



Semi-Annual Report

for the Period ended November 30, 2022
(the 22nd Period)

From June 1, 2022 to November 30, 2022

22nd

3279

MERCURE
HOTEL

MERCURE HOTEL



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 November 2022 (the 22nd Period)
Cash distributions per unit

¥ **9,300**

Cash Distributions (Forecasts)

The Period ending May 2023 (the 23rd Period)
Cash distributions per unit

¥ **9,350**

The Period ending November 2023 (the 24th Period)
Cash distributions per unit

¥ **9,300**

Financial Highlights

	Period ended May 31, 2022 (the 21st Period)	Period ended November 30, 2022 (the 22nd Period)
Operating revenue	¥15,512 million	¥16,178 million
Operating profit	¥8,624 million	¥8,920 million
Ordinary profit	¥7,734 million	¥7,997 million
Profit	¥7,731 million	¥7,844 million
Total assets	¥562,272 million	¥561,682 million
Net assets	¥274,768 million	¥274,906 million
Unitholders' equity to total assets (%)	48.9%	48.9%
Net assets per unit (yen) ^(Note)	¥338,149	¥338,319

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



With Aim to Return to Growth, We Will Steadily Implement a Range of Measures for Medium- to Long-Term Growth



Nobuhide Kashiwagi
Executive Director
Activia Properties Inc.

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

Recently we closed all accounts for the period from June 1, 2022 to November 30, 2022. We owe this achievement to your understanding and continued support for which we wish to extend our deep appreciation.

During the fiscal period under review, we saw progress in measures to address COVID-19 infections and the advancement of economic activities, and despite downward pressure from soaring resource and energy prices, the Japanese economy showed signs of a gradual recovery.

The J-REIT market, in addition to undergoing a significant adjustment amid the global rise in interest rates in June, saw a temporary worsening of the supply and demand situation with a succession of capital increases through public offerings occurring in October, but subsequently, the market regained its ground and prices bounced back by the end of November 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. In the rental office market, the shift to remote work appears to have run its course and people are now returning to the office. We maintained a high occupancy rate in the greater Shibuya area, one of our focused investment areas as well as the Osaka area, and achieved rental growth at lease renewal and tenant replacement, although we are taking time in leasing in the Shinagawa and Shiodome areas, where there is a tough competition. For retail properties, with traffic coming back, tenant sales are recovering. We succeeded in continually securing stable revenue due to long and fixed term lease contracts that we have with most of our tenants. Our hotel sales are recovering also, from which we expect to have the first rent revenue from the sales-linked portion after two years, or since 2019.

Furthermore, during the period under review, we made an announcement about an asset acquisition to be

conducted in the fiscal period ending May 2023, which is in line with our asset replacement strategy aiming at improving the profitability and quality of our portfolio. Also, we plan to continue our DPU strategy utilizing the gain on sale of property.

We will make a continuous effort in our operation for medium- to long-term growth of our investment corporation.

API's portfolio at the end of the period under review was 46 properties with the total acquisition price of ¥542.4 billion. And as a result of the above-mentioned management, operating revenue, operating profit, and profit for the period under review were ¥16,178 million, ¥8,920 million and ¥7,844 million, respectively, for the period ended November 2022. Distributions per investment unit were ¥9,300.

API has included ESG (environment, social, and governance) perspectives into the long-term management strategy to realize a sustainable society. In 2019, we identified our materiality (material issues) and policies for initiatives to address each of them, and 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 CO₂ emission reduction target in our environmental KPIs that we 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 23rd period ending May 2023 onwards, we will continue to focus on building a foundation to increase unitholder value by implementing asset replacements to improve the competitiveness of the portfolio.

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

1 Performance by Key Indicators for the 22nd Period Ended November 2022

Financial Results (FP22 ended November 2022)			
Operating revenue (Gain on sale of real estate)		Profit	
¥16.1 billion (¥0.9 billion)	vs. Previous period +¥0.6 billion (+¥0.9 billion)	¥7.8 billion	vs. Previous period +¥0.1 billion
DPU		NAV per unit	
¥9,300	vs. Previous period -¥210	¥465,776	vs. Previous period -¥314

Internal Growth (Offices) (FP22 ended November 2022)	Properties under Management (End of November 2022)	Debt Financing (End of November 2022)
Ratio of area with increased rent 13% vs. Previous period +1 pt	Number of properties 46 Vs. End of May 2022 -1	Interest-bearing debt ¥260.3 billion Vs. End of May 2022 —
Increased amount -¥37 million vs. Previous period -¥10 million	AUM ¥542.4 billion Vs. End of May 2022 -¥5.5 billion	LTV (book value) 46.4% Vs. End of May 2022 +0.1 pt
Increase rate -3% vs. Previous period -1 pt	Core asset ratio (UR + TO) 80.9% Vs. End of May 2022 -0.2 pt	Avg. remaining years to maturity 4.2 years Vs. End of May 2022 -0.1 year
Average rent ¥22.2 k vs. Previous period -¥0.3 k	Appraisal value ¥640.2 billion Vs. End of May 2022 -¥6.4 billion	Avg. interest rate 0.54% Vs. End of May 2022 —
Rent gap +4% vs. Previous period +1 pt	Unrealized gain ¥103.5 billion Vs. End of May 2022 -¥0.3 billion	Commitment line ¥21.0 billion Vs. End of May 2022 —

(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 Operational Status and Policies for the Future

Operational status

- **Offices in Shinbashi and Shinagawa areas are still struggling.** Sales of retail tenants are improving, though more time is needed before it contributes to rent revenue
- **Overall occupancy rate is stabilizing by capturing tenants' relocation demands for buildings in better location and with higher specifications.** Hotels continue to show signs of recovery
- Due to current rising electricity expenses, balance of utilities is expected to worsen

Strategy to improve unitholder value

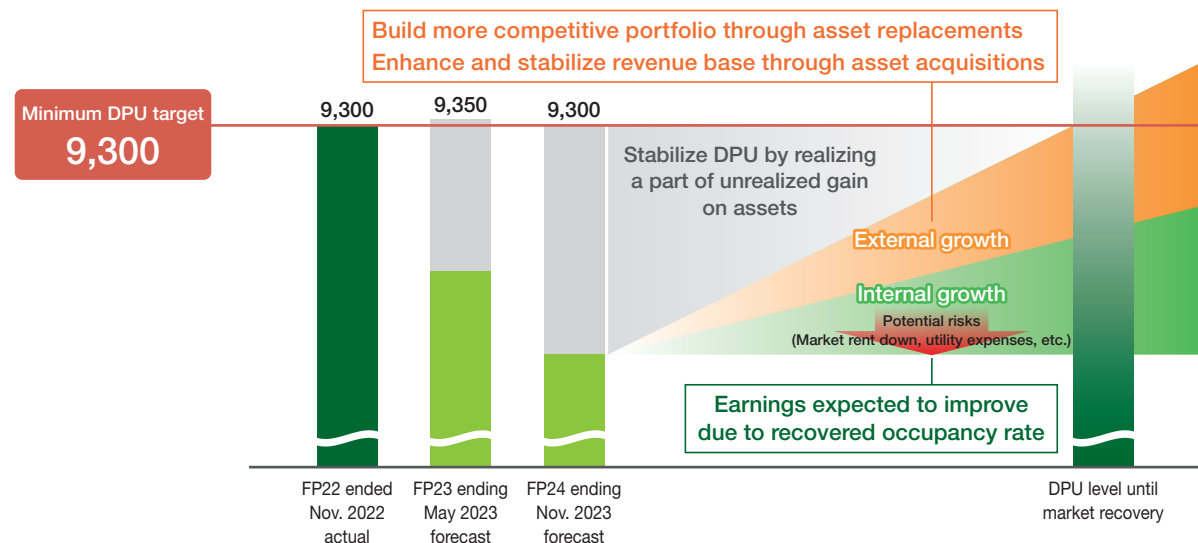
- **Decided to acquire a property that will contribute to improving portfolio profitability and stability** (A-FLAG NISHI SHINSAIBASHI)
- **Secured the minimum DPU level and accumulated an internal reserve** by asset disposition in three phases (Luogo Shiodome)

Policies for the future

- Continue to **improve portfolio quality and profitability through asset replacements**
- **Prioritize improving office occupancy rate** in challenging areas, **while leveraging locational advantage** for retail properties
- Reinforce **DPU management capability** against downside risk **by leveraging unrealized gain on sale of properties and internal reserves**

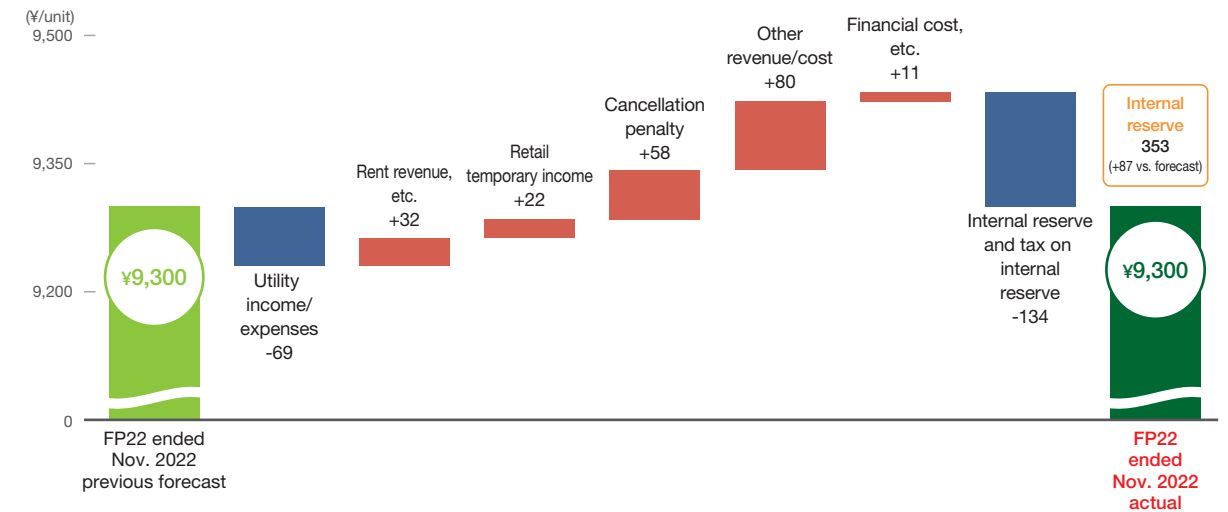
3 Path from Stability toward Return to Growth

- Maintain **the minimum DPU target at ¥9,300**, despite the negative impact of weakened lease market trend and rising electricity expenses
- Aim to **improve profitability and reinforce competitiveness of the portfolio** through asset replacement strategy as well as deliver stable DPU by utilizing unrealized disposal gain



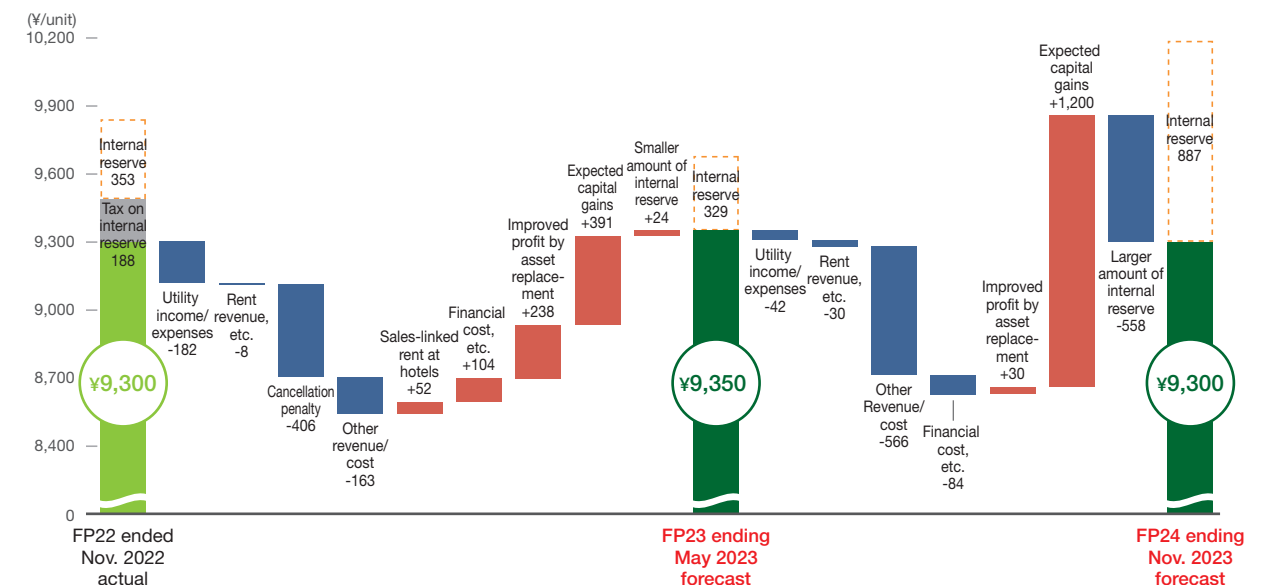
4 DPU Summary for FP22 Ended November 2022 vs. Forecast

- DPU for FP22 ended November 2022 **exceeded the forecast** due to solid management being implemented, despite the negative impact of a deteriorated balance of utility income/expenses
- **Addition to internal reserves was ¥87 higher than forecast, in order** to improve financial health



5 Forecast DPU Summary FP23 Ending May 2023 and FP24 Ending November 2023

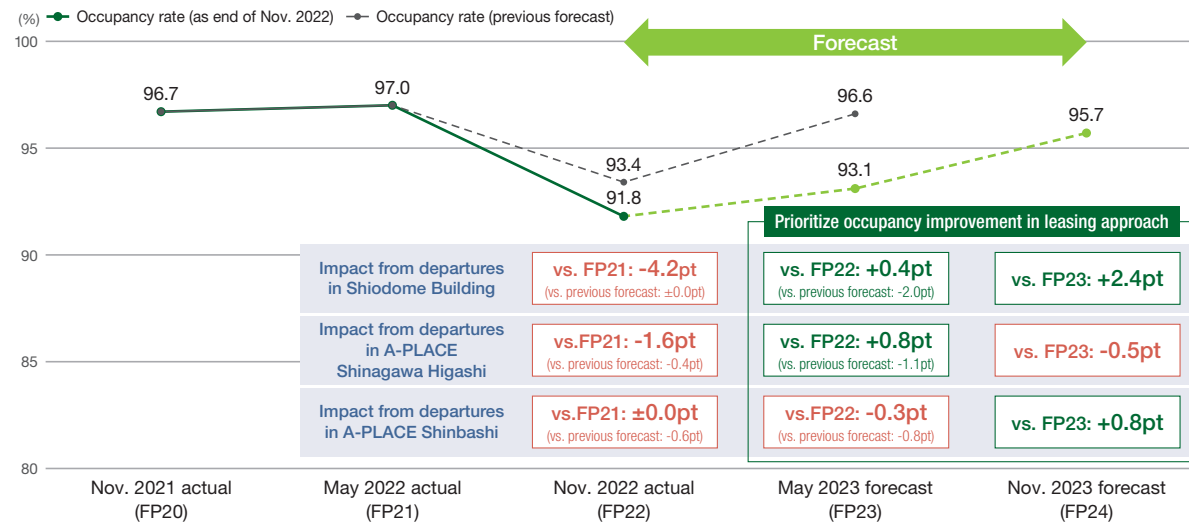
- For FP23 ending May 2023, **DPU is expected to be ¥9,350** due to improved profitability by asset replacement and disposal gain which will absorb the deteriorated utility income/expenses and stripping of the cancellation penalty
- For FP24 ending November 2023, **a significant amount of internal reserve is planned to be accumulated** because the largest disposal gain ever will be recorded, which will contribute future DPU stabilization



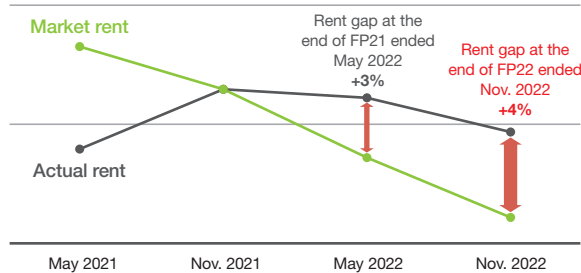
6 Office Leasing Status

- In FP22 ended Nov. 2022, **the occupancy rate was lower than the previous forecast**, partly due to new tenant departures
- For FP23 ending May 2023 onward, we aim for a steady recovery in struggling properties with **leasing approaches prioritizing the occupancy rates** of buildings

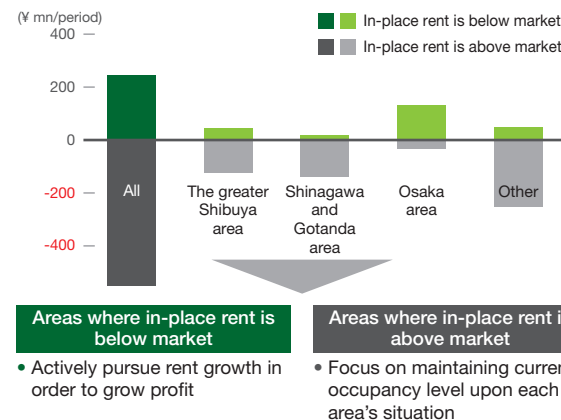
1. Occupancy rate (actual and forecast)



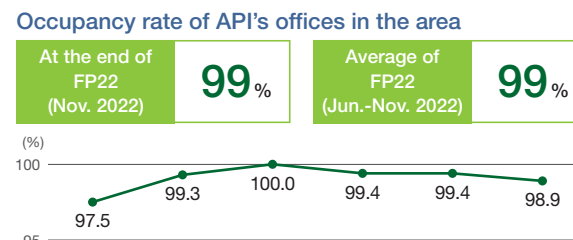
2. Trend in actual-to-market rent gap



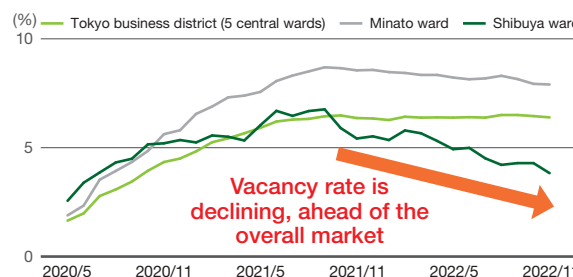
Rent gap by area



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



4. Vacancy rate in the Shibuya area



7 Retail Leasing Status

- For DECKS Tokyo Beach, **the number of visitors has recovered to approx. 90% of pre-COVID levels** owing to new tenants from emerging businesses
- Continue to generate revenue through short-term events and advertising** by utilizing properties' favorable locations

1. Strategic leasing of retail properties

Actively attract new businesses

DECKS Tokyo Beach

- Children's play area, which opened in June 2022, has been performing well, partly due to social networking by celebrities
- People coming to the playground tend to shop in other stores, which **contributes to the sales of the entire facility**



Secure revenue through flexible approaches to leasing

DECKS Tokyo Beach

- An event for a popular esports online gaming was held here



Q plaza HARAJUKU

- A pop-up event of Universal Studio Japan was held here



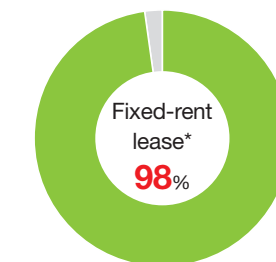
Strengthen revenue structure by lowering dependence on tenants

Tokyu Plaza Omotesando Harajuku

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



2. Leases for retail tenants

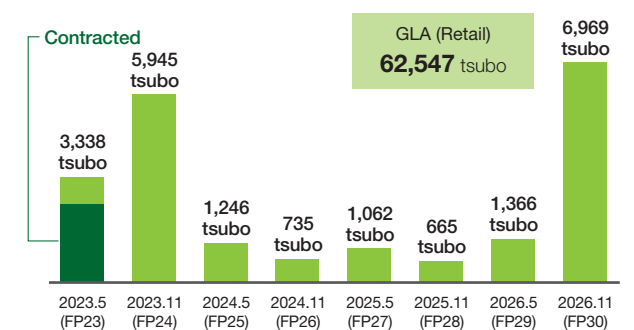


* Based on the UR and AA retail properties' lease contracts in FP22 ended Nov. 2022



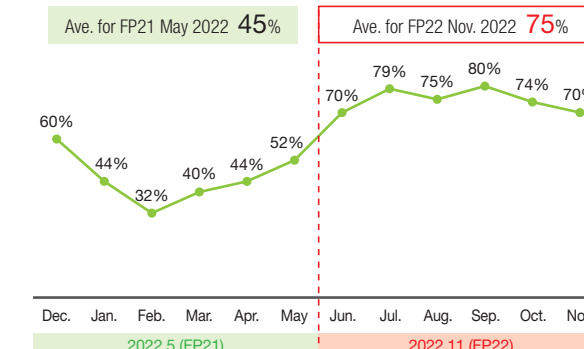
* Based on the UR and AA retail properties' fixed rent lease contracts

3. Lease expiry diversification



4. Status of hotels

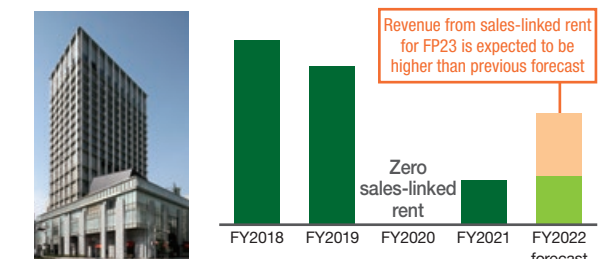
Room occupancy



Actual and forecasted revenue from sales-linked rent for Kobe Kyu Kyoryuchi 25Bankan

- With underlying performance, we expect a **higher amount** than the previous forecast

UR-7 Kobe Kyu Kyoryuchi 25Bankan




8 External Growth

Overview of new acquisition in FP23 ending May 2023


- A property with high stability due to a long-term and fixed-rent lease contract with one of API's support companies, acquired from the sponsor by leveraging their support
- Asset replacement with a new property in a prime location improves the location and profitability, and therefore the quality of API's overall portfolio

1. Overview of the property (Acquired as of January 13, 2023)

UR-18
A-FLAG NISHI SHINSAIBASHI



Anticipated acquisition date	Jan. 13, 2023
Asset	Hotel
Hotel name	Mercure Tokyu Stay Osaka Namba
Anticipated acquisition price	¥14,300 million
Appraisal value	¥14,700 million
Capitalization rate	4.2%
Total area/ Nb. Of rooms	13,531.41m ² / 288



- Located in Minami, Osaka, a prime location and a center of culture and trends with high demand for business and leisure
- Synergies expected from the name recognition of international hotel brand **Mercure** and high appreciation of Tokyu Stay from domestic customers
- Will enjoy a stable cash flow due to a long-term and fixed-rent lease

2. Impact of asset replacement

- Improve the overall portfolio profitability by replacing with the properties with weakened earning capacity

UR-18	UR-14
A-FLAG NISHI SHINSAIBASHI	A-FLAG KITA SHINSAIBASHI
NOI yield after depreciation*	NOI yield after depreciation*
3.6%	2.5%
Building age	Building age
15 years	15 years
New construction	TO-5
(Opened for business in Dec. 2022)	Luogo Shiodome
NOI yield after depreciation*	NOI yield after depreciation*
1.8%	1.8%
Building age	Building age
18 years	18 years

* For A-FLAG NISHI SHINSAIBASHI, NOI yield after depreciation is calculated based on the appraisal NOI less depreciation. For A-FLAG KITA SHINSAIBASHI and Luogo Shiodome, are calculated based on the actual NOI after depreciation for the FP21 ended May 2022 when the decision for disposal was made.

Asset Replacement Strategy for Medium- to Long-Term Growth

- Improve portfolio profitability and stabilize DPU leveraging unrealized gain on sale of properties through asset replacement that captures the changing market environment
- We will consider reshaping our long-term portfolio strategy, continuing asset replacements to improve profitability in the FP25 ending May 2024 and onwards

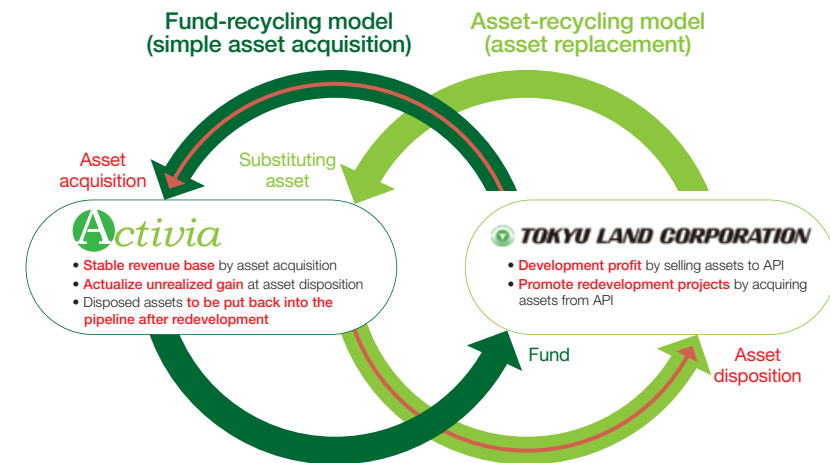
FP21 actual May 2022	FP22 actual Nov. 2022	FP23 May 2023	FP24 Nov. 2023	FP25 May 2024 onwards
Pursued unitholder return through repurchase of investment units	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Acquisition</p> <p>A-FLAG KITA SHINSAIBASHI</p> <p>Disposed on Jun. 30, 2022</p> </div> <div style="text-align: center;"> <p>Luogo Shiodome</p> <p>Disposed of a 20% co-ownership interest as of Nov. 30, 2022</p> </div> </div>	<p>A-FLAG NISHI SHINSAIBASHI</p> <p>Acquired as of Jan. 13, 2023</p>		<p>Continue asset replacement strategy</p> <p>Objective of the strategy</p> <p>Improve the portfolio profitability</p> <p>Utilization of disposal gain of asset to be generated at asset replacement</p> <p>Secure the minimum DPU</p> <p>Accumulate internal reserves</p>
<p>EPU improvement +¥110</p> <p>*FP21 (actual)</p> <p>Total amount of investment units repurchased: ¥4.0 billion</p>			<p>A 29% co-ownership interest to be disposed on May 31, 2023</p>	<p>A 51% co-ownership interest to be disposed on Jun. 1, 2023</p>

Secure stable DPU and accrue internal reserve utilizing gain on sale

Improve profitability and financial stability through asset replacements

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



A-FLAG NISHI SHINSAIBASHI



Q plaza Shinjuku-3chome



Kyoto Karasuma Parking Building



Meguro Tokyu Building



A-PLACE Shibuya Nampoedai



A-PLACE Tamachi East

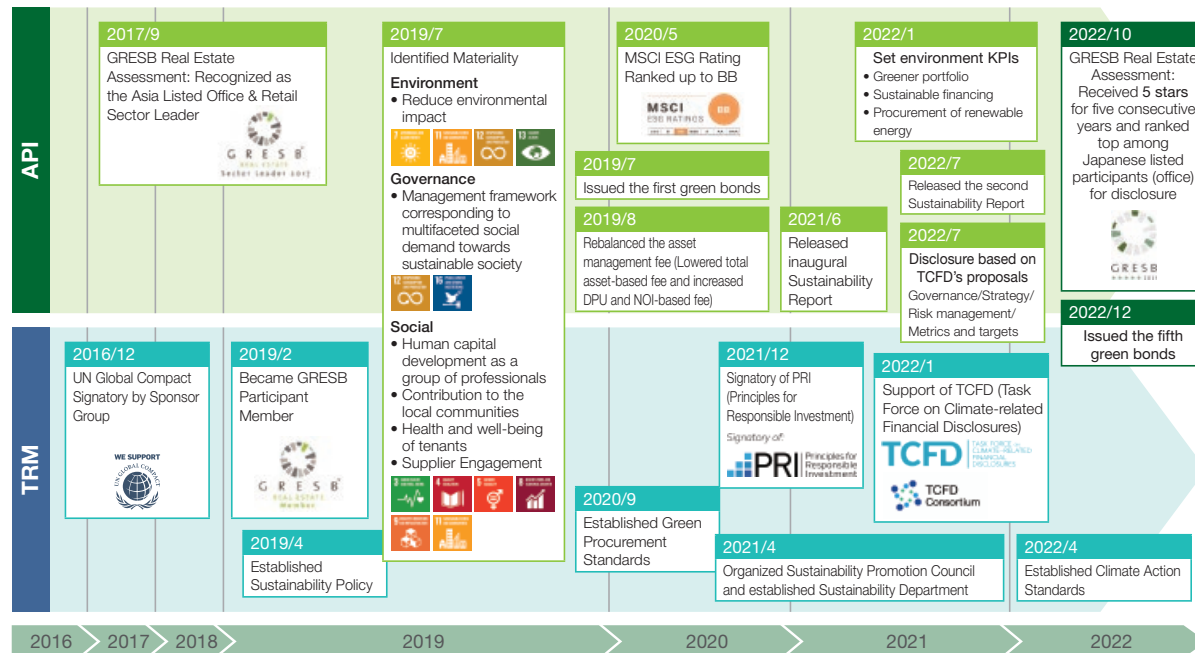
- Potential revenue upside over the medium- to long-terms

2. Disposition criteria


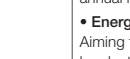
1) Profitability	<ul style="list-style-type: none"> Properties with relatively low yield and limited upside potential
2) Building age	<ul style="list-style-type: none"> Properties requiring a large amount of cash in future for maintenance and capital expenditures, etc.
3) Competitiveness	<ul style="list-style-type: none"> Properties with a risk of significant rent decrease, long-term vacancy, etc.
Disposition method	<ul style="list-style-type: none"> Asset replacement in principle to improve portfolio profitability Deliver stable DPU through methods such as asset disposition over multiple fiscal periods and internal reserves
Disposition size	<ul style="list-style-type: none"> From several billion to over 10 billion yen per period Unrealized gain to total appraisal value of assets at end of November 2022 is 19% (45 properties/total unrealized gain of ¥101.9 bn) * Excluding one property for which sales contract has been concluded
Buyers	<ul style="list-style-type: none"> Assets for which profitability improvement by redevelopment can be expected Dispose to the sponsor and acquire opportunity for external growth after redevelopment Assets for which profitability improvement by redevelopment cannot be expected Disposition to third parties is an option

Initiatives for ESG

- API continues its effort to achieve environmental targets, such as **CO₂ emission reduction** set in January and July 2022

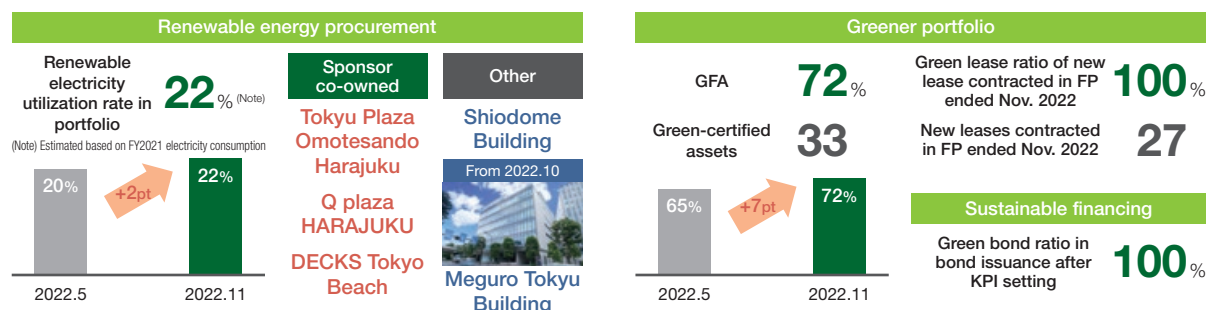


1. Environmental KPIs

	Materiality	Initiatives	KPIs
E	Reduce environmental impact Relevant SDGs  	Initiatives for climate change <ul style="list-style-type: none"> Energy use: Medium- to long-term target of 1% average annual reduction in energy use intensity Energy-related CO₂ emissions: Aiming for 100% reduction of CO₂ generated by electricity by the end of FY2025 Water conservation: Medium- to long-term target of 0.5% average annual reduction in water use intensity Waste generation: Medium- to long-term target of 0.5% average annual reduction in waste intensity 	Renewable energy procurement <ul style="list-style-type: none"> Transition to renewable electricity in all portfolio properties by the end of FY2025 ^(Note) 100% reduction of CO₂ generated by electricity by the end of FY2025, relative to FY2015 baseline ^(Note) Greener portfolio <ul style="list-style-type: none"> 70% or more green-certified assets by 2030 Promote green leases for 100% of new contracts Sustainable financing <ul style="list-style-type: none"> 100% of new issuances of investment corporation bond to be green bonds Consider diversification of sustainable financing methods

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

2. Progress toward objectives



3. External evaluation



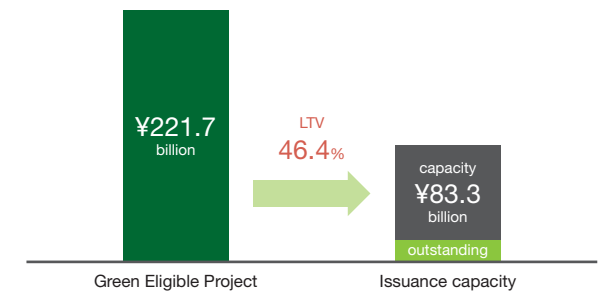
5. Green construction

- Continuously promote renewal and renovation using green products in line with the **Green Procurement Standards** of TRM
- Reduced largely electricity consumption** by LED conversion works in tenant spaces in offices continued to conduct in FP22



4. Green bonds

- Issued ¥2 billion in December 2022



6. Value-added construction

UR-11 A-FLAG KOTTO DORI

- Common-area restrooms enlarged to improve tenant satisfaction
- Installed a personal grooming area with LEDs in the washrooms



7. For local communities

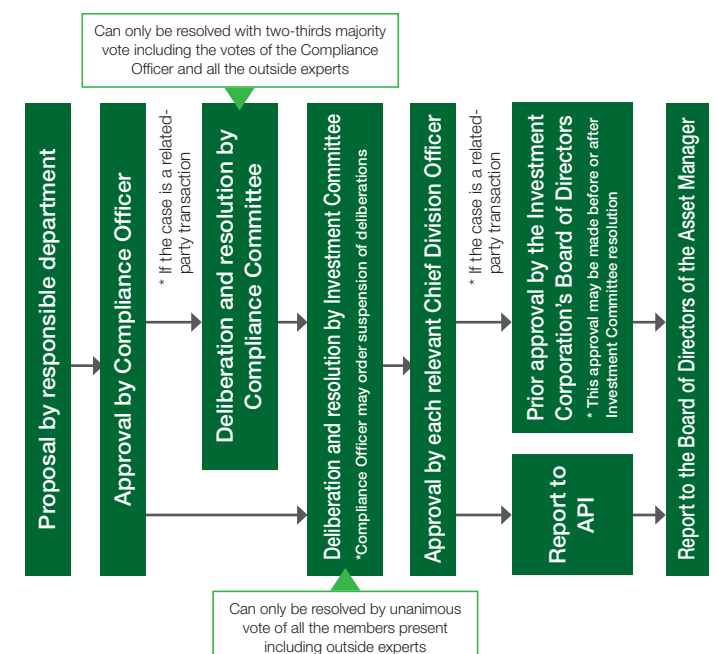
Donation to local governments by Asset Manager

- TRM **donated** to local governments for the **third consecutive year** since 2020 utilizing Regional Revitalization Support Tax System
- In addition to the medical technician support project in Hokkaido Prefecture, in 2022, TRM made donation to the Kyoto City's **carbon neutrality program**



9. Appropriate decision-making process

- Property acquisition transaction with related-parties requires a resolution by the Compliance Committee to avoid conflicts of interest, etc. This structure should protect the interests of unitholders



8. For investors

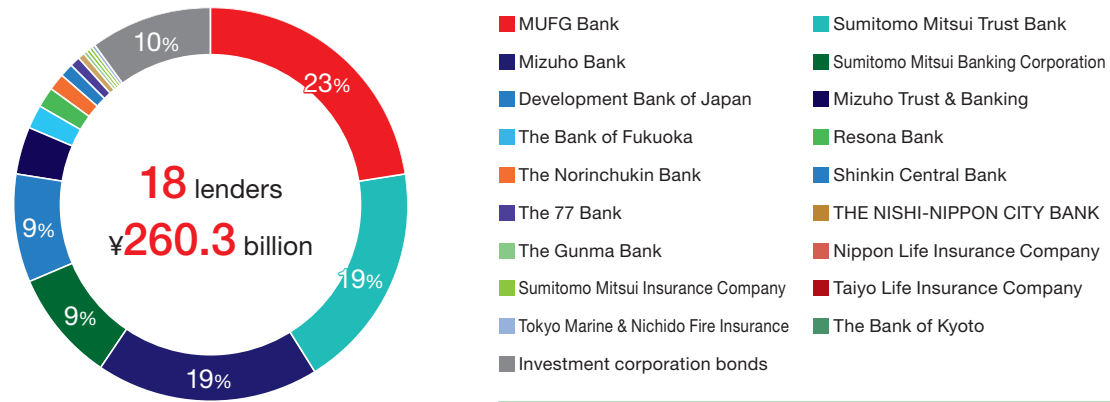
Online financial results presentation for retail investors

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

September 26, 2022	Daiwa J-REIT Caravan Tokyo
October 27, 2022	Online Nihon Securities Journal, "J-REIT Online Seminar"
October 29, 2022	SMBC Nikko Securities & Nikko Investor Relations, "Web J-REIT Fair 2022"

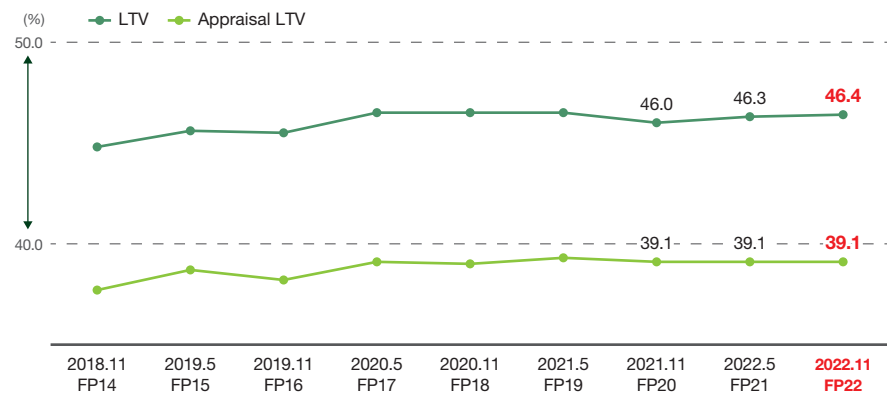
10 Status of Financial Management

List of lenders



Trend in LTV

- LTV at the end of the FP22 ended November 2022 was **46.4%** (appraisal LTV was 39.1%), **being controlled** within the guidance range of 40% to 50%



LTV	Appraisal LTV
46.4%	39.1%
Acquisition capacity	Rating (JCR)
¥41.0 billion *at LTV 50%	AA (Stable) *Eligible for BoJ purchase

* As of Nov. 30, 2022

Trends in average period remaining to maturity and average interest rate

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



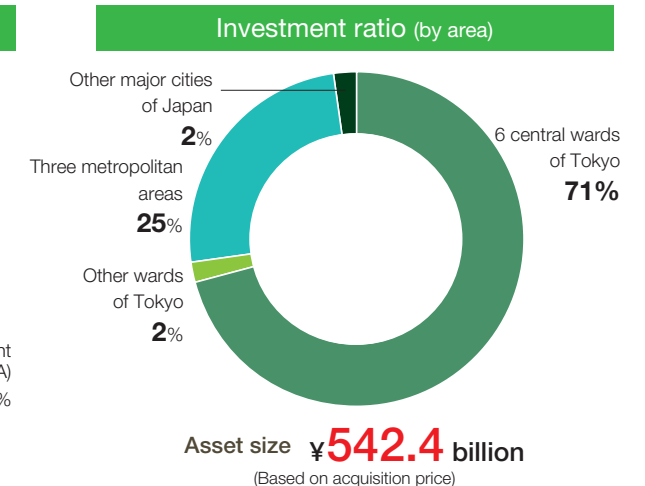
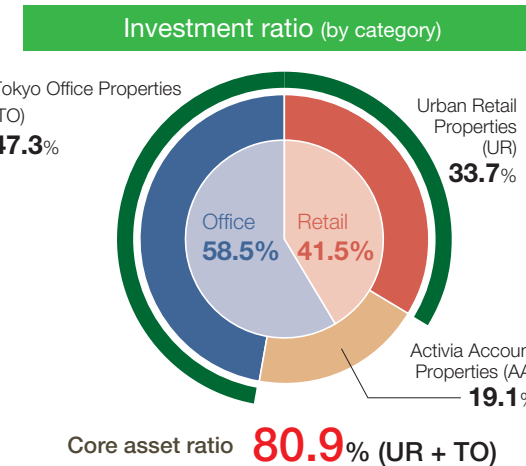
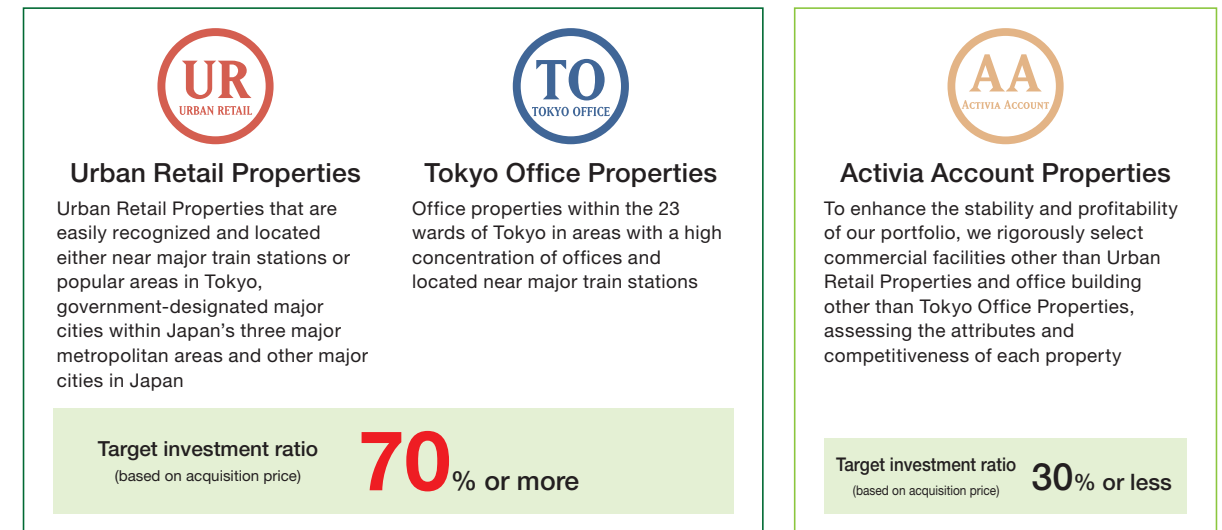
Average interest rate	Fixed interest rate ratio
0.54%	97.9%
Average remaining period to maturity	Long-term borrowing ratio
4.2 years	99.6%

* As of Nov. 30, 2022

API's Strengths

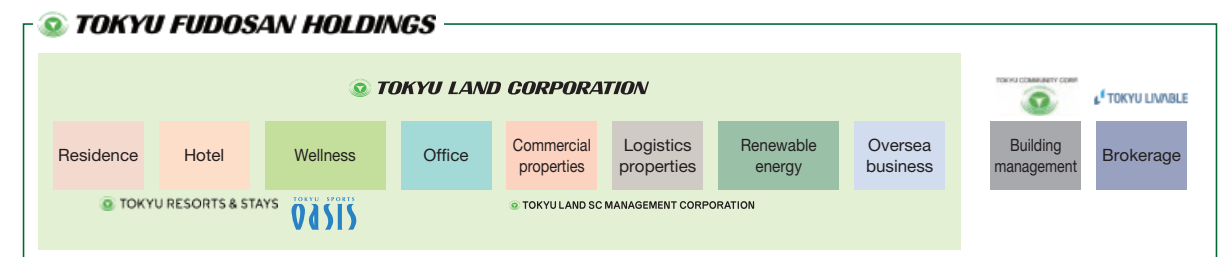
1. Portfolio composition policy

- 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 for use by 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).





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

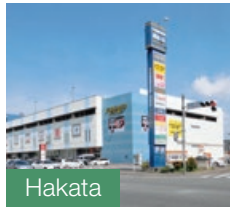
AA-4 icot Mizonokuchi AA-5 icot Tama Center AA-8 icot Omori



AA-9 Market Square Sagamihara AA-11 A-PLACE Bashamichi



AA-12 Commercial Mall Hakata



Hakata



UR-5 Kyoto Karasuma Parking Building



UR-7 Kobe Kyu Kyoryuchi 25Bankan



UR-10 Q plaza SHINSAIBASHI



UR-18 A-FLAG NISHI SHINSAIBASHI



AA-1 Amagasaki Q's MALL (Land)



AA-2 icot Nakamozu



AA-7 Osaka Nakanoshima Building



AA-10 Umeda Gate Tower




AA-13 A-PLACE Shinsaibashi



(Note) A-FLAG NISHI SHINSAIBASHI has been acquired as of January 13, 2023.

(As of November 30, 2022)

Category	Property number	Property name	Location	Acquisition price (In millions of yen)	Investment ratio	Total leasable area (m ²)	Completion (Note 1)	Occupancy rate	
	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note 2)	Jingumae, Shibuya-ku, Tokyo	45,000	8.3%	4,918.40	Mar. 2012	93.6%	
	UR-3	Q plaza EBISU	Ebisu, Shibuya-ku, Tokyo	8,430	1.6%	4,024.88	Aug. 2008	100.0%	
	UR-5	Kyoto Karasuma Parking Building	Motohonenjicho, 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	91.6%	
	UR-8	A-FLAG SAPPORO	Minami-Yonjo-Nishi, Chuo-ku, Sapporo City, Hokkaido	4,410	0.8%	21,229.16	May 1980	96.4%	
	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	2.5%	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	100.0%	
	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-15	DECKS Tokyo Beach ^(Note 2)	Daiba, Minato-ku, Tokyo	12,740	2.3%	16,119.47	Jun. 1996 Nov. 2000 (Extension)	95.8%	
	UR-16	Tokyu Plaza Ginza (Land) ^(Note 2)	Ginza, Chuo-ku, Tokyo	37,500	6.9%	1,130.04	—	100.0%	
	UR-17	Q plaza HARAJUKU ^(Note 2)	Jingumae, Shibuya-ku, Tokyo	13,200	2.4%	3,378.49	Mar. 2015	94.8%	
	Urban Retail Properties				182,540	33.7%	105,523.94	—	96.6%
	TO-1	TLC Ebisu Building	Ebisu, Shibuya-ku, Tokyo	7,400	1.4%	7,342.60	Mar. 1993	100.0%	
	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	0.8%	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 ^(Note 2)	Higashi-Shinbashi, Minato-ku, Tokyo	3,632	0.7%	3,581.08	Jul. 2004	79.1%		
TO-6	TAMACHI SQUARE (Land) ^(Note 3)	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	1.1%	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	100.0%		
TO-11	OSAKI WIZTOWER	Osaki, Shinagawa-ku, Tokyo	10,690	2.0%	7,193.28	Jan. 2014	100.0%		
TO-12	Shiodome Building ^(Note 2)	Kaigan, Minato-ku, Tokyo	71,600	13.2%	28,136.05	Dec. 2007	69.5%		
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	3.5%	14,658.98	Aug. 1985 (Main building) Sep. 1999 (Annex)	74.4%		
TO-18	Ebisu Prime Square ^(Note 2)	Hiroo, Shibuya-ku, Tokyo	30,700	5.7%	18,059.66	Jan. 1997	96.9%		
TO-19	A-PLACE Tamachi East	Shibaura, Minato-ku, Tokyo	6,800	1.3%	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				256,292	47.3%	145,637.92	—	89.9%	
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	99.1%		
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	Tsurunochi, Kita-ku, Osaka City, Osaka	19,000	3.5%	13,513.73	Jan. 2010	97.8%		
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	A-PLACE Shinsaibashi	Nishi-Shinsaibashi, Chuo-ku, Osaka City, Osaka	19,800	3.7%	15,897.10	Apr. 1986	95.9%		
Activia Account Properties				103,570	19.1%	174,314.44	—	98.8%	
Total				542,402	100.0%	425,476.30	—	95.2%	

(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, Luogo Shiodome, Shiodome Building and Ebisu Prime Square are in proportion to our pro rata share of the co-ownership interests (75%, 49%, 30%, 60%, 80%, 35% and 51%, respectively).

(Note 3) The acquisition price of TAMACHI SQUARE (Land) is the land acquisition price at the time of the initial acquisition (June 13, 2012).

Asset Management Report for the 22nd Fiscal Period (Semi-Annual Report)

From June 1, 2022 to November 30, 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		18th period	19th period	20th period	21st period	22nd period
Business period		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	From June 1, 2022 to November 30, 2022
Operating revenue	(millions of yen)	15,073	14,715	15,646	15,512	16,178
[Lease business revenue]	(millions of yen)	[14,009]	[13,765]	[14,283]	[14,490]	[13,693]
Operating expenses	(millions of yen)	6,845	6,614	6,887	6,887	7,257
[Expenses related to rent business]	(millions of yen)	[5,588]	[5,369]	[5,551]	[5,558]	[5,896]
Operating profit	(millions of yen)	8,228	8,101	8,758	8,624	8,920
Ordinary profit	(millions of yen)	7,363	7,250	7,781	7,734	7,997
Profit	(millions of yen)	7,363	7,249	7,753	7,731	7,844
Net assets	(millions of yen)	255,705	255,581	278,716	274,768	274,906
[Change from the previous period]	(%)	[0.0]	[-0.0]	[9.1]	[-1.4]	[0.1]
Total assets	(millions of yen)	525,378	525,379	566,257	562,272	561,682
[Change from the previous period]	(%)	[-0.1]	[0.0]	[7.8]	[-0.7]	[-0.1]
Unitholders' capital, net	(Note4) (millions of yen)	248,370	248,370	270,963	266,963	266,963
Number of units issued and outstanding	(units)	771,224	771,224	822,754	812,564	812,564
Net assets per unit	(yen)	331,558	331,397	338,760	338,149	338,319
Total distributions	(millions of yen)	7,362	7,250	7,700	7,727	7,556
Basic earnings per unit	(Note1) (yen)	9,547	9,400	9,754	9,453	9,653
Cash distributions per unit	(yen)	9,547	9,401	9,360	9,510	9,300
[Earnings distributions per unit]	(yen)	[9,514]	[9,386]	[9,360]	[9,510]	[9,300]
[Distributions per unit in excess of earnings]	(yen)	[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	2.8	2.9	2.8	2.9
Unitholders' equity to total assets	(Note2) (%)	48.7	48.6	49.2	48.9	48.9
[Change from the previous period]	(Note2) (%)	[0.1]	[-0.1]	[0.6]	[-0.3]	[-]
Payout ratio	(Note2) (%)	99.7	99.8	99.3	99.9	96.3
[Other reference]						
Number of properties	(properties)	44	44	47	47	46
Total leasable area	(Note3) (m ²)	425,490.09	425,493.08	429,067.46	428,911.58	425,476.30
Occupancy rate	(%)	98.9	98.1	97.5	97.8	95.2
Depreciation	(millions of yen)	1,335	1,352	1,374	1,367	1,376
Capital expenditure	(millions of yen)	650	678	810	645	1,046
NOI	(Note2) (millions of yen)	10,803	10,705	11,224	11,323	10,690

(Note1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units (771,224units, 771,224units, 794,871units, 817,847units, 812,564 for the 18th, 19th, 20th, 21st, 22nd fiscal periods, respectively).

(Note2) The indicators are calculated as follows:

Ordinary profit to total assets: Ordinary profit ÷ Average total assets × 100

Return on unitholders' equity: Profit ÷ Average net assets × 100

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, Luogo shiodome, 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%, 80%, 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 46 properties (with the total acquisition price of ¥542,402 million) at the end of the fiscal period under review.

2) Investment Environment and Investment Performance

During the fiscal period under review, we saw progress in measures to address COVID-19 infections and advancement of economic activities, and despite downward pressure from soaring resource and energy prices, the Japanese economy showed signs of a gradual recovery.

With respect to the environment surrounding retail properties, as a result of the lifting of restrictions on summertime activities after three years, sales of clothing and fashion accessories recovered, while sales of high-end products, particularly those targeting wealthy consumers, continued to be robust.

In the rental office market, although there was a continuation of a downward trend in the prices of new rent contracts, the shift to teleworking appears to have run its course and people are now returning to the office. Most recently, we are seeing a slowing in the trend of increase in vacancy rates. The average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of November 30, 2022, according to data published by Miki Shoji Co., Ltd., was 6.38%, an increase of 0.01 percentage points from the period ended May 31, 2022. Rent levels have dropped for 28 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 November 30, 2022, was ¥20,081. Vacancy rates remain high in major cities other than Tokyo, but rent levels have bottomed out and are beginning to bounce back.

The J-REIT market, in addition to undergoing a significant adjustment amid the global rise in interest rates in June, saw a temporary worsening of the supply and demand situation with a succession of capital increases through public offerings occurring in October, but subsequently, the market regained its ground, and prices bounced back by the end of November 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 46 properties (with the total acquisition price of ¥542,402 million) with the total leasable area of 425,476.30 m² (128,704 *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. As works to reduce environmental load for the fiscal period under review, the lighting was upgraded to LED lighting at private areas of A-PLACE Aoyama and A-PLACE Gotanda. Also, we performed emergency elevator replacement work at Osaka Nakanoshima Building, which has helped reduce power consumption and CO₂ emissions by improving energy-saving performance of equipment.

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 Tama Center (S class) and A-PLACE Bashamichi (A class). We have also acquired the BELS certifications for Q plaza Shinjuku-3chome (two stars) and A-PLACE Gotanda Ekimae (two stars). As such, a total of 33 of our properties have acquired green building certification, which amounted to 72.5% of our holdings calculated on the basis of gross floor area (as of November 30, 2022).

In addition, we performed employee lavatory renewal at DECKS Tokyo Beach to improve employee satisfaction. At Tokyu Plaza Omotesando Harajuku, we have been cultivating vegetables with Shibuya Ward and sponsor companies at the Omohara Forest rooftop garden, thereby carrying out initiatives that are open to communities in part by harvesting vegetables with children of neighboring nursery schools. 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 ¥12,999 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 ¥260,349 million (borrowings of ¥234,649 million and investment corporation bonds of ¥25,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.4% 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 99.6% and 97.9%, 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 ¥16,178 million, ¥8,920 million, and ¥7,997 million, respectively, for the fiscal period under review, and profit was ¥7,844 million.

As for distributions for the fiscal period under review, internal reserve of ¥344,091,593 was provided for stabilization of future distributions in view of ¥967,224,205 of gain on sale of real estate properties arising, and the decision was made with respect to paying distributions of profit of ¥7,556,845,200, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve. Consequently, distributions per investment unit resulted in ¥9,300.

(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	18th period	19th period	20th period	21st period	22nd period
Business period	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	From June 1, 2022 to November 30, 2022
Highest	426,000	515,000	531,000	443,000	449,000
Lowest	335,000	390,500	425,500	364,500	392,000

(4) Distributions, etc.

As for distributions for the fiscal period under review, internal reserve of ¥344,091,593 was provided for stabilization of future distributions in view of ¥967,224,205 of gain on sale of real estate properties arising, and the decision was made with respect to paying distributions of profit of ¥7,556,845,200, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve. Consequently, distributions per investment unit resulted in ¥9,300.

Fiscal period	18th period	19th period	20th period	21st period	22nd period
Business period	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	From June 1, 2022 to November 30, 2022
Unappropriated retained earnings	¥7,366,549 thousand	¥7,278,928 thousand	¥7,793,594 thousand	¥7,784,892 thousand	¥7,900,936 thousand
Retained earnings	¥29,124 thousand	¥40,219 thousand	¥53,379 thousand	¥56,542 thousand	¥344,091 thousand
Total distributions [Distributions per unit]	¥7,362,875 thousand [¥9,547]	¥7,250,276 thousand [¥9,401]	¥7,700,977 thousand [¥9,360]	¥7,727,483 thousand [¥9,510]	¥7,556,845 thousand [¥9,300]
Of which, total distributions of profits [Distributions of profits per unit]	¥7,337,425 thousand [¥9,514]	¥7,238,708 thousand [¥9,386]	¥7,700,977 thousand [¥9,360]	¥7,727,483 thousand [¥9,510]	¥7,556,845 thousand [¥9,300]
Of which, total return on unitholders' capital [Return on unitholders' capital per unit]	¥25,450 thousand [¥33]	¥11,568 thousand [¥15]	¥— thousand [¥—]	¥— 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]	¥25,450 thousand [¥33]	¥11,568 thousand [¥15]	¥— thousand [¥—]	¥— 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 see gradual recovery through various measures to address the rising price of goods and to support tourism across Japan. Meanwhile, it will be necessary to keep a close eye on potential risks, such as the rising inflation and its protraction, triggered by the soaring prices of resources and energy, new waves of COVID-19 infections, and fluctuations in the financial and capital markets. With respect to the environment surrounding retail properties, as a result of a further easing of immigration restrictions and yen depreciation, the number of foreign visitors to Japan is expected to pick up, but successive increases in food and the like means it will be important to pay attention to the rising frugality centered on daily necessities. In the rental office market, while large office spaces have begun to be launched on the market from this year, companies are tending to have reduced needs regarding office expansion due to the widespread adoption of teleworking. However, we believe that there will continue to be active demand for prime locations and higher grades of buildings. The J-REIT market can be expected to continue to see an influx of money because in spite of expectations of high long-term interest rates, the yield spread level continues to be maintained at around 3.5%.

Amid this environment, the Investment Corporation will fulfill its social responsibility through further promoting sustainability initiatives, etc. while first focusing on conducting property replacement with the aim of improving portfolio competitiveness and preparing a foundation for future distribution growth. In the short term, we will provide stable distributions by effectively leveraging gains on sales acquired through property replacement, and then subsequently strive to realize continuous improvement of unitholder value that is not reliant upon gains on sales.

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

Issuance of Investment Corporation Bonds

Based on a comprehensive resolution on the issuance of investment corporation bonds at the board of directors meeting held on September 28, 2022, the Investment Corporation issued investment corporation bonds on December 19, 2022 as described below.

Name	The Investment Corporation 15th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) (“the Investment Corporation Bonds”)
Total issue amount	¥2.0 billion
Interest rate	0.820% per annum
Collateral	Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds.
Redemption method and date	The total amount of the Investment Corporation Bonds will be redeemed on December 17, 2032. Redemption by purchase of the Investment Corporation Bonds by the Investment Corporation will be available any time on and after the following day of the payment date, unless otherwise determined by the Japan Securities Depository Center, Incorporated.
Credit rating	AA (Japan Credit Rating Agency)
Use of proceeds	The proceeds have been allocated for all, or a portion of, funds for early repayment of existing borrowings.

< Reference Information >

a. Acquisition of properties

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

(UR-18) A-FLAG NISHI SHINSAIBASHI

Type of assets	Beneficial interests in trust
Acquisition price	¥14,300 million
Acquisition date	January 13, 2023
Location	2-4, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka
Use	Hotel and parking lots
Land area	1,255.39 m ²
Gross floor area	13,531.41 m ²
Structure	Steel frame, steel-framed reinforced concrete / 18 floors above and 1 floor underground
Month and year of completion	March 2022
Ownership	Owned

(Note) The sale and purchase contract of beneficial interests in trust pertaining to the above 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 sale and purchase 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).

(TO-5) Kasumigaseki Tokyu Building

Type of assets	Beneficial interests in trust
Acquisition price	¥30,600 million
Acquisition date	March 28, 2023
Location	7-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo
Use	Office
Land area	1,896.02 m ²
Gross floor area	18,749.04 m ²
Structure	Steel frame, steel-framed reinforced concrete / 17 floors above and 1 floor underground
Month and year of completion	November 2010
Ownership	Owned

b. Transfer of properties

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	¥7,288 million in total (1) ¥2,642 million (29% co-ownership interest) (2) ¥4,646 million (51% co-ownership interest)
Scheduled delivery date	(1) May 31, 2023 (29% co-ownership interest) (2) June 1, 2023 (51% co-ownership interest)
Location	3-3, Higashi-shinbashi 2-chome, Minato-ku, Tokyo
Use	Office
Land area	1,134.44 m ²
Gross floor area	8,242.61 m ²
Structure	Steel frame, steel-framed reinforced concrete / 11 floors above and 1 floor underground
Month and year of completion	July 2004
Ownership	Owned

(UR-16) Tokyu Plaza Ginza (Land)

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥39,000 million
Scheduled delivery date	April 5, 2023
Location	2-1, Ginza 5-chome, Chuo-ku, Tokyo
Land area	1,130.04 m ²
Ownership	Owned

(Note) The sale and purchase contract of beneficial interests in trust pertaining to the above 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 sale and purchase 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

	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	22nd period As of November 30, 2022
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	822,754	812,564	812,564
Unitholders' capital, net (Note) (millions of yen)	¥248,370	¥248,370	¥270,963	¥266,963	¥266,963
Number of unitholders (persons)	7,542	7,160	8,164	8,547	8,575

(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)	223,668	27.52
The Master Trust Bank of Japan, Ltd. (Trust accounts)	123,300	15.17
Tokyu Land Corporation	89,365	10.99
The Nomura Trust and Banking Co., Ltd.(Investment accounts)	36,514	4.49
SMBC Nikko Securities Inc.	19,423	2.39
STATE STREET BANK WEST CLIENT - TREATY 505234	10,071	1.23
JP MORGAN CHASE BANK 385781	9,517	1.17
STATE STREET BANK AND TRUST COMPANY 505103	9,241	1.13
The Shinkumi Federation Bank	8,425	1.03
STATE STREET BANK AND TRUST COMPANY FOR DWS RREEF REAL ASSETS FUND	8,120	0.99
Total	537,644	66.16

(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

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) 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	21st period As of May 31, 2022		22nd period As of November 30, 2022	
		Total amount of assets (millions of yen) (Note 1)	Ratio to total assets (%)	Total amount of assets (millions of yen) (Note 1)	Ratio to total assets (%)
Real estate in trust	Urban Retail Properties	186,154	33.1	181,552	32.3
	Tokyo Office Properties	254,741	45.3	253,419	45.1
	Activia Account Properties	101,848	18.1	101,718	18.1
	Subtotal	542,744	96.5	536,689	95.6
Total real estate, etc.		542,744	96.5	536,689	95.6
Deposits and other assets		19,527	3.5	24,993	4.4
Total assets (Note 2)		562,272 (542,744)	100.0 (96.5)	561,682 (536,689)	100.0 (95.6)

(Note 1) The total amount of assets 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), in accordance with the asset valuation method set forth in the Articles of Incorporation.

(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 in the object assets.

(2) Major Assets Owned

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

Property name	Book value (millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Major use
Shiodome Building (Note 4)	70,155	28,136.05	19,552.58	69.5	7.2	Office
Tokyu Plaza Omotesando Harajuku (Note 4)	44,434	4,918.40	4,602.92	93.6	6.5	Retail
Tokyu Plaza Ginza (Land) (Note 4)	37,895	1,130.04	1,130.04	100.0	3.9	Retail
Ebisu Prime Square (Note 4)	30,951	18,059.66	17,491.51	96.9	5.5	Office
Kobe Kyu Kyoryuchi 25Bankan	19,901	19,653.90	18,012.77	91.6	4.9	Retail
A-PLACE Shinsaibashi	19,965	15,897.10	15,252.64	95.9	3.7	Office
Umeda Gate Tower	18,921	13,513.73	13,214.86	97.8	3.1	Office
A-PLACE Shinagawa Higashi	18,704	14,658.98	10,911.70	74.4	3.7	Office
Q plaza Shinjuku-3chome	18,513	4,528.01	4,528.01	100.0	2.9	Office
Meguro Tokyu Building	16,363	6,993.70	6,993.70	100.0	2.1	Office
Total	295,807	127,489.57	111,690.73	87.6	43.5	

(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 November 30, 2022 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 2022.

(Note 2) Leased area refers to the leased area of each property based on lease agreements as of November 30, 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 November 30, 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 as of the end of the fiscal period under review is as follows:

Property name		Location	Asset type	Total leasable area (m ²) (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	4,918.40	62,250	44,434
	Q plaza EBISU	8-12 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,024.88	11,600	8,115
	Kyoto Karasuma Parking Building	678 Motohonenjicho, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficiary interests	21,616.04	10,300	8,621
	Kobe Kyu Kyoryuchi 25Bankan	25 Kyomachi, Chuo-ku, Kobe City, Hyogo	Trust beneficiary interests	19,653.90	27,000	19,901
	A-FLAG SAPPORO	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	21,229.16	7,490	5,123
	A-FLAG SHIBUYA	32-13, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	3,403.07	7,780	6,408
	Q plaza SHINSAIBASHI	1-10 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	2,820.23	14,400	13,361
	A-FLAG KOTTO DORI	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,656.53	4,730	4,377
	A-FLAG BIJUTSUKAN DORI	3-16, Minami-Aoyama 6-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,994.65	4,970	4,689
	A-FLAG DAIKANYAMA WEST	11-6, Sarugakucho, Shibuya-ku, Tokyo	Trust beneficiary interests	2,579.08	2,210	2,428
	DECKS Tokyo Beach (Note 4)	6-1, Daiba 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	16,119.47	11,956	12,899
	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	13,294
	Subtotal			105,523.94	216,486	181,552
Tokyo Office Properties	TLC Ebisu Building	18-18 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,342.60	12,400	7,115
	A-PLACE Ebisu Minami	15-1 Ebisu-minami 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,950.49	16,700	9,526
	A-PLACE Yoyogi	23-15 Sendagaya 5-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,106.17	5,070	3,813
	A-PLACE Aoyama	11-3 Kita-Aoyama 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	7,303.69	11,000	8,520
	Luogo Shiodome (Note 4)	3-3 Higashi-Shinbashi 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	3,581.08	5,120	3,510
	TAMACHI SQUARE (Land)	26-24 Shiba 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,287.96	3,020	2,362
	A-PLACE Ikebukuro	16-22 Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficiary interests	3,409.73	5,830	3,620
	A-PLACE Shinbashi	11-1 Shinbashi 4-chome, Minato-ku, Tokyo	Trust beneficiary interests	5,054.19	7,420	5,714
	A-PLACE Gotanda	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,028.69	7,990	5,339
	A-PLACE Shinagawa	8-40, Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,986.36	6,640	3,761
	OSAKI WIZTOWER	11-1 Osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	7,193.28	14,800	10,327
	Shiodome Building (Note 4)	2-20 Kaigan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	28,136.05	75,950	70,155
	A-PLACE Ebisu Higashi	13-11 Higashi 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,010.69	7,790	6,947
	A-PLACE Shibuya Konnoh	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,010.53	5,860	4,884
	A-PLACE Gotanda Ekimae	5-1 Nishigotanda 1-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,333.64	7,890	7,588
	A-PLACE Shinagawa Higashi	7-18 Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	14,658.98	19,500	18,704
	Ebisu Prime Square (Note 4)	1-7,39,40 Hiroo 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	18,059.66	32,000	30,951
	A-PLACE Tamachi East	2-16, Shibaura 3-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,288.88	7,250	6,842
	Meguro Tokyu Building	13-17, Kami-osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,993.70	16,600	16,363
	Q plaza Shinjuku-3chome	5-6 Shinjuku 3-chome, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,528.01	19,400	18,513
	A-PLACE Shibuya Nanpeidai	2-17 Nanpeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	4,373.54	9,290	8,857
	Subtotal			145,637.92	297,520	253,419

Property name		Location	Asset type	Total leasable area (m ²) (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	8,068
	icot Mizonokuchi	11-1 Mizonokuchi 6-chome, Takatsu-ku, Kawasaki City, Kanagawa	Trust beneficiary interests	14,032.05	3,250	2,570
	icot Tama Center	35 Ochiai 1-chome, Tama City, Tokyo	Trust beneficiary interests	5,181.58	4,010	2,509
	A-PLACE Kanayama	14-18 Kanayama 1-chome, Naka-ku, Nagoya City, Aichi	Trust beneficiary interests	9,314.90	8,730	6,024
	Osaka Nakanoshima Building	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	20,125.63	18,700	11,075
	icot Omori	8-2, Omorikita 1-chome, Ota-ku, Tokyo	Trust beneficiary interests	6,209.78 (Note 5)	7,270	5,635
	Market Square Sagamihara	777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interests	15,152.42	5,010	4,520
	Umeda Gate Tower	1-9, Tsurunochi, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	13,513.73	21,600	18,921
	A-PLACE Bashamichi	43 Honcho 4-chome, Naka-ku, Yokohama City, Kanagawa	Trust beneficiary interests	9,710.91	5,190	4,049
	Commercial Mall Hakata	6-40, Tokojimachi 2-chome, Hakata-ku, Fukuoka city, Fukuoka	Trust beneficiary interests	9,612.88	5,790	6,263
	A-PLACE Shinsaibashi	2-3, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	15,897.10	21,900	19,965
	Subtotal			174,314.44	126,250	101,718
	Total			425,476.30	640,256	536,689

(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 November 30, 2022 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 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 Morii Valuation & Advisory K.K.. Assessed value at end of period stands for the appraised value described in each real estate appraisal report, with November 30, 2022 taken as the point of evaluation.

(Note 3) Book value at end of period stands for the book value minus depreciation as of November 30, 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, Luogo Shiodome, 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%, 80%, 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 m²) and part of a common area on the second floor (approximately 28 m²).

Changes in key figures in rental business

		21st period (From December 1, 2021 to May 31, 2022)				22nd period (From June 1, 2022 to November 30, 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)	26	93.1	946	6.1	24	93.6	987	6.5
	Q plaza EBISU	4	100.0	271	1.7	4	100.0	275	1.8
	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	722	4.7	5	91.6	738	4.9
	A-FLAG SAPPORO	13	96.1	450	2.9	14	96.4	471	3.1
	A-FLAG SHIBUYA	2	100.0	218	1.4	2	100.0	225	1.5
	Q plaza SHINSAIBASHI	6	100.0	349	2.2	6	100.0	356	2.3
	A-FLAG KOTTO DORI	7	88.9	105	0.7	8	100.0	119	0.8
	A-FLAG BIJUTSUKAN DORI	4	100.0	122	0.8	4	100.0	127	0.8
	A-FLAG DAIKANYAMA WEST	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-FLAG KITA SHINSAIBASHI (Note 4)	7	100.0	90	0.6	-	-	17	0.1
	DECKS Tokyo Beach (Note 4)	77	97.0	472	3.0	76	95.8	533	3.5
	Tokyu Plaza Ginza (Land) (Note 4)	1	100.0	581	3.7	1	100.0	591	3.9
	Q plaza HARAJUKU (Note 4)	15	97.0	200	1.3	14	94.8	166	1.1
	Subtotal	171	97.7	—	—	161	96.6	—	—
Tokyo Office Properties	TLC Ebisu Building	11	82.5	271	1.8	13	100.0	270	1.8
	A-PLACE Ebisu Minami	9	100.0	430	2.8	9	100.0	442	2.9
	A-PLACE Yoyogi	5	100.0	137	0.9	5	100.0	112	0.7
	A-PLACE Aoyama	8	100.0	330	2.1	8	100.0	336	2.2
	Luogo Shiodome (Note 4)	8	91.8	122	0.8	7	79.1	145	1.0
	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	11	79.0	185	1.2	11	79.0	161	1.1
	A-PLACE Gotanda	12	100.0	193	1.2	14	100.0	186	1.2
	A-PLACE Shinagawa	7	86.4	141	0.9	8	100.0	127	0.8
	OSAKI WIZTOWER	6	100.0	351	2.3	6	100.0	354	2.3
	Shiodome Building (Note 4)	38	97.8	1,535	9.9	41	69.5	1,091	7.2
	A-PLACE Ebisu Higashi	7	100.0	190	1.2	7	100.0	192	1.3
	A-PLACE Shibuya Konnoh	4	100.0	150	1.0	4	100.0	150	1.0
	A-PLACE Gotanda Ekimae	10	100.0	210	1.4	10	100.0	216	1.4
	A-PLACE Shinagawa Higashi	7	95.2	589	3.8	7	74.4	565	3.7
	Ebisu Prime Square (Note 4)	112	97.6	797	5.1	116	96.9	834	5.5
	A-PLACE Tamachi East	24	100.0	175	1.1	24	100.0	175	1.2
	Meguro Tokyu Building	9	100.0	320	2.1	9	100.0	320	2.1
	Q plaza Shinjuku-3chome	4	100.0	441	2.8	4	100.0	447	2.9
	A-PLACE Shibuya Nampaidai	12	100.0	205	1.3	12	100.0	222	1.5
	Subtotal	306	96.7	—	—	317	89.9	—	—

		21st period (From December 1, 2021 to May 31, 2022)				22th period (From June 1, 2022 to November 30, 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	359	2.4
	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	10	100.0	141	0.9	10	100.0	143	0.9
	A-PLACE Kanayama	21	100.0	303	2.0	21	100.0	308	2.0
	Osaka Nakanoshima Building	39	100.0	554	3.6	38	99.1	552	3.6
	icot Omori	8	100.0	229	1.5	8	100.0	235	1.5
	Market Square Sagamihara	3	100.0	(Note 5)	(Note 5)	3	100.0	(Note 5)	(Note 5)
	Umeda Gate Tower	19	93.5	466	3.0	19	97.8	477	3.1
	A-PLACE Bashamichi	37	100.0	200	1.3	37	100.0	203	1.3
	Commercial Mall Hakata	18	90.3	186	1.2	18	90.3	195	1.3
	A-PLACE Shinsaibashi	18	97.0	562	3.6	18	95.9	568	3.7
	Subtotal	177	98.7	—	—	176	98.8	—	—
Total		654	97.8	15,512	100.0	654	95.2	15,211	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, Luogo Shiodome, 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%, 80%, 35% and 51%, respectively). A-FLAG KITASHINSAIBASHI was disposed June 30, 2022. Co-ownership interests in Luogo Shiodome have been transferred as of November 30, 2022.

(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	41,581
Total		30,140,000	25,140,000	41,581

(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 as of November 30, 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 extra-high voltage substation equipment (Second period)	From November 2022 to April 2023	470	—	20
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	450	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units (14th-16th floor hotel guest rooms, etc.) and replacement of ventilation fans (14th-16th floor hotel guest rooms)	From June 2025 to April 2026	428	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	425	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	(Main building/new building) repair of external wall and guest room window	From March 2023 to November 2023	412	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (First period)	From November 2022 to November 2023	347	—	—
A-PLACE Aoyama (Minato, Tokyo)	Replacement of air conditioning units	From November 2024 to November 2024	311	—	—
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of controls for passenger elevators No. 1 to No. 5	From June 2025 to March 2026	300	—	—
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From April 2024 to June 2024	250	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Forth period)	From December 2024 to February 2025	224	—	—
icot Mizonokuchi (Kawasaki, Kanagawa)	Large-scale repair work	From May 2023 to August 2023	213	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Installation of signage monitors on outer wall	From October 2023 to January 2024	208	—	—
A-PLACE Tamachi East (Minato, Tokyo)	Replacement of air conditioning	From February 2023 to November 2023	165	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generators	From May 2024 to May 2024	132	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Large-scale repair work	From November 2022 to May 2023	117	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units and ventilation fans (8th and 9th floor hotel guest rooms)	From June 2026 to August 2026	107	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units and ventilation fans (12th and 13th floor hotel guest rooms)	From January 2025 to February 2025	104	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units (10th and 11th floor hotel guest rooms)	From May 2024 to July 2024	90	—	—
A-PLACE Aoyama (Minato, Tokyo)	Renewal of lavatory	From November 2024 to November 2024	90	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of wooden deck flooring in Island Mall and stairways (Second period)	From May 2024 to November 2024	84	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of Restaurant Plaza	From August 2023 to November 2023	66	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From August 2023 to November 2023	64	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2023 to May 2024	64	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2024 to November 2024	64	—	—

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 BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From January 2023 to May 2023	62	—	—
icot Tama Center (Tama, Tokyo)	Replacement of elevator and escalator	From February 2023 to May 2023	61	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Beautification of lavatory	From June 2023 to November 2023	54	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor	From October 2023 to November 2023	54	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Merchandising work in common areas	From November 2023 to November 2023	50	—	—
A-PLACE Shinagawa (Minato, Tokyo)	Renovation of external wall	From November 2024 to November 2024	50	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Repair of mechanical parking equipment	From October 2022 to May 2023	49	—	—
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From December 2022 to March 2023	35	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (1 floor)	From December 2022 to May 2023	32	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Fifth period)	From February 2023 to February 2023	28	—	—
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Renewal of entrance	From December 2022 to May 2023	23	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Renovation of rooftop fence	From February 2023 to May 2023	20	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of substation equipment components	From May 2023 to May 2023	20	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Repair work of substation equipment according to facility planning	From February 2023 to February 2023	20	—	—
A-FLAG KOTTO DORI (Minato, Tokyo)	Measures for preventing water leakage in private areas of B2 floor	From May 2023 to May 2023	18	—	—
A-PLACE Shinbashi (Minato, Tokyo)	Replacement of lavatory on 3rd to 5th floors	From May 2023 to May 2023	16	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of kitchen drainage pipes	From December 2022 to March 2023	13	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Installation of set-up office	From May 2023 to May 2023	13	—	—
Umeda Gate Tower (Osaka, Osaka)	Replacement of toilets	From February 2023 to March 2023	13	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of common areas on 5th floor	From March 2023 to March 2023	12	—	—
Shiodome Building (Minato, Tokyo)	Replacement of lifting machine monitoring panels (Third period)	From January 2023 to January 2023	12	—	—
A-PLACE Shinsaibashi (Osaka, Osaka)	Maintenance of horizontal rotary parking system (1st and 2nd layer sections of vertical feed device)	From May 2023 to May 2023	12	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Instillation of substation active filter	From July 2022 to April 2023	11	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Addition of 8th floor plumbing	From January 2023 to May 2023	11	—	—
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of halon control board	From May 2023 to May 2023	11	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of barrier-free access in Compartment A on the 1st floor	From February 2023 to March 2023	10	—	—

(Note) The shown estimated construction cost with regard to DECKS Tokyo Beach, Ebisu Prime Square, Shiodome Building and Tokyu Plaza Omotesando Harajuku is the amount equivalent to the ratio of the Investment Corporation's co-ownership beneficial interests in real estate trust (49%, 51%, 35% and 75%, respectively).

(2) Capital Expenditure during the Period

For assets held in the 22nd fiscal period, construction work conducted in the 22nd fiscal period that falls into capital expenditure is as follows. The capital expenditure in the 22nd fiscal period amounted to ¥1,046 million, and repair and maintenance expenses that were accounted for as expense in the 22nd fiscal period came to ¥320 million.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of extra-high voltage substation equipment (First period)	From March 2022 to November 2022	547
Osaka Nakanoshima Building (Osaka, Osaka)	Partial dismantling and renewal work of elevators	From April 2022 to November 2022	143
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of vertical pipes for supply/pumped clean water and for black water	From May 2022 to November 2022	59
A-PLACE Aoyama (Minato, Tokyo)	Installation of LED lighting in private areas	From September 2022 to November 2022	50
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Compartmentalization	From September 2022 to November 2022	42
Shiodome Building (Minato, Tokyo)	Installation of LED lighting in private and common areas	From April 2022 to August 2022	27
A-PLACE Gotanda (Shinagawa, Tokyo)	Installation of LED lighting in private areas	From August 2022 to September 2022	15
Q plaza SHINSAIBASHI (Osaka, Osaka)	Replacement of light wall lamp in north building	From October 2022 to November 2022	15
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of T-1 receiving water tank	From October 2022 to November 2022	15
Other			129
Total			1,046

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

(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)	
	21th period (From December 1, 2021 to May 31, 2022)	22nd period (From June 1, 2022 to November 30, 2022)
(a) Asset management fees (Note)	1,187,489	1,175,652
(b) Asset custody fees	16,019	15,873
(c) Administrative service fees	39,832	39,675
(d) Directors' compensation	3,300	3,300
(e) Other operating expenses	83,052	126,298
Total	1,329,694	1,360,800

(Note) Asset management fees that were deducted from the gain on sale of disposed properties (22nd fiscal period:¥34,610 thousand)

(2) Borrowings

Borrowings from financial institutions as of November 30, 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
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	August 10, 2022	—	333,000	0.33631%	August 10, 2023	(Note 7)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	333,000				
	MUFG Bank, Ltd.		—	333,000				
Total			—	999,000				
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	—	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	—	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	—	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2015	200,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		200,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		200,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		200,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	June 13, 2018	100,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		100,000	—	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,560,000	—	0.44835%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,560,000	—				
	MUFG Bank, Ltd.		1,560,000	—				
	Sumitomo Mitsui Banking Corporation		160,000	—				
	Development Bank of Japan Inc.		160,000	—				

(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 (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	0.21180%	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	0.18805%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed	
	The Gunma Bank, Ltd.	March 31, 2020	500,000	500,000	0.22805%	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 (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	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (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		440,000	440,000				
	The Norinchukin Bank		440,000	440,000				
	THE NISHI-NIPPON CITY BANK, LTD.		500,000	500,000				
	The Bank of Kyoto,Ltd.	March 30, 2018	300,000	300,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	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.	September 21, 2016	1,500,000	1,500,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	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
	Mizuho Bank, Ltd.		4,200,000	4,200,000				
	MUFG Bank, Ltd.		2,100,000	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	1,050,000				
	Development Bank of Japan Inc.	December 13, 2016	1,050,000	1,050,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		6,000,000	6,000,000				
	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.	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 (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.	March 31, 2022	475,000	475,000	0.43309%	March 31, 2027	(Note 4)	Unsecured, non-guaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.		400,000	400,000				
	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.	January 5, 2018	200,000	200,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		320,000	320,000				
	MUFG Bank, Ltd.		640,000	640,000				
	Mizuho Bank, Ltd.		320,000	320,000				
	Sumitomo Mitsui Banking Corporation	April 19, 2019	160,000	160,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		160,000	160,000				
	Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	1,000,000	0.58821%	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	March 31, 2020	500,000	500,000	0.28500%	September 30,2027	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		500,000	500,000				
	The Bank of Fukuoka, Ltd.	January 10, 2019	1,000,000	1,000,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	The Norinchukin Bank		500,000	500,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,210,000	3,210,000	0.65264%	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.	May 31, 2019	1,610,000	1,610,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,165,000	1,165,000				
	Mizuho Bank, Ltd.		1,165,000	1,165,000				
	MUFG Bank, Ltd.		590,000	590,000				
	Sumitomo Mitsui Banking Corporation	June 15, 2022	590,000	590,000	0.60750%	June 15, 2028	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		590,000	590,000				
	Sumitomo Mitsui Trust Bank, Limited	July 9, 2019	—	1,870,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,870,000				
	MUFG Bank, Ltd.		—	1,870,000				
	Sumitomo Mitsui Trust Bank, Limited		420,000	420,000				
	Mizuho Bank, Ltd.	July 9, 2019	420,000	420,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	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 (Note2)	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				
	Sumitomo Mitsui Trust Bank, Limited	September 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.	December 21, 2020	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				
	Development Bank of Japan Inc.	January 11, 2022	670,000	670,000	0.49750%	January 11, 2030	(Note 4)	Unsecured, non-guaranteed
	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	January 12, 2021	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	July 12, 2021	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.	September 10, 2021	1,370,000	1,370,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed
	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		1,400,000	1,400,000				
	Mizuho Bank, Ltd.	January 11, 2022	1,400,000	1,400,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed
	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	2,470,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed
	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				
	Development Bank of Japan Inc.		1,245,000	1,245,000				

(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 (Note2)	Sumitomo Mitsui Trust Bank, Limited	June 15, 2022	—	1,810,000	0.86750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,810,000				
	MUFG Bank, Ltd.		—	1,810,000				
	Sumitomo Mitsui Banking Corporation		—	480,000				
	Development Bank of Japan Inc.		—	480,000				
	Total		233,650,000	233,650,000				

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

(Note 2) Long-term loans 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 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.

(Note 7) Use of the borrowings is appropriated to redemption of investment corporation bonds.

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	—	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	25,700					

(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

Category	Asset type	Property name	Acquisition		Disposal			
			Acquisition date	Acquisition price (millions of yen)	Disposal date (Note1)	Disposal amount (millions of yen)	Book value (millions of yen)	Gain (loss) on disposal (millions of yen)
Urban Retail Properties	Trust beneficiary interests	A-FLAG KITASHINSAIBA SHI (Note 3)	—	—	June 30, 2022	5,100	4,830	87
Tokyo Office Properties	Trust beneficiary interests	Luogo Shiodome (Note 2) (Note 4)	—	—	November 30,2022	1,822	877	879
Total			—	—	—	6,922	5,708	967

(Note1) The acquisition and disposal amount represent the trading value of trust beneficiary rights stipulated in beneficiary right sale agreement for the asset (excluding consumption tax, local consumption tax, and expenses such as trading commissions).
(Note2) The disposition amount of Luogo Shiodome represents figure equivalent to the percentage of the Investment Corporation’s co-ownership interest (20%).
(Note3) Regarding the disposal of A-FLAG KITASHINSAIBASHI, in addition to the above, there were “Other disposal expenses” of ¥181 million and the gain (loss) on disposal reflects such expenses.
(Note4) Regarding the disposal of Luogo Shiodome, in addition to the above, there were “Other disposal expenses” of ¥64 million and the gain (loss) on disposal reflects such expenses.

(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

Acquisition / Disposal	Property name	Date of acquisition / disposal	Acquisition / Disposal amount (millions of yen) (Note 1)	Appraisal value (millions of yen)	Name of appraiser	Date of appraisal
Disposal	A-FLAG KITASHINSABASHI	June 30, 2022	5,100	4,670	Japan Valuers Co., Ltd.	November 30, 2021
Disposal	Luogo Shiodome (Note 2)	November 30, 2022	1,822	1,270	DAIWA REAL ESTATE APPRAISAL CO.,LTD	November 30, 2021

(Note 1) The acquisition and disposal amount represent the trading value of trust beneficiary rights stipulated in beneficiary right sale agreement for the asset (excluding consumption tax, local consumption tax, and expenses such as trading commissions).
(Note 2) The disposition amount of Luogo Shiodome represents figure equivalent to the percentage of the Investment Corporation’s co-ownership interest (20%).
(Note 3) The appraisal of the above-mentioned real estate was conducted by applying “Real Estate Appraisal Standard Section 3: Appraisals Regarding Prices of Real Estate for Securitization.”

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	433,179	Tokyu Community Corp.	236,298	54.5
		Tokyu Land SC Management Corporation	122,030	28.2
		Tokyu Land Corporation	49,753	11.5
		Tokyu Housing Leace Corporation	3,613	0.8
Building management fee	753,090	Tokyu Community Corp.	663,422	88.1
Construction management fee	10,919	Tokyu Community Corp.	6,002	55.0
		Tokyu Land SC Management Corporation	4,394	40.2
Other management operation expenses	61,060	Tokyu Community Corp.	8,571	14.0
Brokerage fee	207,720	TOKYU LIVABLE INC	54,660	26.3
		Tokyu Community Corp.	89,081	26.3
Other lease business expenses	339,104	Tokyu Re・design Corporation	2,245	0.7
		Tokyu Architects & Engineers INC	800	0.2
		ISHIKATSU EXTERIOR INC	711	0.2
		Tokyu Land SC Management Corporation	553	0.2

(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 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.

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

Tokyu Community Corp.	¥111,481 thousand
Tokyu Land SC Management Corporation	¥23,053 thousand
Tokyu Re・design Corporation	¥9,948 thousand
Tokyu Architects & Engineers INC	¥4,908 thousand

(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

Here is an outline of major agreement that the Board of Directors of the Investment Corporation approved to conclude and modify for the fiscal period under review.

Date of approval	Item	Summary
September 28, 2022	Comprehensive approval of issuance of investment corporation bonds and appointment of administrators	The Board of Directors of the Investment Corporation made a comprehensive resolution regarding the issuance of investment corporation bonds (total amount: ¥50 billion or less; issuance period: October 4, 2022 to October 3, 2023); approved the appointment of candidate companies for the entrustment of affairs and administrative works, such as issuing agent, financial agent, and paying agent regarding the placing of investment corporation bonds; and entrusted the decision of other necessary matters to the Executive Director.

(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 May 31, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	12,843,945	18,682,435
Cash and deposits in trust	3,764,154	3,503,303
Operating accounts receivable	871,790	975,131
Prepaid expenses	599,919	399,878
Income taxes refund receivable	13	—
Other	3,772	7,213
Total current assets	18,083,596	23,567,962
Non-current assets		
Property, plant and equipment		
Buildings in trust	87,597,797	87,849,045
Accumulated depreciation	(18,371,248)	(19,535,902)
Buildings in trust, net	69,226,549	68,313,143
Structures in trust	793,559	789,704
Accumulated depreciation	(279,961)	(299,392)
Structures in trust, net	513,597	490,311
Machinery and equipment in trust	1,522,142	1,509,042
Accumulated depreciation	(542,401)	(570,254)
Machinery and equipment in trust, net	979,741	938,788
Tools, furniture and fixtures in trust	335,509	339,084
Accumulated depreciation	(199,934)	(213,285)
Tools, furniture and fixtures in trust, net	135,575	125,799
Land in trust	462,769,582	457,717,784
Construction in progress in trust	64,240	47,273
Total property, plant and equipment	533,689,287	527,633,100
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	4,197	6,077
Total intangible assets	9,059,283	9,061,163
Investments and other assets		
Long-term prepaid expenses	1,264,829	1,217,968
Derivatives	20,177	41,581
Deferred tax assets	—	15,287
Other	38,322	38,322
Total investments and other assets	1,323,329	1,313,159
Total non-current assets	544,071,900	538,007,424
Deferred assets		
Investment corporation bond issuance costs	117,273	107,514
Total deferred assets	117,273	107,514
Total assets	562,272,770	561,682,901

(Unit: Thousands of yen)

	As of May 31, 2022	As of November 30, 2022
Liabilities		
Current liabilities		
Operating accounts payable	1,087,755	1,828,444
Short-term borrowings	—	999,000
Current portion of investment corporation bonds	1,000,000	—
Current portion of long-term borrowings	26,500,000	32,250,000
Accounts payable - other	8,047	17,645
Accrued expenses	988,033	978,032
Income taxes payable	605	168,105
Accrued consumption taxes	412,809	367,653
Advances received	634,802	450,262
Deposits received	804	830
Other	—	0
Total current liabilities	30,632,856	37,059,974
Non-current liabilities		
Investment corporation bonds	25,700,000	25,700,000
Long-term borrowings	207,150,000	201,400,000
Leasehold and guarantee deposits received in trust	24,021,568	22,616,298
Other	242	210
Total non-current liabilities	256,871,810	249,716,509
Total liabilities	287,504,667	286,776,483
Net assets		
Unitholders' equity		
Unitholders' capital	270,963,556	270,963,556
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (866)	*3 —
Other deduction from unitholders' capital	*4 (3,999,657)	*4 (3,999,657)
Total deduction from unitholders' capital	(4,000,523)	(3,999,657)
Unitholders' capital, net	266,963,033	266,963,899
Surplus		
Unappropriated retained earnings (undisposed loss)	7,784,892	7,900,936
Total surplus	7,784,892	7,900,936
Total unitholders' equity	274,747,925	274,864,836
Valuation and translation adjustments		
Deferred gains or losses on hedges	20,177	41,581
Total valuation and translation adjustments	20,177	41,581
Total net assets	*2 274,768,103	*2 274,906,417
Total liabilities and net assets	562,272,770	561,682,901

III. Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2021 to May 31, 2022)		Current fiscal period (From June 1, 2022 to November 30, 2022)	
Operating revenue				
Leasing business revenue	*1, *3	14,490,760	*1, *3	13,693,641
Other leasing business revenue	*1, *3	1,021,894	*1, *3	1,517,376
Gain on sale of real estate properties		—	*2	967,224
Total operating revenue		15,512,654		16,178,241
Operating expenses				
Expenses related to leasing business	*1	5,558,011	*1	5,896,538
Asset management fees		1,187,489		1,175,652
Asset custody fees		16,019		15,873
Administrative service fees		39,832		39,675
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		83,052		126,298
Total operating expenses		6,887,706		7,257,339
Operating profit		8,624,948		8,920,902
Non-operating income				
Interest income		91		81
Reversal of distributions payable		1,019		854
Insurance claim income		523		—
Compensation income		26,144		—
Total non-operating income		27,779		936
Non-operating expenses				
Interest expenses		630,483		637,621
Interest expenses on investment corporation bonds		67,477		67,364
Amortization of investment corporation bond issuance costs		10,196		9,759
Financing fees		205,731		209,339
Other		3,956		530
Total non-operating expenses		917,845		924,614
Ordinary profit		7,734,882		7,997,224
Profit before income taxes		7,734,882		7,997,224
Income taxes - current		605		168,118
Income taxes - deferred		2,765		(15,287)
Total income taxes		3,370		152,830
Profit		7,731,512		7,844,394
Retained earnings brought forward		53,379		56,542
Unappropriated retained earnings (undisposed loss)		7,784,892		7,900,936

IV. Statement of Unitholders' Equity

Previous 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	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
Changes during period						
Dividends of surplus						(7,700,977)
Reversal of allowance for temporary difference adjustments		39,237		39,237	39,237	(39,237)
Profit						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)
Balance at end of period	*1 270,963,556	(866)	(3,999,657)	(4,000,523)	266,963,033	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

Current fiscal period (From June 1, 2022 to November 30, 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	(866)	(3,999,657)	(4,000,523)	266,963,033	7,784,892	7,784,892
Changes during period							
Dividends of surplus						(7,727,483)	(7,727,483)
Reversal of allowance for temporary difference adjustments		866		866	866	(866)	(866)
Profit						7,844,394	7,844,394
Net changes in items other than unitholders' equity							
Total changes during period	—	866	—	866	866	116,044	116,044
Balance at end of period	*1 270,963,556	—	(3,999,657)	(3,999,657)	266,963,899	7,900,936	7,900,936

(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	—	274,747,925	20,177	20,177	274,768,103
Changes during period					
Dividends of surplus		(7,727,483)			(7,727,483)
Reversal of allowance for temporary difference adjustments		—			—
Profit		7,844,394			7,844,394
Net changes in items other than unitholders' equity			21,403	21,403	21,403
Total changes during period	—	116,910	21,403	21,403	138,314
Balance at end of period	—	274,864,836	41,581	41,581	274,906,417

V.Statement of Cash Distributions

	Previous fiscal period (From December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
	Amount	Amount
I Unappropriated retained earnings	¥7,784,892,593	¥7,900,936,793
II Amount incorporated into unitholders' capital	¥866,293	¥—
Of which, reversal of allowance for temporary difference adjustments	¥866,293	¥—
III Distributions	¥7,727,483,640	¥7,556,845,200
[Cash distributions per unit]	[¥9,510]	[¥9,300]
Of which, distributions of profits	¥7,727,483,640	¥7,556,845,200
[Of which, distributions of profits per unit]	[¥9,510]	[¥9,300]
IV Earnings carried forward	¥56,542,660	¥344,091,593

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, 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).	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 ¥344,091,593 was provided for stabilization of future distributions in view of ¥967,224,205 of gain on sale of real estate properties arising, and we will pay distributions of profits of ¥7,556,845,200, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve for the fiscal period under review.
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VI.Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Cash flows from operating activities		
Profit before income taxes	7,734,882	7,997,224
Depreciation	1,367,676	1,377,072
Loss on retirement of non-current assets	1,097	—
Amortization of investment corporation bond issuance costs	10,196	9,759
Interest income and interest on securities	(91)	(81)
Interest expenses	697,960	704,985
Financing fees	205,731	209,339
Decrease (increase) in operating accounts receivable	39,735	(103,341)
Increase (decrease) in accrued consumption taxes	213,250	(45,155)
Decrease (increase) in prepaid expenses	(203,453)	197,985
Decrease in property, plant and equipment in trust due to sale	—	5,708,272
Increase (decrease) in operating accounts payable	73,131	80,494
Increase (decrease) in accounts payable - other	—	10,021
Increase (decrease) in accrued expenses	2,889	(9,141)
Increase (decrease) in advances received	(149,957)	(184,539)
Decrease (increase) in long-term prepaid expenses	12,433	3,621
Other, net	(42,513)	(4,358)
Subtotal	9,962,969	15,952,157
Interest received	91	81
Interest paid	(697,361)	(698,820)
Income taxes paid	(31,247)	(603)
Net cash provided by (used in) operating activities	9,234,452	15,252,815
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(645,349)	(368,219)
Purchase of intangible assets	(4,160)	(2,568)
Refund of leasehold and guarantee deposits received in trust	(1,225,657)	(2,165,417)
Proceeds from leasehold and guarantee deposits received in trust	1,100,346	760,148
Net cash provided by (used in) investing activities	(774,820)	(1,776,056)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	999,000
Proceeds from long-term borrowings	13,915,275	11,864,716
Repayments of long-term borrowings	(14,100,000)	(12,000,000)
Redemption of investment corporation bonds	—	(1,000,000)
Purchase of treasury investment units	(3,999,657)	—
Distributions paid	(7,699,901)	(7,727,051)
Other, net	(24,957)	(35,784)
Net cash provided by (used in) financing activities	(11,909,242)	(7,899,119)
Net increase (decrease) in cash and cash equivalents	(3,449,610)	5,577,638
Cash and cash equivalents at beginning of period	20,057,710	16,608,099
Cash and cash equivalents at end of period	*1 16,608,099	*1 22,185,738

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	<p>(1) Property, plant and equipment (including trust assets)</p> <p>The straight-line method is used.</p> <p>The useful lives of major property, plant and equipment are listed below.</p> <table> <tr> <td>Buildings</td><td>2 to 70 years</td></tr> <tr> <td>Structures</td><td>2 to 66 years</td></tr> <tr> <td>Machinery and equipment</td><td>2 to 33 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr> </table> <p>(2) Intangible assets</p> <p>Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses</p> <p>The straight-line method is used.</p>	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
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. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses</p> <p>The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs</p> <p>Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>(1) Accounting for income</p> <p>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.</p> <p>i) Sale of real estate properties</p> <p>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.</p> <p>ii) Utilities income</p> <p>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.</p> <p>(2) Property-related taxes</p> <p>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.</p> <p>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.</p>								

4. Method of hedge accounting	<p>(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.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings</p> <p>(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.</p> <p>(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.</p>
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 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 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 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.

Current fiscal period (From June 1, 2022 to November 30, 2022)

Not applicable.

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 May 31, 2022	As of November 30, 2022
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	¥– thousand	¥999,000 thousand
Net balance	¥21,000,000 thousand	¥20,001,000 thousand

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

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

*3. Allowance for Temporary Difference Adjustments

Previous 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.

Current fiscal period (From June 1, 2022 to November 30, 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	866	—	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 May 31, 2022	As of November 30, 2022
Total number of units canceled	10,190 units	— units
Total amount of cancellation	¥3,999,657 thousand	¥— thousand

Notes to Statement of Income

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

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2021 to May 31, 2022)		Current fiscal period (From June 1, 2022 to November 30, 2022)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	13,413,454		12,667,243	
Common service fees	677,699		611,410	
Parking lot fees	299,832		300,857	
Other rent revenue	99,773	14,490,760	114,130	13,693,641
Other leasing business revenue		1,021,894		1,517,376
Total real estate leasing business revenues		15,512,654		15,211,017
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,269,345		1,258,250	
Utilities expenses	918,297		1,175,108	
Tax and public dues	1,273,744		1,413,622	
Insurance	13,296		13,204	
Repair and maintenance expenses	346,175		320,801	
Depreciation	1,367,301		1,376,446	
Loss on retirement of non-current assets	1,097		—	
Other expenses related to leasing business	368,754	5,558,011	339,104	5,896,538
Total real estate leasing business expenses		5,558,011		5,896,538
C. Profit (loss) from real estate leasing business (A – B)		9,954,643		9,314,478

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

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

Not applicable.

Current fiscal period (From June 1, 2022 to November 30, 2022)

(Unit: Thousands of yen)	
A-FLAG KITA SHINSAIBASHI	
Income from sale of real estate properties	5,100,000
Costs of sale of real estate properties	4,830,753
Other costs of sale	181,712
Gain on sale of real estate properties	87,533

(Unit: Thousands of yen)	
Luogo Shiodome (20% co-ownership interest)	
Income from sale of real estate properties	1,822,000
Costs of sale of real estate properties	877,518
Other costs of sale	64,790
Gain on sale of real estate properties	879,690

*3. Transactions with Major Unitholders

(Unit: Thousands of yen)		
	Previous fiscal period (From December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Operating transactions		
Operating revenue	917,241 (Note)	1,813,076

(Note) 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 previous fiscal period 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 December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 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	812,564 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 December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Cash and deposits	¥12,843,945 thousand	¥18,682,435 thousand
Cash and deposits in trust	¥3,764,154 thousand	¥3,503,303 thousand
Cash and cash equivalents	¥16,608,099 thousand	¥22,185,738 thousand

Notes to Lease Rental Revenues

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

	As of May 31, 2022	As of November 30, 2022
Due within one year	¥15,363,766 thousand	¥14,972,096 thousand
Due after one year	¥120,681,194 thousand	¥117,846,555 thousand
Total	¥136,044,960 thousand	¥132,818,651 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 29 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 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	–

Carrying amounts, fair values, and the differences between the two values as of November 30, 2022, are as shown below. Notes on “cash and deposits,” “cash and deposits in trust” and “short-term borrowings” 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 long-term borrowings	32,250,000	32,351,324	101,324
(2) Investment corporation bonds	25,700,000	25,630,288	(69,711)
(3) Long-term borrowings	201,400,000	200,167,710	(1,232,289)
Total liabilities	259,350,000	258,149,324	(1,200,675)
Derivative transactions	41,581	41,581	–

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

Liabilities

(2) 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.

(1) Current portion of long-term borrowings, (3) 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 (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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 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	–	5,000,000	2,000,000	2,000,000	1,000,000	15,700,000
Long-term borrowings	32,250,000	29,500,000	26,500,000	24,500,000	31,600,000	89,300,000
Total	32,250,000	34,500,000	28,500,000	26,500,000	32,600,000	105,000,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2022)

Not applicable.

(As of November 30, 2022)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(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	*	—

(As of November 30, 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	41,581	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 (3)”.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of May 31, 2022	As of November 30, 2022
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥— thousand	¥15,287 thousand
Total deferred tax assets	¥— thousand	¥15,287 thousand
Net deferred tax assets	¥— thousand	¥15,287 thousand

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

	As of May 31, 2022	As of November 30, 2022
Effective statutory tax rate	31.46%	34.59%
Adjustments		
Distributions paid included in deductibles	(31.43)%	(32.69)%
Other	0.01%	0.01%
Effective income tax rate after application of tax effect accounting	0.04%	1.91%

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous 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.

Current fiscal period (From June 1, 2022 to November 30, 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	10.99%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	79,926	Leasehold and guarantee deposits received in trust	2,396,526
								Refund of leasehold and guarantee deposits received	23,295		
								Rental revenues, etc.	1,813,076	Operating accounts receivable	150,917
										Advances received	146,538

(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.

2. Associates, etc.

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

Not applicable.

Current fiscal period (From June 1, 2022 to November 30, 2022)

Not applicable.

3. Sister companies, etc.

Previous 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				
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	240,859
										Advances received	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 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. 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.

Current fiscal period (From June 1, 2022 to November 30, 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				
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	8,211	Leasehold and guarantee deposits received in trust	6,429,011
								Refund of leasehold and guarantee deposits received	218,107		
								Rental revenues, etc.	4,442,230	Operating accounts receivable	257,138
										Advances received	4,667
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	1,210,262	Other accrued expenses	527,995

(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.

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 December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	186,299,634	186,154,048
	Changes during period	(145,585)	(4,601,911)
	Balance at end of period	186,154,048	181,552,137
	Fair value at end of period	221,605,000	216,486,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	255,093,632	254,741,901
	Changes during period	(351,731)	(1,322,782)
	Balance at end of period	254,741,901	253,419,118
Activia Account Properties	Fair value at end of period	302,880,000	299,688,000
	Carrying amount on the balance sheet		
	Balance at beginning of period	102,044,900	101,848,946
	Changes during period	(195,954)	(130,864)
Total	Balance at end of period	101,848,946	101,718,081
	Fair value at end of period	125,360,000	126,250,000
	Carrying amount on the balance sheet		
	Balance at beginning of period	543,438,167	542,744,896
	Changes during period	(693,271)	(6,055,558)
	Balance at end of period	542,744,896	536,689,337
	Fair value at end of period	649,845,000	642,424,000

(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 transfer of A-FLAG KITA SHINSAIBASHI worth ¥4,830,753 thousand, the transfer of Luogo Shiodome (20% co-ownership interest) worth ¥877,518 thousand and the provision of depreciation worth ¥1,376,446 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser. In addition, figures of the previous fiscal period for A-FLAG KITA SHINSAIBASHI and Luogo Shiodome are based on the transfer price (¥5,100,000 thousand) as indicated in the sales agreement concluded on April 27, 2022, for the former, and the transfer price (¥9,110,000 thousand, amount equivalent to 100% co-ownership interest) as indicated in the sales agreement concluded on May 27, 2022, for the latter. The figure of the current fiscal period for Luogo Shiodome is based on the transfer price (¥7,288,000 thousand, amount equivalent to 80% co-ownership interest) as indicated in the sales agreement concluded on May 27, 2022.

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

Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

Previous 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.

Current fiscal period (From June 1, 2022 to November 30, 2022)

(Unit: Thousands of yen)

	Revenue from contracts with customers *1	Revenues from external customers
Sale of real estate properties	6,922,000	*2 967,224
Utilities income	1,024,506	1,024,506
Others	–	14,186,511
Total	7,946,506	16,178,241

*1 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 Since 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.

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

Previous 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.

Current fiscal period (From June 1, 2022 to November 30, 2022)

Transaction price allocated to the remaining performance obligations

As of November 30, 2022, the transaction price allocated to the remaining performance obligations associated with the sale of real estate, etc. was ¥7,288,000 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 ¥2,642,000 thousand and ¥4,646,000 thousand out of the remaining performance obligations due to the transfer of real estate that is planned to be carried out on May 31, 2023, and June 1, 2023, respectively.

Per Unit Information

	Previous fiscal period (From December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Net assets per unit	¥338,149	¥338,319
Basic earnings per unit	¥9,453	¥9,653

(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 817,847 units; current fiscal period 812,564 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 December 1, 2021 to May 31, 2022)	Current fiscal period (From June 1, 2022 to November 30, 2022)
Profit (Thousands of yen)	7,731,512	7,844,394
Amount not attributable to common unitholders (Thousands of yen)	–	–
Profit attributable to common investment units (Thousands of yen)	7,731,512	7,844,394
Average number of investment units for the period (Units)	817,847	812,564

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	41,581
Total		30,140,000	25,140,000	41,581

(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	87,597,797	1,034,030	782,782	87,849,045	19,535,902	1,300,828	68,313,143
	Structures in trust	793,559	-	3,855	789,704	299,392	20,299	490,311
	Machinery and equipment in trust	1,522,142	1,300	14,400	1,509,042	570,254	37,374	938,788
	Tools, furniture and fixtures in trust	335,509	10,050	6,474	339,084	213,285	17,825	125,799
	Land in trust	462,769,582	-	5,051,797	457,717,784	-	-	457,717,784
	Construction in progress in trust	64,240	-	16,967	47,273	-	-	47,273
	Subtotal	553,082,833	1,045,381	5,876,278	548,251,935	20,618,834	1,376,327	527,633,100
Intangible Assets	Leasehold rights in trust	9,055,086	-	-	9,055,086	-	-	9,055,086
	Other (Note)	11,340	2,624	-	13,964	7,886	744	6,077
	Subtotal	9,062,426	2,624	-	9,069,050	7,886	744	9,061,163
Total		562,149,259	1,048,005	5,876,278	557,320,986	20,626,721	1,377,072	536,694,264

(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	—	25,700,000	—	—	—	—

(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)	—	5,000,000	2,000,000	2,000,000	1,000,000

Loans Payable

The following tables show the details of loans.

(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										
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	August 10, 2022	—	333,000	—	333,000	0.33631%	August 10, 2023	(Note 7)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	333,000	—	333,000				
	MUFG Bank, Ltd.		—	333,000	—	333,000				
Total			—	999,000	—	999,000				
Long-term loans (Note 2)	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	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender									
Long-term loans (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.	September 30, 2015	320,000	—	—	320,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250,000	—	—	1,250,000				
	MUFG Bank, Ltd. (Note 6)		1,250,000	—	—	1,250,000				
	Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000				
	MUFG Bank, Ltd.	March 30, 2018	1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		750,000	—	—	750,000				
	Mizuho Bank, Ltd.		750,000	—	—	750,000				
	MUFG Bank, Ltd.		750,000	—	—	750,000				
	Sumitomo Mitsui Banking Corporation	October 6, 2016	375,000	—	—	375,000	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		375,000	—	—	375,000				
	Sumitomo Mitsui Trust Bank, Limited		800,000	—	—	800,000				
	MUFG Bank, Ltd.		1,600,000	—	—	1,600,000				
	Mizuho Bank, Ltd.	June 15, 2015	800,000	—	—	800,000	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		400,000	—	—	400,000				
	Development Bank of Japan Inc.		400,000	—	—	400,000				
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd. (Note 6)	December 16, 2015	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				
	MUFG Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Banking Corporation		1,500,000	—	—	1,500,000				
	Development Bank of Japan Inc.	June 13, 2017	625,000	—	—	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		625,000	—	—	625,000				
	MUFG Bank, Ltd.		1,250,000	—	—	1,250,000				
	Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000				
	Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	1,000,000	—	—	1,000,000	0.21180%	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		500,000	—	—	500,000				
	Mitsui Sumitomo Insurance Company, Limited	March 31, 2017	500,000	—	—	500,000	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		500,000	—	—	500,000				
	The Gunma Bank, Ltd.		500,000	—	—	500,000				
			500,000	—	—	500,000				

(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
Long-term loans (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	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (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		2,100,000	—	—	2,100,000				
	MUFG Bank, Ltd.	September 21, 2016	4,200,000	—	—	4,200,000	0.61942%	March 19, 2026	(Note 3)	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		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	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender									
Long-term loans (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		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.	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	June 15, 2022	—	1,870,000	—	1,870,000	0.60750%	June 15, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,870,000	—	1,870,000				
	MUFG Bank, Ltd.		—	1,870,000	—	1,870,000				
	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									
Long-term loans (Note2)	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				
	Sumitomo Mitsui Trust Bank, Limited	September 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	December 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	—	—	400,000	0.49750%	January 11,2030	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		400,000	—	—	400,000				
	MUFG Bank, Ltd.		400,000	—	—	400,000				
	Sumitomo Mitsui Banking Corporation		200,000	—	—	200,000				
	Development Bank of Japan Inc.		200,000	—	—	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	September 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	—	—	2,470,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed	
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					
Development Bank of Japan Inc.		1,245,000	—	—	1,245,000					
Sumitomo Mitsui Trust Bank, Limited	June 15, 2022	—	1,810,000	—	1,810,000	0.86750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,810,000	—	1,810,000					
MUFG Bank, Ltd.		—	1,810,000	—	1,810,000					
Sumitomo Mitsui Banking Corporation		—	480,000	—	480,000					
Development Bank of Japan Inc.		—	480,000	—	480,000					
	Total		233,650,000	12,000,000	12,000,000	233,650,000				

(Note 1) Weighted average rate, rounding to the sixth decimal place.
(Note 2) Long-term loans 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 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.
(Note 7) Use of the borrowings is appropriated to redemption of investment corporation bonds.

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Long-term loans	32,250,000	29,500,000	26,500,000	24,500,000	31,600,000

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 November 30, 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 November 30, 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.

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

March 22, 2023



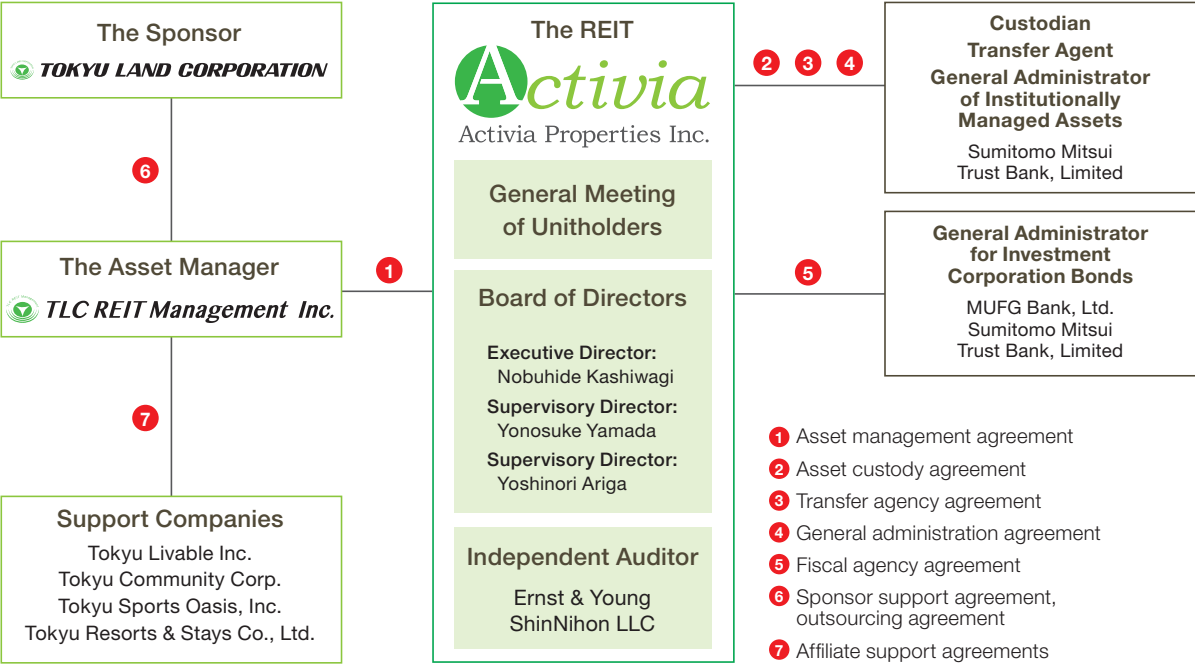
Yuji Mukaide
Designated Engagement Partner
Certified Public Accountant



Mikiya Arai
Designated Engagement Partner
Certified Public Accountant

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)

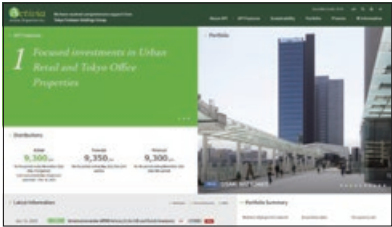
API Website

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.



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	Masaaki Kanematsu

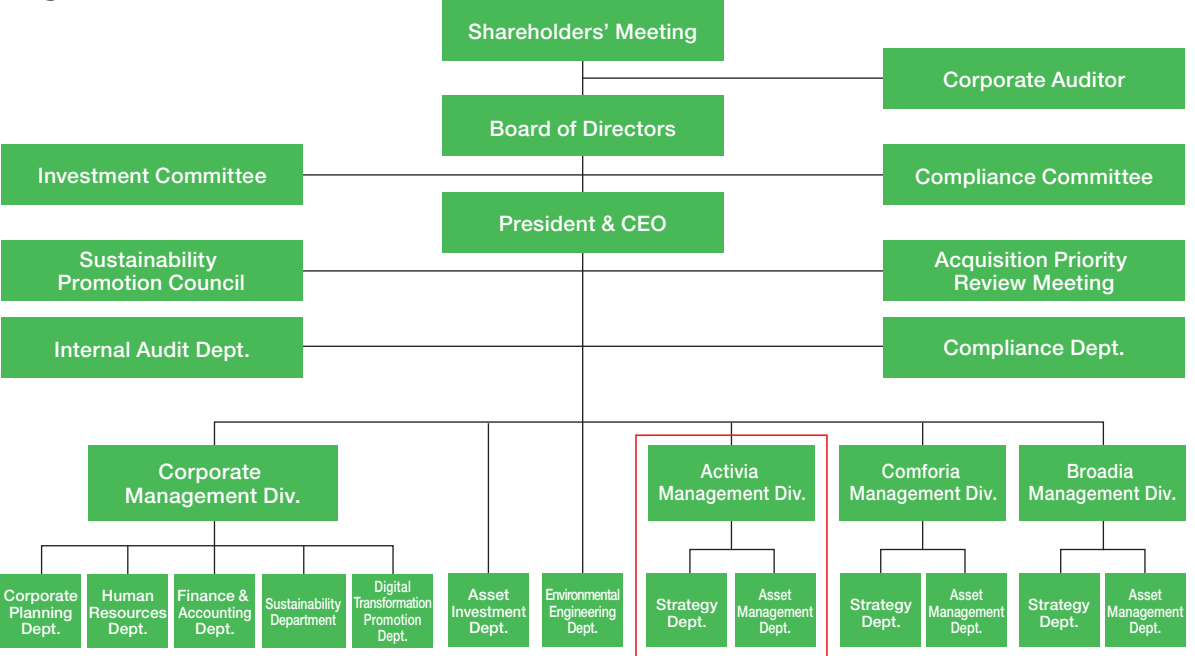
DNA of Tokyu Land Corporation

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

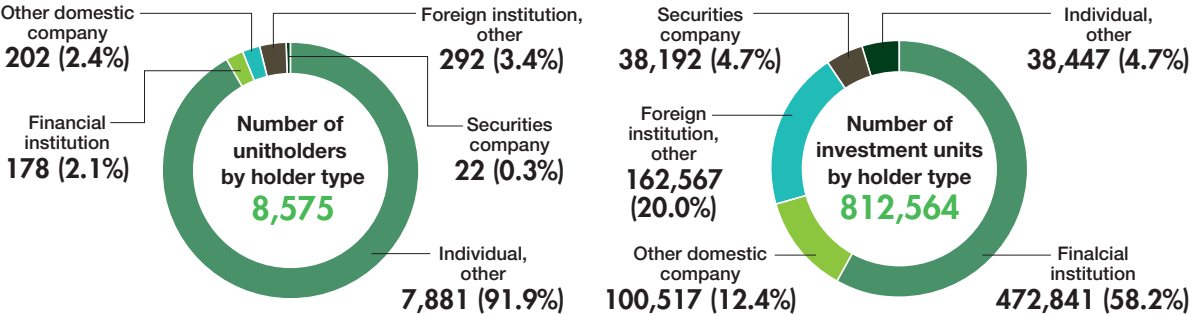


Trends in Unit Prices



(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: https://www.smtb.jp/personal/procedure/agency/ (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 ☎0120-782-031 (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% + Reconstruction special income tax 0.315% <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.

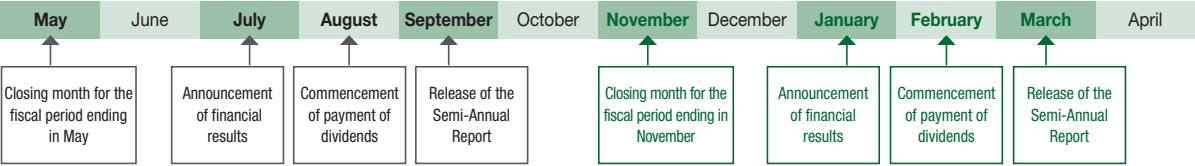
(Note) 20% × reconstruction special income tax rate 2.1% = 0.42%.

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/>