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” and transfer of real estate properties, etc. that is subject to Japanese Institute of Certified Public Accountants Accounting Practice Committee Report No. 15 “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies” are not subject to the Accounting Standard for Revenue Recognition, and therefore are not included in the above amount. Major revenue from contracts with customers is income from sale of real estate properties and utilities income.

\*2Since income from sale of real estate properties is recorded as gain (loss) on sale of real estate properties in the statement of income, the amount of income from sale of real estate properties less costs of sale of real estate properties and other costs of sale is shown.

Current fiscal period (From December 1, 2021 to May 31, 2022)

(Unit: Thousands of yen)

	Revenue from contracts with customers *	Revenues from external customers
Utilities income	820,609	820,609
Others	–	14,692,045
Total	820,609	15,512,654

\*Leasing business revenue, etc. that is subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” and transfer of real estate properties, etc. that is subject to Japanese Institute of Certified Public Accountants Accounting Practice Committee Report No.15 “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies” are not subject to the Accounting Standard for Revenue Recognition, and therefore are not included in the above amount. Major revenue from contracts with customers is income from sale of real estate properties and utilities income.

2.Information for understanding the amount of revenue of the current fiscal period and the next fiscal period and beyond

Previous fiscal period (From June 1, 2021 to November 30, 2021)

Not applicable.

Current fiscal period (From December 1, 2021 to May 31, 2022)

Transaction price allocated to the remaining performance obligations

As of May 31, 2022, the transaction price allocated to the remaining performance obligations associated with the sale of real estate, etc. was ¥5,100,000 thousand pertaining to real estate, etc. for which a sales agreement was concluded on April 27, 2022, and ¥9,110,000 thousand pertaining to real estate, etc. for which a sales agreement was concluded on May 27, 2022. The Investment Corporation expects to recognize revenue of ¥5,100,000 thousand out of the remaining performance obligations as the transfer of the real estate, etc. was completed on June 30, 2022. Furthermore, the Investment Corporation expects to recognize revenue of ¥1,822,000 thousand, ¥2,642,000 thousand, and ¥4,646,000 thousand due to the transfer of real estate that is planned to be carried out on November 30, 2022, May 31, 2023, and June 1, 2023, respectively.

#### Per Unit Information

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Net assets per unit	¥338,760	¥338,149
Basic earnings per unit	¥9,754	¥9,453

(Note 1)Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (previous fiscal period 794,871 units; current fiscal period 817,847 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

(Note 2)The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
Profit (Thousands of yen)	7,753,375	7,731,512
Amount not attributable to common unitholders (Thousands of yen)	–	–
Profit attributable to common investment units (Thousands of yen)	7,753,375	7,731,512
Average number of investment units for the period (Units)	794,871	817,847

#### Significant Subsequent Events

Not applicable.

#### Omission of Disclosure

As the need for disclosing notes on lease transactions, securities, retirement benefits, equity in earnings of affiliates, asset retirement obligations, and segment information in this financial report is not considered to be substantial, the disclosure of these items is omitted.

VIII. Schedule of Financial Statements

Securities

1.Shares

Not applicable

2.Securities Other Than Shares

Not applicable

Derivative Transactions

(Unit: Thousands of yen)

Classification	Type of derivative transactions	Amount of contract (Note 1)		Fair value (Note 2) (Note 3)
			Portion due after one year	
Over-the-counter	Interest rate swaps Receive floating Pay fixed	30,140,000	25,140,000	20,177
Total		30,140,000	25,140,000	20,177

(Note 1)The amounts of contract do not represent the market risk exposure associated with the derivative instruments.

(Note 2)The interest rate swaps which qualify for hedge accounting and meet specific criteria are not measured at fair value in the balance sheets and the interest received or paid under the interest rate swap contracts is recognized on an accrual basis.

(Note 3)Fair value is based on prices, etc. indicated by partner financial institutions.

Property and Equipment

The following tables show the summary of movement in property and equipment.

(Unit: Thousands of yen)

		Beginning balance	Increase	Decrease	Ending Balance	Accumulated depreciation	Depreciation for the period	Net property, plant and equipment
Tangible Assets	Buildings in trust	87,070,366	532,917	5,485	87,597,797	18,371,248	1,288,829	69,226,549
	Structures in trust	783,513	10,045	-	793,559	279,961	20,137	513,597
	Machinery and equipment in trust	1,464,287	57,855	-	1,522,142	542,401	40,595	979,741
	Tools, furniture and fixtures in trust	290,941	44,568	-	335,509	199,934	17,700	135,575
	Land in trust	462,769,582	-	-	462,769,582	-	-	462,769,582
	Construction in progress in trust	35,061	29,179	-	64,240	-	-	64,240
	Subtotal	552,413,751	674,566	5,485	553,082,833	19,393,545	1,367,264	533,689,287
Intangible Assets	Leasehold rights in trust	9,055,086	-	-	9,055,086	-	-	9,055,086
	Other (Note)	7,153	4,186	-	11,340	7,142	412	4,197
	Subtotal	9,062,239	4,186	-	9,066,426	7,142	412	9,059,283
Total		561,475,991	678,753	5,485	562,149,259	19,400,688	1,367,676	542,748,571

(Note) “Other” is software (non-real estate asset).

Other Specified Assets

Not applicable

Investment Corporation Bonds

(Unit: Thousands of yen)

Issue	Issue Date	Beginning balance	Decrease	Ending balance	Interest Rate	Redemption Date	Use of funds	Remarks
3rd unsecured bonds (with pari passu conditions among specified investment corporation bonds)	April 21, 2015	2,000,000	—	2,000,000	0.726%	April 21, 2025	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
4th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 3, 2016	2,000,000	—	2,000,000	0.770%	February 3, 2026	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
6th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.480%	February 2, 2027	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
7th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.810%	February 2, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
8th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	—	1,000,000	0.160%	August 12, 2022	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
9th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	—	1,000,000	1.050%	February 12, 2038	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
10th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	July 9, 2019	5,000,000	—	5,000,000	0.220%	July 9, 2024	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
11th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 18, 2019	4,000,000	—	4,000,000	0.530%	November 16, 2029	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
12th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	October 21, 2020	4,500,000	—	4,500,000	0.510%	October 21, 2030	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
13th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 9, 2021	1,300,000	—	1,300,000	0.750%	February 8, 2036	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
14th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 16, 2021	3,900,000	—	3,900,000	0.400%	November 14, 2031	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
Total	—	26,700,000	—	26,700,000	—	—	—	—

(Note) Annual redemptions of investment corporation bonds scheduled for next five years after each balance sheet date were as follows:

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years
Unsecured bonds (with pari passu conditions among specified investment corporation bonds)	1,000,000	—	7,000,000	2,000,000	1,000,000



Loans Payable

The following tables show the details of loans payable.

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	320,000	—	0.41931%	December 28, 2021	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	—	640,000	—				
	Mizuho Bank, Ltd.		320,000	—	320,000	—				
	Sumitomo Mitsui Banking Corporation		160,000	—	160,000	—				
	Development Bank of Japan Inc.		160,000	—	160,000	—				
	Sumitomo Mitsui Trust Bank, Limited	January 9, 2015	840,000	—	840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		840,000	—	840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		840,000	—	840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		840,000	—	840,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		420,000	—	420,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		420,000	—	420,000	—	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	—	1,420,000	—	0.20047%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	—	1,420,000	—				
	MUFG Bank, Ltd.		720,000	—	720,000	—				
	Sumitomo Mitsui Banking Corporation	January 10, 2020	720,000	—	720,000	—	0.31571%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		720,000	—	720,000	—				
	Mizuho Trust & Banking Co.,LTD.	March 31, 2015	2,000,000	—	2,000,000	—	0.68500%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		500,000	—	500,000	—				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2017	400,000	—	400,000	—	0.30630%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed
	The 77 Bank, Ltd.		400,000	—	400,000	—				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2015	200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		100,000	—	—	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		100,000	—	—	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	1,560,000	—	—	1,560,000	0.44835%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,560,000	—	—	1,560,000				
	MUFG Bank, Ltd.		1,560,000	—	—	1,560,000				
	Sumitomo Mitsui Banking Corporation		160,000	—	—	160,000				
	Development Bank of Japan Inc.		160,000	—	—	160,000				

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2019	620,000	—	—	620,000	0.38236%	January 10, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		620,000	—	—	620,000				
	MUFG Bank, Ltd.		620,000	—	—	620,000				
	Sumitomo Mitsui Banking Corporation		320,000	—	—	320,000				
	Development Bank of Japan Inc.		320,000	—	—	320,000				
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	750,000	—	—	750,000	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		750,000	—	—	750,000				
	MUFG Bank, Ltd.		750,000	—	—	750,000				
	Sumitomo Mitsui Banking Corporation		375,000	—	—	375,000				
	Development Bank of Japan Inc.		375,000	—	—	375,000				
	Sumitomo Mitsui Trust Bank, Limited	October 6, 2016	800,000	—	—	800,000	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,600,000	—	—	1,600,000				
	Mizuho Bank, Ltd.		800,000	—	—	800,000				
	Sumitomo Mitsui Banking Corporation		400,000	—	—	400,000				
	Development Bank of Japan Inc.		400,000	—	—	400,000				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	—	—	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		625,000	—	—	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	—	—	1,250,000	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,500,000	—	—	2,500,000				
	Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000				
	Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	1,000,000	—	—	1,000,000	0.21873%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	—	—	1,000,000				
	MUFG Bank, Ltd.		500,000	—	—	500,000				
	Taiyo Life Insurance Company	March 31, 2017	500,000	—	—	500,000	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited		500,000	—	—	500,000				
	Resona Bank, Limited.	March 31, 2020	1,500,000	—	—	1,500,000	0.19498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	—	—	500,000	0.23498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 12, 2016	1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		700,000	—	—	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	—	—	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	—	—	1,420,000	0.34459%	January 12, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	—	—	1,420,000				
	MUFG Bank, Ltd.		720,000	—	—	720,000				
	Sumitomo Mitsui Banking Corporation		720,000	—	—	720,000				
	Development Bank of Japan Inc.		720,000	—	—	720,000				
	Mizuho Trust & Banking Co.,LTD.	March 31, 2017	2,000,000	—	—	2,000,000	0.41380%	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		1,500,000	—	—	1,500,000				
	The Bank of Fukuoka, Ltd.		1,000,000	—	—	1,000,000				
	Shinkin Central Bank		500,000	—	—	500,000				
	The Norinchukin Bank		500,000	—	—	500,000				
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2015	1,200,000	—	—	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,200,000	—	—	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,200,000	—	—	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		600,000	—	—	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2016	1,500,000	—	—	1,500,000	0.33150% (Note 5)	June 17, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2016	1,500,000	—	—	1,500,000	0.36900% (Note 5)	December 13, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	1,200,000	—	—	1,200,000	0.54094%	March 21, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,400,000	—	—	2,400,000				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000				
	Development Bank of Japan Inc.		600,000	—	—	600,000				
	Nippon Life Insurance Company	March 31, 2021	500,000	—	—	500,000	0.25000%	March 31, 2025	(Note 4)	Unsecured, non-guaranteed

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	March 16, 2017	1,800,000	—	—	1,800,000	0.70169%	September 16, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,600,000	—	—	3,600,000				
	Mizuho Bank, Ltd.		1,800,000	—	—	1,800,000				
	Sumitomo Mitsui Banking Corporation		900,000	—	—	900,000				
	Development Bank of Japan Inc.		900,000	—	—	900,000				
	Mizuho Trust & Banking Co.,LTD.	March 16, 2018	440,000	—	—	440,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		440,000	—	—	440,000				
	The Bank of Fukuoka, Ltd.		440,000	—	—	440,000				
	Shinkin Central Bank		440,000	—	—	440,000				
	The Norinchukin Bank		440,000	—	—	440,000				
	THE NISHI-NIPPON CITY BANK, LTD.	March 30, 2018	500,000	—	—	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	The Bank of Kyoto,Ltd.		300,000	—	—	300,000				
	Sumitomo Mitsui Trust Bank, Limited		500,000	—	—	500,000				
	Mizuho Bank, Ltd.		500,000	—	—	500,000				
	MUFG Bank, Ltd.		500,000	—	—	500,000				
	Sumitomo Mitsui Banking Corporation	August 29, 2019	250,000	—	—	250,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		250,000	—	—	250,000				
	Mizuho Trust & Banking Co.,LTD.		1,500,000	—	—	1,500,000				
	Shinkin Central Bank		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	2,100,000	—	—	2,100,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		4,200,000	—	—	4,200,000				
	Mizuho Bank, Ltd.		2,100,000	—	—	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	—	—	1,050,000				
	Development Bank of Japan Inc.		1,050,000	—	—	1,050,000				
	Sumitomo Mitsui Banking Corporation	December 13, 2016	6,000,000	—	—	6,000,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.	March 7, 2019	1,100,000	—	—	1,100,000	0.35765%	September 7,2026	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		1,100,000	—	—	1,100,000				
	The Bank of Fukuoka, Ltd.		1,100,000	—	—	1,100,000				
	The Norinchukin Bank		1,100,000	—	—	1,100,000				
	The 77 Bank, Ltd.		600,000	—	—	600,000				
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,750,000	—	—	1,750,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,500,000	—	—	3,500,000				
	Mizuho Bank, Ltd.		1,750,000	—	—	1,750,000				
	Mizuho Trust & Banking Co.,LTD.	June 28, 2019	1,200,000	—	—	1,200,000	0.23004%	December 28, 2026	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank		1,200,000	—	—	1,200,000				

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2018	780,000	—	—	780,000	0.70698%	January 9, 2027	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,560,000	—	—	1,560,000				
	Mizuho Bank, Ltd.		780,000	—	—	780,000				
	Sumitomo Mitsui Banking Corporation		390,000	—	—	390,000				
	Development Bank of Japan Inc.		390,000	—	—	390,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	—	—	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		950,000	—	—	950,000				
	MUFG Bank, Ltd.		950,000	—	—	950,000				
	Sumitomo Mitsui Banking Corporation		475,000	—	—	475,000				
	Development Bank of Japan Inc.		475,000	—	—	475,000				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2022	—	400,000	—	400,000	0.43309%	March 31, 2027	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	2,200,000	—	—	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,200,000	—	—	2,200,000				
	MUFG Bank, Ltd.		2,200,000	—	—	2,200,000				
	Sumitomo Mitsui Banking Corporation		200,000	—	—	200,000				
	Development Bank of Japan Inc.		200,000	—	—	200,000				
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	—	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	—	—	640,000				
	Mizuho Bank, Ltd.		320,000	—	—	320,000				
	Sumitomo Mitsui Banking Corporation		160,000	—	—	160,000				
	Development Bank of Japan Inc.		160,000	—	—	160,000				
	Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	—	—	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	—	—	1,000,000				
	MUFG Bank, Ltd.		1,000,000	—	—	1,000,000				
	Sumitomo Mitsui Banking Corporation	April 19, 2019	500,000	—	—	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		500,000	—	—	500,000				
	The Bank of Fukuoka, Ltd.	March 31, 2020	1,000,000	—	—	1,000,000	0.28500%	September 30, 2027	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank	January 10, 2019	500,000	—	—	500,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		3,210,000	—	—	3,210,000				
	Mizuho Bank, Ltd.		3,210,000	—	—	3,210,000				
	MUFG Bank, Ltd.		1,610,000	—	—	1,610,000				
	Sumitomo Mitsui Banking Corporation		1,610,000	—	—	1,610,000				
	Development Bank of Japan Inc.	January 10, 2019	1,610,000	—	—	1,610,000	0.65264%	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	—	—	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,165,000	—	—	1,165,000				
	MUFG Bank, Ltd.		590,000	—	—	590,000				
	Sumitomo Mitsui Banking Corporation		590,000	—	—	590,000				
	Development Bank of Japan Inc.		590,000	—	—	590,000				
	Sumitomo Mitsui Trust Bank, Limited	July 9, 2019	420,000	—	—	420,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		420,000	—	—	420,000				
	MUFG Bank, Ltd.		420,000	—	—	420,000				
	Sumitomo Mitsui Banking Corporation		220,000	—	—	220,000				
	Development Bank of Japan Inc.		220,000	—	—	220,000				

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks				
	Lender													
	Mizuho Trust & Banking Co.,LTD.	January 12, 2021	1,500,000	—	—	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed				
	The Bank of Fukuoka, Ltd.		1,500,000	—	—	1,500,000								
	The 77 Bank, Ltd.		1,000,000	—	—	1,000,000								
	THE NISHI-NIPPON CITY BANK, LTD.		1,000,000	—	—	1,000,000								
	Development Bank of Japan Inc.	June 13, 2019	6,000,000	—	—	6,000,000	0.56511%	December 13,2028	(Note 4)	Unsecured, non-guaranteed				
	Mizuho Trust & Banking Co.,LTD.	March 31, 2022	—	2,000,000	—	2,000,000	0.56934%	March 31,2029	(Note 4)	Unsecured, non-guaranteed				
	Shinkin Central Bank		—	500,000	—	500,000								
	The 77 Bank, Ltd.		—	400,000	—	400,000								
	Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	1,200,000	—	—	1,200,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000								
	MUFG Bank, Ltd.		600,000	—	—	600,000								
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000								
	Development Bank of Japan Inc.	600,000	—	—	600,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed					
	Sumitomo Mitsui Trust Bank, Limited	1,400,000	—	—	1,400,000									
	Mizuho Bank, Ltd.	1,400,000	—	—	1,400,000									
	MUFG Bank, Ltd.	700,000	—	—	700,000									
	Sumitomo Mitsui Banking Corporation	700,000	—	—	700,000									
	Development Bank of Japan Inc.	700,000	—	—	700,000	0.45403%	December 21,2029	(Note 4)	Unsecured, non-guaranteed					
	Sumitomo Mitsui Trust Bank, Limited	1,320,000	—	—	1,320,000									
	Mizuho Bank, Ltd.	1,320,000	—	—	1,320,000									
	MUFG Bank, Ltd.	1,320,000	—	—	1,320,000									
	Sumitomo Mitsui Banking Corporation	670,000	—	—	670,000	0.49750%	January 11,2030	(Note 4)	Unsecured, non-guaranteed					
	Development Bank of Japan Inc.	670,000	—	—	670,000									
	Sumitomo Mitsui Trust Bank, Limited	—	400,000	—	400,000									
	Mizuho Bank, Ltd.	—	400,000	—	400,000									
	MUFG Bank, Ltd.	—	400,000	—	400,000									
	Sumitomo Mitsui Banking Corporation	—	200,000	—	200,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed					
	Development Bank of Japan Inc.	—	200,000	—	200,000									
	Sumitomo Mitsui Trust Bank, Limited	1,670,000	—	—	1,670,000									
	Mizuho Bank, Ltd.	1,670,000	—	—	1,670,000									
	MUFG Bank, Ltd.	1,670,000	—	—	1,670,000									
	Sumitomo Mitsui Banking Corporation	845,000	—	—	845,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed					
	Development Bank of Japan Inc.	845,000	—	—	845,000									
	Sumitomo Mitsui Trust Bank, Limited	2,720,000	—	—	2,720,000									
	Mizuho Bank, Ltd.	2,720,000	—	—	2,720,000									
	MUFG Bank, Ltd.	1,370,000	—	—	1,370,000									
	Sumitomo Mitsui Banking Corporation	1,370,000	—	—	1,370,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed					
	Development Bank of Japan Inc.	1,370,000	—	—	1,370,000									
	Sumitomo Mitsui Trust Bank, Limited	1,400,000	—	—	1,400,000									
	Mizuho Bank, Ltd.	1,400,000	—	—	1,400,000									
	MUFG Bank, Ltd.	700,000	—	—	700,000									
	Sumitomo Mitsui Banking Corporation	700,000	—	—	700,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed					
	Development Bank of Japan Inc.	700,000	—	—	700,000									
	Sumitomo Mitsui Trust Bank, Limited	—	2,470,000	—	2,470,000									
	Mizuho Bank, Ltd.	—	2,470,000	—	2,470,000									
	MUFG Bank, Ltd.	—	1,770,000	—	1,770,000									
	Sumitomo Mitsui Banking Corporation	—	1,245,000	—	1,245,000	Total								
	Development Bank of Japan Inc.	—	1,245,000	—	1,245,000									
			233,650,000	14,100,000	14,100,000						233,650,000			

(Note 1) Weighted average rate, rounding to the sixth decimal place.

(Note 2) Long-term loans payable include current portion.

(Note 3) Use of the borrowings is acquisition of the real estate trust beneficiary interests.



(Note 4) Use of the borrowings is appropriated to repayment of outstanding loans payable.  
(Note 5) This long-term loans payable is hedged by interest rate swap contract. The average interest rate reflects the effectiveness of this hedging instrument.  
(Note 6) The role of Mitsubishi UFJ Trust and Banking Corporation as a lender has been taken over by MUFG Bank, Ltd. on April 16, 2018.

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years
Long-term loans payable	26,500,000	35,250,000	24,500,000	27,500,000	28,500,000

# Independent Auditor's Report

## Independent Auditor's Report

The Board of Directors  
Activia Properties Inc.

### Opinion

We have audited the accompanying financial statements of Activia Properties Inc. (the Investment Corporation), which comprise the balance sheet as at May 31, 2022, and the statement of income, unitholders' equity, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at May 31, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Investment Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the information included in the Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Directors are responsible for overseeing the Investment Corporation's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and the Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Corporation's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Supervisory Directors are responsible for overseeing the Investment Corporation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

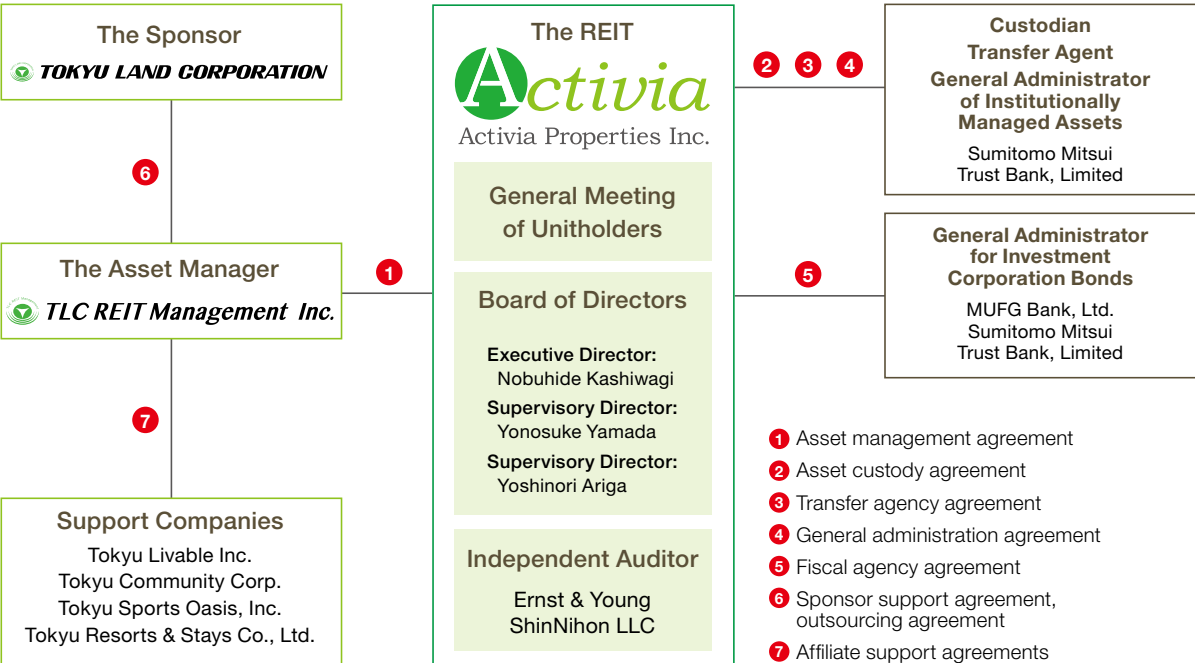
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Investment Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Investment Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

## Overview of API

### Structure



### Profile

Name	Activia Properties Inc.
Executive Director	Nobuhide Kashiwagi
Address	Shibuya Solasta 18F, 21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Contact	Activia Management Division of TLC REIT Management Inc. Tel. +81-3-6455-3377
Closing dates	May 31 and November 30

### History

Sep. 7, 2011	Registration of incorporation, and foundation under Article 166 of the Act on Investment Trusts and Investment Corporations
Sep. 20, 2011	Implementation of registration by the prime minister under Article 189 of the Act on Investment Trusts and Investment Corporations (registration number: Director of Kanto Local Finance Bureau No. 73)
Jun. 13, 2012	Listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3279)

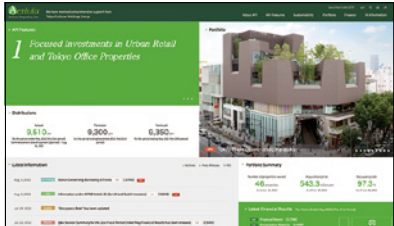
### API Website

We provide all appropriate information on our website in a timely and reliable manner.

URL

<https://www.activia-reit.co.jp/en/>

Accessible from smartphone as well.



We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Investment Corporation which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

September 15, 2022

向出男 治  
Yuji Mukaide  
Designated Engagement Partner  
Certified Public Accountant

新居 幹也  
Mikiya Arai  
Designated Engagement Partner  
Certified Public Accountant



# Overview of the Asset Manager

## Overview of the Asset Manager

Corporate name	TLC REIT Management Inc.	Registration & License	Financial Instruments Business Firm, granted by the Director of the Kanto Regional Finance Bureau (Financial Instruments) Registration No. 2370 Discretionary Transaction Agent granted by the Minister of Land, Infrastructure, Transport and Tourism, Registration No. 65 Building Lots and Building Transactions Business License, granted by the Governor of Tokyo (3) No. 91139 Member of the Investment Trusts Association, Japan
Established	October 6, 2009		
Capital	¥200 million		
Shareholder	Tokyu Land Corporation 100%	President and CEO	Masaoki Kanematsu

## DNA of Tokyu Land Corporation

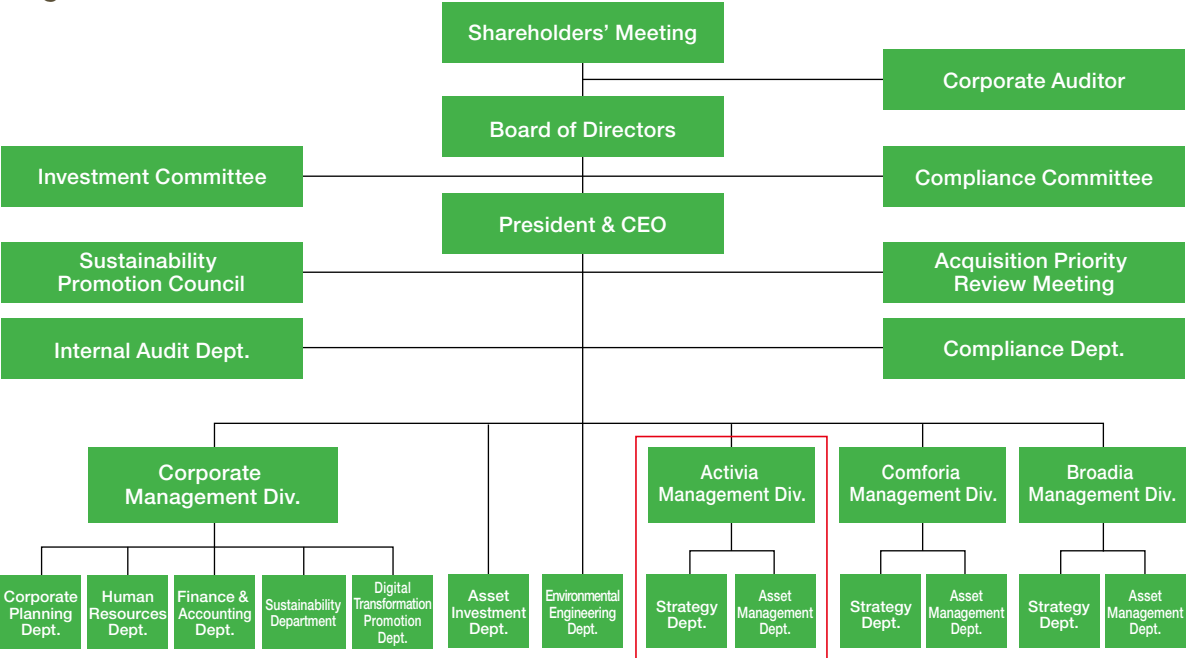
The Tokyu Fudosan Holdings Group generally carries on the frontier spirit and development capabilities of Tokyu Land Corporation in undertaking development mainly in the Tokyo metropolitan area and major cities nationwide. The Group has built up a strong track record as a pioneer in creating businesses ahead of the times in anticipation of customer demands, for example by opening Tokyu Plaza as the forefront of a building complex near the station.

The Asset Manager staff, with abundant experience in many fields of the Tokyu Fudosan Holdings Group, engage in J-REIT operations to meet the needs of unitholders.

## Proactive Behavior

As an asset manager, employees are required to work proactively (take initiative, foresee and make improvements). API aims at stable asset management over the medium to long term, through not only management and good care of individual properties, but also by closely observing and responding early to the changing market environment (real estate transaction, leasing and finance markets).

## Organizational Chart



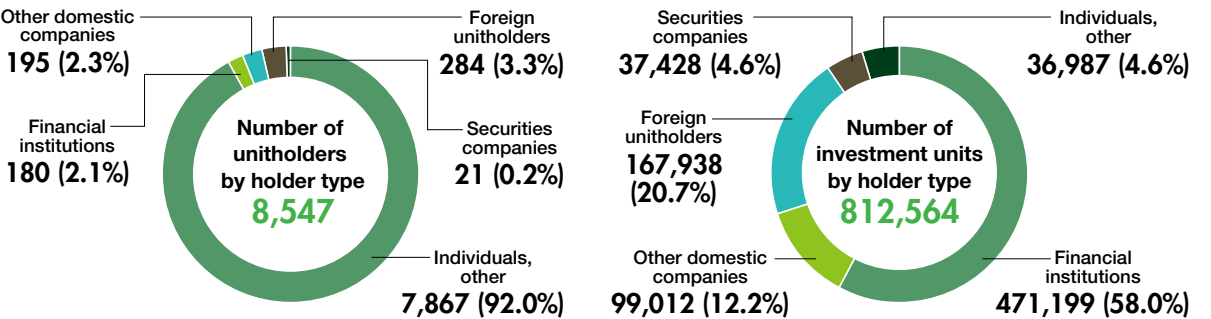
# Information on Unitholders

## Trends in Unit Prices



(Note 1) Performance of TSE REIT index is indexed to API unit price as of June 13, 2012 being 100.  
(Note 2) As API implemented a 2-for-1 investment unit split effected as of October 1, 2015, the closing prices from the listing date to the end of May 2015 are indicated as half as adjusted for the unit split.

## Distribution of Unitholders



(Note 1) API implemented a 2-for-1 investment unit split effected as of October 1, 2015.  
(Note 2) "Individuals, other" includes governments and local public entities.

## Unitholder Memo

Account closing dates	May 31 and November 30
Unitholders' meeting	To be held at least once every two years
Record date for unitholders' meeting	A record date based on Article 15, Section 1 of the Articles of Incorporation
Dates for determining cash distribution payments	May 31 and November 30
Administrator of unitholders' registry	Sumitomo Mitsui Trust Bank, Limited 4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Place of business of administrator of unitholders' registry	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited Mailing address: 8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063, Japan ☎ 0120-782-031 (toll-free, available within Japan only) URL: <a href="https://www.smtb.jp/personal/procedure/agency/">https://www.smtb.jp/personal/procedure/agency/</a> (Japanese page)
Stock exchange	J-REIT section of the Tokyo Stock Exchange (securities code: 3279)
Newspaper to provide public notice	Nihon Keizai Shimbun

■ **Change of registered address, name or seal, etc., or designation or change of account for receipt of dividends:**

Please contact the securities company.

■ **Dividends**

You can receive dividends by presenting a dividend receipt to the nearest head office/branch/office of Japan Post Bank (bank agency). If the period for receipt has already expired, please specify how you wish to receive dividends on the back of the dividend receipt, and then mail it to the Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, or receive dividends directly at the service counter of the head office/branch of the bank.

In addition, with respect to future dividends, if you wish to receive dividends through transfer to a bank account, etc., please take the necessary procedures at your securities company.

Telephone inquiries	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited  <b>0120-782-031</b> (toll-free, available within Japan only)
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**Withholding tax rate on dividends of listed investment corporations**

Commencement date of the dividend payment	From January 1, 2014 through December 31, 2037		From January 1, 2038	
Dividend tax rate of listed investment corporations	20.315%		20%	
	Breakdown	Income tax 15% + <b>Reconstruction special income tax 0.315%</b> <small>(Note)</small>	Breakdown	Income tax 15%
		Residence tax 5%		Residence tax 5%

(Note) 15% × reconstruction special income tax rate 2.1% = 0.315%.

During the period from January 1, 2013 through December 31, 2037 (25 years), the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (2011 Law No. 117) is in force. As a result, there is a reconstruction special income tax of 2.1%.

This reconstruction special income tax will be imposed together when income tax is withheld at the source on dividends paid by listed investment corporations.

Additional issues to be aware of are as follows.

■ **Matters to be noted regarding the withholding tax on dividends of listed investment corporations**

- In the case of an individual unitholder who holds 3% or more of the outstanding investment units, the income tax rate is 20.42% (income tax 20% + reconstruction special income tax 0.42% (Note)). However, with regard to residence tax, a separate procedure is required.
- If a corporate unitholder receives dividends, no residence tax will be imposed.

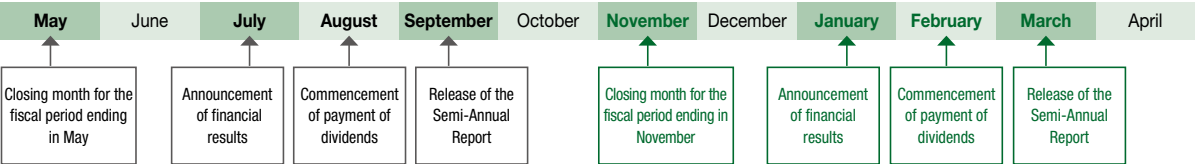
(Note) 20% × reconstruction special income tax rate 2.1% = 0.42%.

■ **Matters to be noted regarding the Reconstruction Special Income Tax**

- In cases where income tax is non-taxable or exempt, or where the income tax rate is less than the rate provided by domestic laws due to the application of a tax treaty, the reconstruction special income tax will not be imposed.
- With regard to taxes in the case where you have selected the method of allocation in proportion to the number of shares held, please ask your securities company.

For more details, please ask the tax office with jurisdiction over the place of tax payment.

**Annual Schedule**





<https://www.activia-reit.co.jp/en/>