



Semi-Annual Report

for the Period ended May 31, 2023

(the 23rd Period)

From December 1, 2022 to May 31, 2023

23rd

3279

With the Aim of Returning 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 December 1, 2022 to May 31, 2023. We owe this achievement to your understanding and continued support for which we wish to extend our deep appreciation.

The Japanese economy experienced a gradual recovery during the fiscal period under review, with improvements in the employment situation and in consumer sentiment.

In the first half of the fiscal period under review, the J-REIT market underwent a substantial correction due to policy revisions by the Bank of Japan and financial instability in Europe and the United States. However, in the second half, the Nikkei Stock Average recorded its highest level since the bursting of the 1980s bubble, leading to the perception that the J-REIT market was lagging the stock market and resulting in prices recovering through to the end of May 2023.

With respect to the environment surrounding the management of assets owned by API, in the office leasing business, progress was made for leases on properties in highly competitive areas such as Shinagawa and Shiodome, where recovery had been delayed. Second, in retail properties, tenant sales are recovering due to the return of customer traffic, and rent growth was achieved for some properties, although the degree of recovery varied by type of property. In hotels, the recovery trend is continuing, as the increase in demand for accommodations from both domestic and overseas customers has led to significantly higher sales-linked rent compared with the initial plan.

Furthermore, based on the asset replacement strategy to improve the profitability and quality of the portfolio, we acquired A-FLAG NISHI SHINSAIBASHI (with the acquisition price of ¥14,300 million) on January 13, 2023 and

Kasumigaseki Tokyu Building (with the acquisition price of ¥30,600 million) on March 28, 2023, and disposed of Tokyu Plaza Ginza (Land) (30% co-ownership interest) (with the disposition price of ¥39,000 million) on April 5, 2023.

As a result of the above-mentioned management, operating revenue, operating profit, and profit for the period under review were ¥17,482 million, ¥9,826 million and ¥8,843 million, respectively, for the period ended May 31, 2023. Distributions per investment unit were ¥9,875.

API's portfolio at the end of the period under review was 47 properties with the total acquisition price of ¥548.4 billion.

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

API has included ESG (environment, social, and governance) perspectives into the long-term management strategy to realize a sustainable society. In accordance with our policy for addressing materiality (core issues), we have announced numerical targets for a wider range of environmental performance, clarified more practical management policies to achieve these targets, and are promoting day-to-day initiatives. We also focus on information disclosure including disclosures 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 24th period ending November 30, 2023 onwards, we will continue to focus on building a foundation to increase unitholder value by implementing a range of measures including asset replacements to improve the competitiveness of the portfolio.

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



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

Financial Highlights (FP23 ended May 2023)

	Period ended November 30, 2022 (the 22nd Period)	Period ended May 31, 2023 (the 23rd Period)
Operating revenue	¥16,178 million (¥967 million)	¥17,482 million (¥2,388 million)
Operating profit	¥8,920 million	¥9,826 million
Profit	¥7,844 million	¥8,843 million

Investment performance (FP23 ended May 2023)

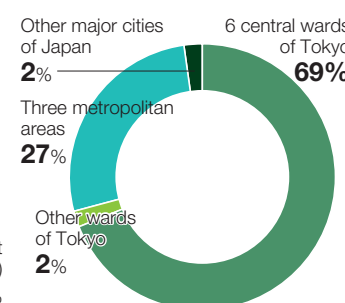
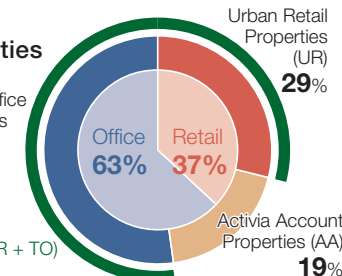
DPU		
FP23 ended May 2023 actual	FP24 ending Nov. 2023 forecast	FP25 ending May 2024 forecast
¥9,875	¥9,300	¥9,300
AUM	NAV per unit	LTV
¥548.4 billion	¥463,122	46.9%

Portfolio (End of May 2023)

47 properties

Tokyo Office Properties (TO) 52%

81% (UR + TO)



Occupancy rate (End of May 2023)

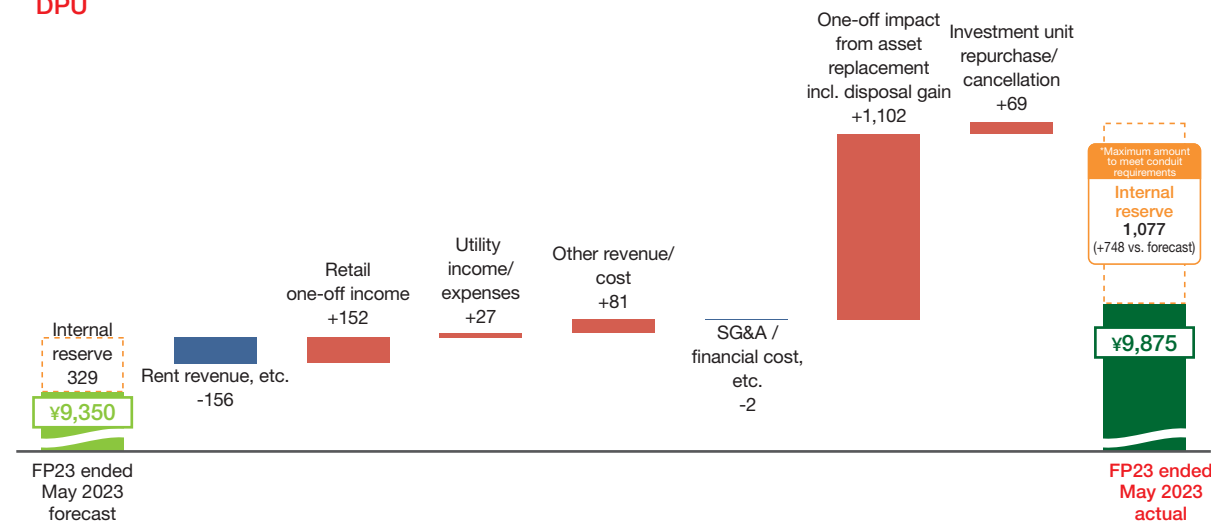
97.0%

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1 DPU Summary (FP23 Ended May 2023 vs. Forecast)

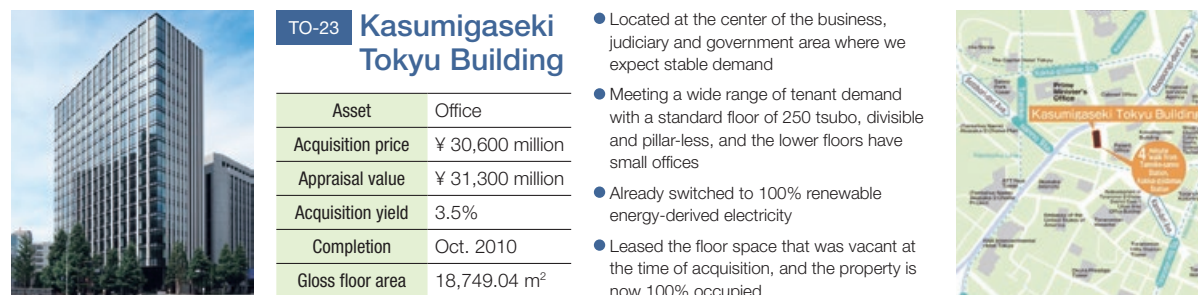
- DPU was higher than previously forecast mainly due to the increase in sales-linked rents from retail and hotel properties and the disposal gain of assets
- Maximum accumulation of internal reserve from the disposal gain of assets will contribute to stable DPU



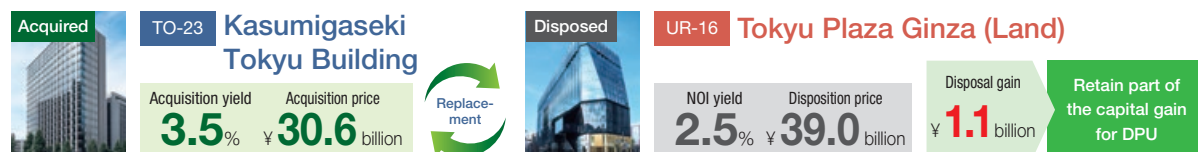
2 Asset Replacement

- Acquired a Tokyo office property in a rare location with high quality having long-term growth potential from the leveraged support of our sponsor
- Asset replacement led to DPU management through profitability improvement and partial reserve of disposal gain

1. Overview of the acquired property (Acquired on March 28, 2023)



2. Profitability improvement and utilization of the disposal gain

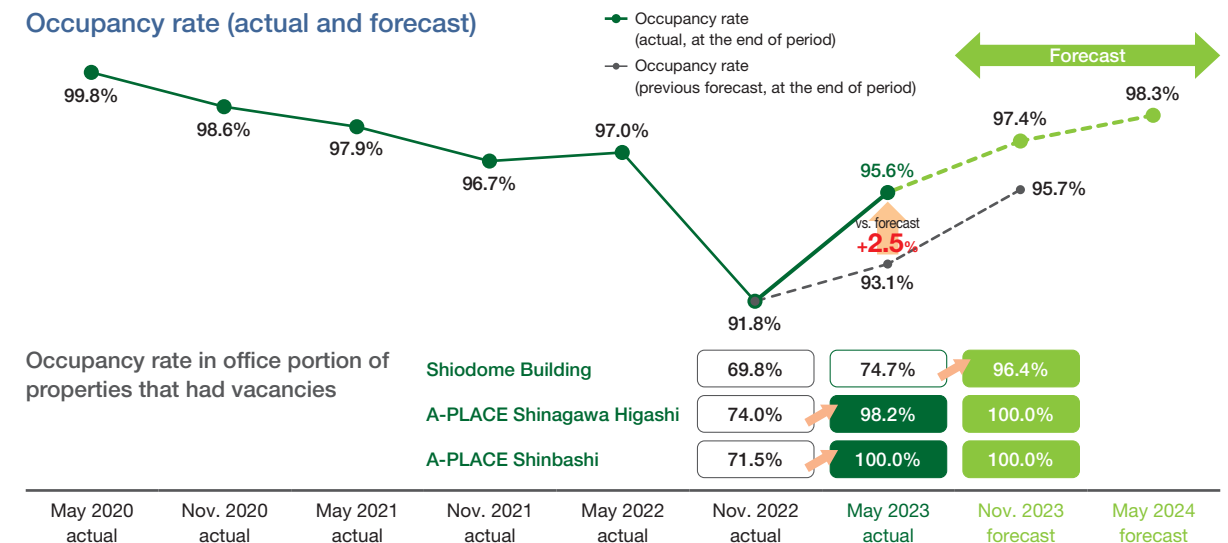


(Note) NOI yield for the acquired property is calculated based on appraisal NOI. For the disposed property, the NOI yield is based on the actual NOI for the period ended November 2022.

3 Internal Growth

- In FP23 ended May 2023, occupancy rate was higher than our forecast due to progress in properties that had vacancies

1. Office leasing status

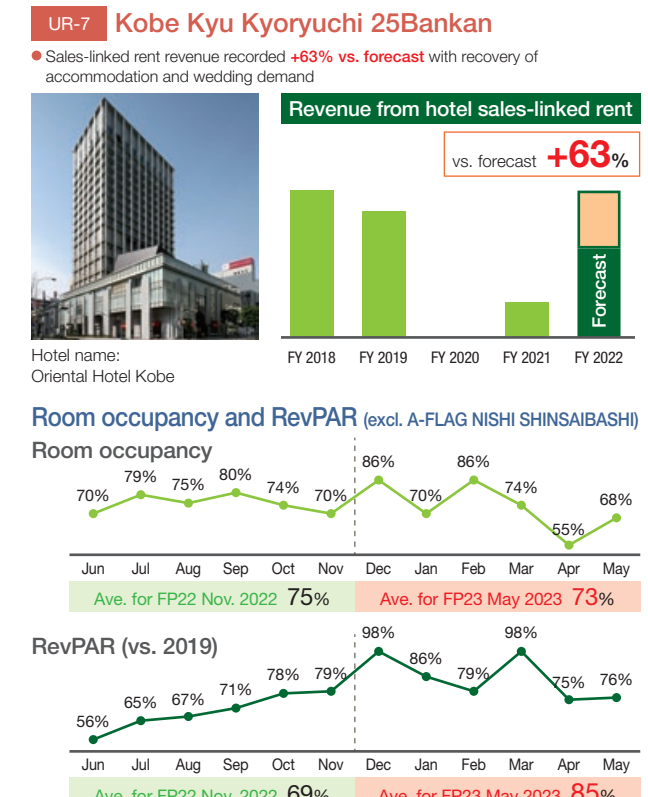


2. Retail status

Continuous internal growth through replacement of major tenants

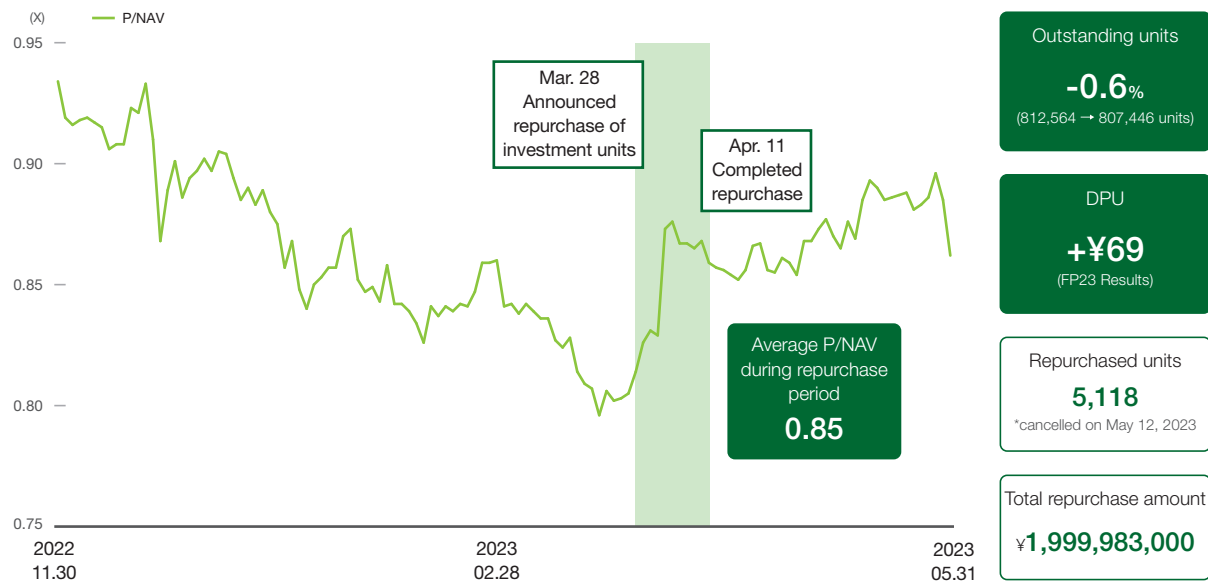


Status of hotel



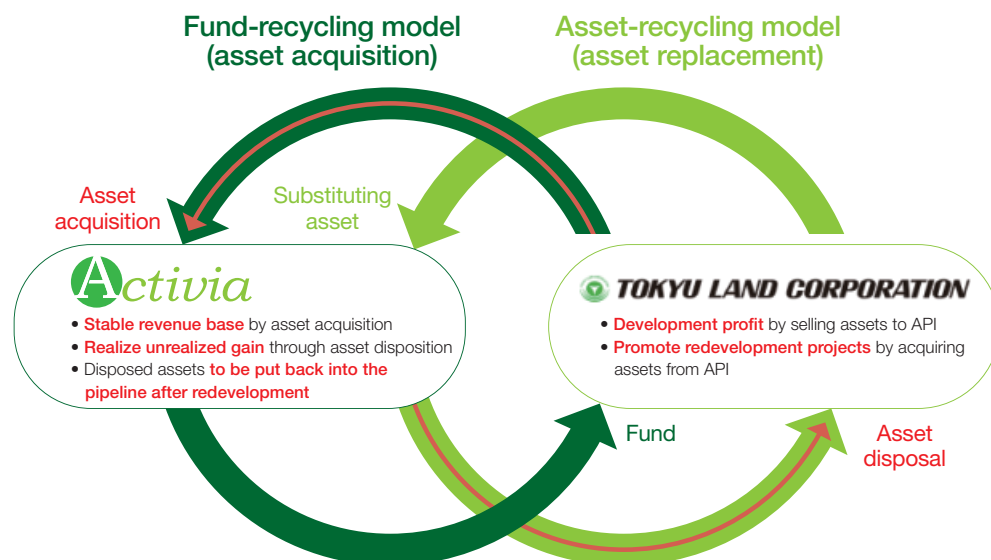
4 Second Round of Repurchase of Investment Units

- Conducted the **second round of repurchase of investment units** from late March 2023
- Aimed to improve unitholder value** through **increase in DPU and NAV per unit**



5 External Growth Policy

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



6 ESG Initiatives

- Continue efforts to achieve **the environmental KPIs** set up in 2022

1. Environmental KPIs and progress

	Renewable energy procurement	Greener portfolio	Sustainable financing
KPI	<ul style="list-style-type: none"> Transition to renewable electricity in all portfolio properties by the end of FY2025 (Note 1) 100% reduction of CO₂ generated by electricity by the end of FY2025, relative to FY2015 baseline (Note 1) 	<ul style="list-style-type: none"> 70% or more green-certified assets by 2030 Promote green leases for 100% of new contracts 	<ul style="list-style-type: none"> 100% of new issuances of investment corporation bonds to be green bonds (Note 2) Consider diversification of sustainable financing methods
Progress	Renewable electricity utilization rate in portfolio (Note) Estimated based on FY2022 electricity consumption 31% Number of properties using renewable energy at end of May 2023 13	GFA 71% Green lease ratio (FP23 ended May 2023) 100%	Green bond ratio in bond issuance after KPI setting 100% Issuance capacity ¥83.0bn

(Note 1) Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity.
 (Note 2) On the condition of issuance based on the current framework.

2. Green certifications



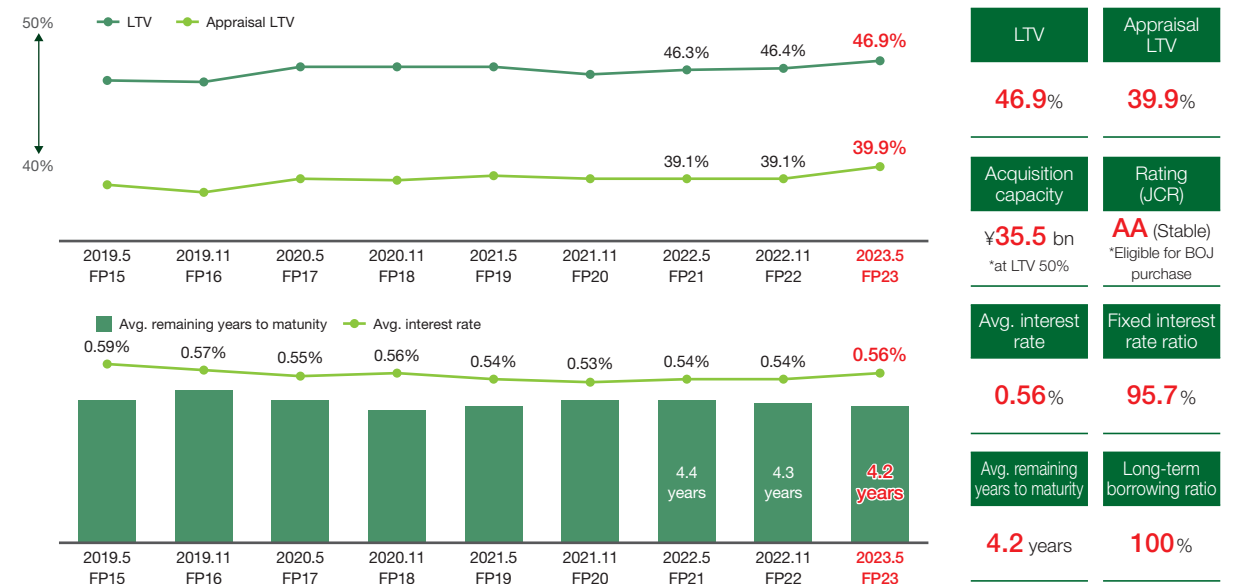
GRESB Real Estate Assessment	
Global rating	5 stars for five consecutive years
Disclosure	Highest A level for five consecutive years Highest among Japanese listed participants (office)

Sustainability page in API's website

Please take a look the sustainability pages on our website where we communicate various ESG initiatives by API and TRM.
<https://www.activia-reit.co.jp/en/sustainability/index.html>

7 Status of Financial Management

- LTV at the end of the FP23 (May 2023) was **46.9%**, **being controlled** within the guidance range of 40% to 50%
- While maintaining the current level of remaining years to maturity and the interest rate**, we continue to prepare for a debt cost increase



* As of May 31, 2023

We present here some of the attractive retailers and facility operators
Would you like to visit them?

in our commercial facilities and hotels.



UR-18 A-FLAG NISHI SHINSAIBASHI

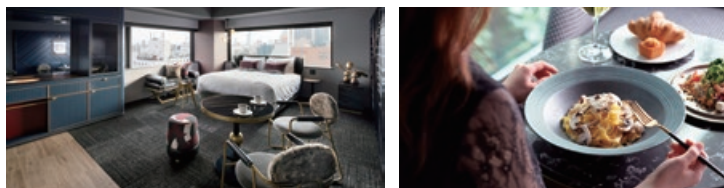
A-FLAG NISHI SHINSAIBASHI is at a 4-min. walk from Namba Station and a 5-min. walk from Shinsaibashi Station on the Osaka Metro Midosuji Line and other lines. Located in proximity to Osaka's representative main streets, Midosuji and Dotonbori, the property has an excellent access to the heart of the Shinsaibashi area, crowded with business travelers and tourists from Japan and abroad.



Hotel
All floors

Mercure Tokyu Stay Osaka Namba

The hotel combines the high level of hotel functionality of Tokyu Stay with the sophisticated design of Mercure. All 288 guest rooms are equipped with mini-kitchens and washer/dryers for long-term guests, and are designed to meet the needs and purposes of a variety of guests from Japan and abroad. The hotel also has a co-working lounge and a fitness gym, and the all-day dining Italian restaurant "CENTRE M" offers a daily breakfast buffet with more than 40 different dishes, as well as lunch, tea time and dinner experiences.



UR-1 Tokyu Plaza Omotesando Harajuku

The property is located on the corner of Omotesando Street and Meiji Street (Jingumae Crossing), a center of fashion and culture in Japan that is often featured in media. A variety of tenants open their flagship stores and new concept stores, expecting significant branding effects from the location and the visibility of the building. The property's striking entrance, reminiscent of a kaleidoscope, also serves as an advertisement.

On the rooftop, API has created the Forest of Omohara, where visitors can relax and enjoy the changing seasons.

Fashion
B1F - 2F

The SHEL'TTER TOKYO



The flagship store of SHEL'TTER, a select shop centered on Baroque Japan Limited's flagship brand MOUSSY. Since opening in 2012, SHEL'TTER has been proposing the latest trends in street fashion. It was renovated in March this year, introducing a façade with LED digital signage and pop-up stores, an art gallery, and a studio for SNS live streaming. The new store has been reborn as a branding base for the next generation.



Sports
B1F - 2F

Adidas

The store offers a broad lineup of men's and women's products, including sports shoes and apparel designed and developed for the best sports performance of all athletes, as well as the street fashion brand adidas Originals with the trefoil logo.



UR-15 Decks Tokyo Beach

Located in Odaiba, one of the most popular sightseeing areas in Tokyo, Decks Tokyo Beach is a 2-min. walk from Odaiba Kaihin Koen Station on the Yurikamome Line, and a 5-min. walk from Tokyo Teleport Station on the Rinkai Line. Included are a variety of amusement facilities such as the Legoland Discovery Center Tokyo; Tokyo Joypolis; Madame Tussauds Tokyo; Daiba 1-chome Shopping Street, a theme product sales, Odaiba Takoyaki Museum, as well as approx. 80 shops and eating/drinking stores. The view of the Tokyo Bay from the seaside deck is also wonderful, making it a place visited by a wide range of people, including tourists and school groups.



Experience
Seaside Mall 5F

Animeal

In the urban-type petting zoo, visitors are welcomed by animals in a relaxed atmosphere. The zoo's staff, with their wealth of knowledge and experience, have devised breeding environments and exhibition spaces that match the ecology of each animal. The facility also offers events such as a sensory experience program where you can learn about the wonderful abilities of the animals.




Activity
Island Mall 3F

The Kids




This is an indoor playground for children from toddlers to elementary school. Filled with brightly colored equipment including a ball pool, a trampoline, and a bouldering wall, the facility is also equipped with educational toys that can be played with by toddlers. Bring smiles to the faces of the whole family!

Central Tokyo




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-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 (Note)




TO-6

TAMACHI SQUARE (Land)




TO-7

A-PLACE Ikebukuro



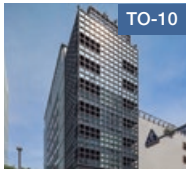
TO-8

A-PLACE Shinbashi



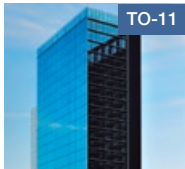
TO-9

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



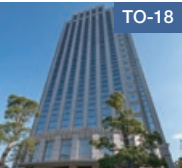
TO-15

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 Nampoideai




TO-23

Kasumigaseki Tokyu Building




UR

URBAN RETAIL



TO

TOKYO OFFICE




AA

ACTIVIA ACCOUNT


(Note) Luogo Shiodome has been disposed on June 1, 2023.

Greater Tokyo Area




AA-4

icot Mizonokuchi




AA-5

icot Tama Center




AA-8

icot Omori



AA-9


Market Square Sagami



AA-11


A-PLACE Bashamichi

Hyogo/Osaka/Kyoto




UR-5

Kyoto Karasuma Parking Building




UR-18

A-FLAG NISHI SHINSAIBASHI




AA-7

Osaka Nakanoshima Building




UR-7

Kobe Kyu Kyoryuchi 25Bankan




AA-1

Amagasaki Q's MALL (Land)




AA-10

Umeda Gate Tower




UR-10

Q plaza SHINSAIBASHI




AA-2

icot Nakamozu




AA-13

A-PLACE Shinsaibashi




UR-8

A-FLAG SAPPORO



AA-6

A-PLACE Kanayama



AA-12

Commercial Mall Hakata

10

11

Asset Management Report for the 23rd Fiscal Period (Semi-Annual Report)

From December 1, 2022 to May 31, 2023

I.	Asset Management Report
II.	Balance Sheets
III.	Statements of Income
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		19th period	20th period	21st period	22nd period	23rd period
Business period		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	From December 1, 2022 to May 31, 2023
Operating revenue	(millions of yen)	14,715	15,646	15,512	16,178	17,482
[Lease business revenue]	(millions of yen)	[13,765]	[14,283]	[14,490]	[13,693]	[13,969]
Operating expenses	(millions of yen)	6,614	6,887	6,887	7,257	7,656
[Expenses related to rent business]	(millions of yen)	[5,369]	[5,551]	[5,558]	[5,896]	[6,197]
Operating profit	(millions of yen)	8,101	8,758	8,624	8,920	9,826
Ordinary profit	(millions of yen)	7,250	7,781	7,734	7,997	8,859
Profit	(millions of yen)	7,249	7,753	7,731	7,844	8,843
Net assets	(millions of yen)	255,581	278,716	274,768	274,906	274,155
[Change from the previous period]	(%)	[-0.0]	[9.1]	[-1.4]	[0.1]	[-0.3]
Total assets	(millions of yen)	525,379	566,257	562,272	561,682	567,177
[Change from the previous period]	(%)	[0.0]	[7.8]	[-0.7]	[-0.1]	[1.0]
Unitholders' capital, net (Note4)	(millions of yen)	248,370	270,963	266,963	266,963	264,963
Number of units issued and outstanding	(units)	771,224	822,754	812,564	812,564	807,446
Net assets per unit	(yen)	331,397	338,760	338,149	338,319	339,534
Total distributions	(millions of yen)	7,250	7,700	7,727	7,556	7,973
Basic earnings per unit (Note1)	(yen)	9,400	9,754	9,453	9,653	10,904
Cash distributions per unit	(yen)	9,401	9,360	9,510	9,300	9,875
[Earnings distributions per unit]	(yen)	[9,386]	[9,360]	[9,510]	[9,300]	[9,875]
[Distributions per unit in excess of earnings]	(yen)	[15]	[-]	[-]	[-]	[-]
Ordinary profit to total assets (Note2)	(%)	1.4	1.4	1.4	1.4	1.6
Return on unitholders' equity (Note2)	(%)	2.8	2.9	2.8	2.9	3.2
Unitholders' equity to total assets (Note2)	(%)	48.6	49.2	48.9	48.9	48.3
[Change from the previous period]	(%)	[-0.1]	[0.6]	[-0.3]	[-]	[-0.6]
Payout ratio (Note2)	(%)	99.8	99.3	99.9	96.3	90.2
[Other reference]						
Number of properties	(properties)	44	47	47	46	47
Total leasable area (Note3)	(m ²)	425,493.08	429,067.46	428,911.58	425,476.30	448,841.77
Occupancy rate	(%)	98.1	97.5	97.8	95.2	97.0
Depreciation	(millions of yen)	1,352	1,374	1,367	1,376	1,454
Capital expenditure	(millions of yen)	678	810	645	1,046	1,187
NOI (Note2)	(millions of yen)	10,705	11,224	11,323	10,690	10,369

(Note1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units (771,224units, 794,871units, 817,847units, 812,564units, 810,997units for the 19th, 20th, 21st, 22nd, 23rd 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%, 51%, 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 with TLC Township Inc. acting as organizer in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions; hereinafter referred to as the “Investment Trust Act”). The Investment Corporation completed its registration in the Kanto Local Finance Bureau on September 20, 2011 (Director-General of the Kanto Local Finance Bureau No. 73). Note that on April 1, 2017, an absorption-type merger took place with what is now TLC REIT Management Inc. (hereinafter referred to as the “Asset Manager”) as the surviving company and TLC Activia Investment Management Inc. (its trade name was changed from TLC Township Inc. on April 1, 2012) as the absorbed company.

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).

In the fiscal period under review, which ended on May 31, 2023, the Investment Corporation acquired A-FLAG NISHI SHINSAIBASHI on January 13, 2023, using cash on hand and borrowings. The Investment Corporation also took steps to reshuffle its asset portfolio which involved acquiring Kasumigaseki Tokyu Building on March 28, 2023 and transferring Tokyu Plaza Ginza (Land) (30% co-ownership interest) on April 5, 2023. Consequently, the Investment Corporation held 47 properties (with the total acquisition price of ¥548,485 million) at the end of the fiscal period under review.

2) Investment Environment and Investment Performance

The Japanese economy underwent a gradual recovery during the fiscal period under review, with improvements in the employment situation and in consumer sentiment.

Following the easing of restrictions on social and economic activities that were imposed due to COVID-19, the environment for retail properties has been characterized by year-on-year improvements in net sales at department stores and restaurants, and in travel turnover.

In the rental office market, the vacancy rate began to show signs of decline due to active use of relocations, despite an increase in new supply. Meanwhile, the average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of May 31, 2023, according to data published by Miki Shoji Co., Ltd., was 6.16%, a decrease of 0.22 percentage points from November 30, 2022. Of these, the vacancy rate in Shibuya-ku remained at a low level compared to the other areas at 4.55%. Rent levels have dropped for 34 consecutive months starting in August 2020. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of May 31, 2023, was ¥19,877.

In the first half of the fiscal period under review, the J-REIT market underwent a substantial correction due to policy revisions by the Bank of Japan and financial instability in Europe and the United States. However, in the second half, the Nikkei Stock Average recorded its highest level since the bursting of the 1980s bubble, leading to the perception that the J-REIT market was lagging the stock market and resulting in prices recovering through to the end of May 2023.

The Investment Corporation acquired A-FLAG NISHI SHINSAIBASHI (with the acquisition price of ¥14,300 million) on January 13, 2023, using cash on hand and borrowings, in accordance with the basic asset management policy set forth in the Articles of Incorporation. On March 28, 2023, the Investment Corporation also acquired Kasumigaseki Tokyu Building (with the acquisition price of ¥30,600 million), and on April 5, 2023, it transferred Tokyu Plaza Ginza (Land) (30% co-ownership interest) (with the transfer price of ¥39,000 million).

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 47 properties (with the total acquisition price of ¥548,485 million) with the total leasable area of 448,841.77 m² (135,772 *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.

In terms of work to reduce environmental impacts during the fiscal period under review, we implemented a replacement program for toilets in Umeda Gate Tower. The use of environmentally friendly products that conform to the Green Procurement Standards of TLC REIT Management Inc., the Asset Manager, will also contribute to reduced water consumption. As part of our BCP, we also implemented work to strengthen the ceilings in the disaster prevention centers and other areas of DECKS Tokyo Beach and Q plaza HARAJUKU. In doing so, we put in place functions to ensure that recovery activities can be performed smoothly in the event of a disaster occurring.

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 A-FLAG KOTTO DORI (A class). We have also acquired the BELS certifications for A-FLAG NISHI SHINSAIBASHI (four stars). As such, a total of 35 of our properties have acquired green building certification, which amounted to 71.2% of our holdings calculated on the basis of gross floor area (as of May 31, 2023).

Furthermore, at Tokyu Plaza Omotesando Harajuku, we held an SDGs event in the Omohara Forest rooftop garden that was open to all. The exhibition of aquaponics, a sustainable approach to agriculture that combines aquaculture with hydroponics, and the sale of miscellaneous goods made from discarded materials drew a total of 1,000 visitors over three days.

In addition, the Asset Manager participated in the “Zero Disposable Umbrellas by 2030 Project for office,” which aims to use the “i-Kasa” umbrella-sharing service to reduce disposable umbrella waste to zero. The Investment Corporation has established umbrella spots at 11 of its properties, which also contribute to improved tenant satisfaction.

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

In the fiscal period under review, the Investment Corporation issued green bonds (unsecured investment corporation bonds) of ¥2,000 million in December 2022, and used the funds for early repayment of borrowings. It also borrowed funds of ¥9,000 million in January 2023, in order to cover a part of the acquisition cost for A-FLAG NISHI SHINSAIBASHI and related costs. In March 2023, the Investment Corporation borrowed ¥25,800 million to cover a part of the acquisition cost of the Kasumigaseki Tokyu Building and related costs, and in April 2023, it used a part of the proceeds from the sale of Tokyu Plaza Ginza (Land) to repay the ¥29,300 million that represented the borrowing and a part of the borrowings associated with the acquisition of A-FLAG NISHI SHINSAIBASHI. In addition, a total of ¥14,500 million in refinancing was conducted. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥265,850 million (borrowings of ¥238,150 million and investment corporation bonds of ¥27,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.9% as of the end of the fiscal period under review. The long-term debt ratio and the ratio of fixed-interest debt to total interest-bearing debt were 100.0% and 95.7%, 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 ¥17,482 million, ¥9,826 million, and ¥8,859 million, respectively, for the fiscal period under review, and profit was ¥8,843 million.

As for distributions for the fiscal period under review, the decision has been made to pay distributions of profit of ¥7,973,529,250, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation. Consequently, distributions per investment unit resulted in ¥9,875.

(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)
May 12, 2023	Cancellation	(5,118)	807,446	(1,999)	264,963	(Note 20)

- (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)From March 29, 2023, to April 11, 2023, 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 (5,118 units) were canceled on May 12, 2023, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2023.

(Note 21) 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	19th period	20th period	21st period	22nd period	23rd period
Business period	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	From December 1, 2022 to May 31, 2023
Highest	515,000	531,000	443,000	449,000	427,500
Lowest	390,500	425,500	364,500	392,000	361,500

(4) Distributions, etc.

As for distributions for the fiscal period under review, the decision has been made to pay distributions of profit of ¥7,973,529,250, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation. Consequently, distributions per investment unit resulted in ¥9,875.

Fiscal period	19th period	20th period	21st period	22nd period	23rd period
Business period	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	From December 1, 2022 to May 31, 2023
Unappropriated retained earnings	¥7,278,928 thousand	¥7,793,594 thousand	¥7,784,892 thousand	¥7,900,936 thousand	¥9,187,516 thousand
Retained earnings	¥40,219 thousand	¥53,379 thousand	¥56,542 thousand	¥344,091 thousand	¥1,213,987 thousand
Total distributions	¥7,250,276 thousand	¥7,700,977 thousand	¥7,727,483 thousand	¥7,556,845 thousand	¥7,973,529 thousand
[Distributions per unit]	[¥9,401]	[¥9,360]	[¥9,510]	[¥9,300]	[¥9,875]
Of which, total distributions of profits	¥7,238,708 thousand	¥7,700,977 thousand	¥7,727,483 thousand	¥7,556,845 thousand	¥7,973,529 thousand
[Distributions of profits per unit]	[¥9,386]	[¥9,360]	[¥9,510]	[¥9,300]	[¥9,875]
Of which, total return on unitholders' capital	¥11,568 thousand	¥－ thousand	¥－ thousand	¥－ thousand	¥－ thousand
[Return on unitholders' capital per unit]	[¥15]	[¥－]	[¥－]	[¥－]	[¥－]
Of the total return on unitholders' capital, the total distribution payments from the allowance for temporary difference adjustment	¥11,568 thousand	¥－ thousand	¥－ thousand	¥－ thousand	¥－ thousand
[Of the return on unitholders' capital per unit, the distribution payment from the allowance for temporary difference adjustment per unit]	[¥15]	[¥－]	[¥－]	[¥－]	[¥－]
Of the total return on unitholders' capital, the total distribution payments from investments and other decreased distribution under tax laws	¥－ thousand	¥－ thousand	¥－ thousand	¥－ thousand	¥－ thousand
[Of the return on unitholders' capital per unit, the distribution payments from investments and other decreased distribution under tax laws]	[¥－]	[¥－]	[¥－]	[¥－]	[¥－]

(5) Future Investment Policy and Issues to Address

Due to the emergence of pent-up demand following wage increases resulting from spring negotiations between labor and management and the reclassification of COVID-19 as a Class 5 infectious disease, the Japanese economy is expected to continue to recover gradually. On the other hand, close attention must be paid to the risk of economic downturn caused by the prolongation of monetary tightening to address ongoing high levels of inflation overseas, and to the risk of increases in prices of resources and grains due to developments in Ukraine.

The environment for retail properties is expected to benefit from the continued recovery in numbers of overseas visitors to Japan following the easing of entry restrictions and the depreciation of the yen, but attention must be paid to the impact on consumer sentiment of anticipated price increases in a wide range of products. In the rental office market, although there are concerns about continued large supply of office spaces and weakness in demand among Japanese affiliates of foreign companies as a result of conditions overseas, we believe that there will continue to be firm demand for prime locations and higher grades of buildings. With the fading of the sense of caution about the early change in monetary policies, we expect a firm performance from the J-REIT market due to the relative stability of J-REIT revenue and its relatively high yields.

Amid this environment, the Investment Corporation will fulfill its social responsibility through further promoting sustainability initiatives, etc. while focusing on conducting property replacement with the aim of improving portfolio competitiveness and preparing a foundation for future distribution growth. The Investment Corporation will stabilize the occupancy of the entire portfolio, work on measures to further enhance revenue in accordance with the condition of each property, and work to continuously enhance unitholder value.

1) Basic Policy

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

2) External Growth Strategy

The Investment Corporation will invest in Urban Retail and Tokyo Office properties as a main target. It will make its investment decisions carefully, concentrating on selecting properties in excellent locations, including surrounding areas, and thoroughly considering individual factors such as use, size, specifications and other qualities of properties, and credibility and name recognition of tenants, in order to construct a competitive portfolio in the medium to long term.

To acquire these competitive assets on an ongoing basis, the Investment Corporation will work to maintain and improve the quality of its portfolio by rigorously selecting investment assets based on the information it receives under its sponsor support agreement with Tokyu Land Corporation regarding the Investment Corporation and its support agreement with four group companies in the Tokyu Fudosan Holdings Group. It will also acquire properties through the exclusive know-how and information-gathering network of the Asset Manager.

3) Internal Growth Strategy

The Investment Corporation will operate, manage, and refurbish its portfolio to maintain and improve the competitiveness of its facilities through a comprehensive understanding of the features of its overall portfolio and its individual assets under management, based on the unique expertise of its Asset Manager. The Investment Corporation will also seek to manage its portfolio in a stable manner and strengthen its earnings by establishing appropriate operational and management systems tailored to the specific characteristics of the assets it has invested in, and through regular and non-regular inspections by the property management company that has considerable experience in the operation and management of real estate.

The Investment Corporation will also maintain and improve the value of its assets through its expertise in internal growth through operating and managing properties. It will maximize the competitiveness of its assets through the ongoing assistance of Tokyu Land Corporation and other support companies, which, through their face-to-face business with consumers, have rich information regarding consumer needs and developments in industries such as retail and services.

With respect to the property management business for the assets under management, leasing support has been provided from Tokyu Land Corporation, Tokyu Land SC Management Corporation or Tokyu Community Corp.

4) Financial Strategy

Having a sound financial strategy in an effort to conservatively control LTV as well as make stable long-term borrowings and diversify maturities (diversifying repayment dates), the Investment Corporation will endeavor to build a stable financial base with a solid bank formation based on good relationships with major financial

institutions. In addition, with the aim of diversifying means of raising funds, the Investment Corporation will issue investment corporation bonds while paying close attention to trends in financial markets. Concerning the issuance of new investment units, moreover, the Investment Corporation will prudently and flexibly carry out such issuance while paying appropriate attention to various environmental factors with the aim of achieving long-term and stable growth.

(6) Significant Matters after Book Closing

Not applicable.

< Reference Information >

The Investment Corporation transferred the following property 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	
Transfer price	¥4,646 million (51% co-ownership interest)	
Delivery date	June 1, 2023	
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	

(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

	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	23rd period As of May 31, 2023
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	822,754	812,564	812,564	807,446
Unitholders' capital, net (Note) (millions of yen)	¥248,370	¥270,963	¥266,963	¥266,963	¥264,963
Number of unitholders (persons)	7,160	8,164	8,547	8,575	8,805

(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)	220,701	27.33
The Master Trust Bank of Japan, Ltd. (Trust accounts)	123,136	15.25
Tokyu Land Corporation	89,365	11.06
The Nomura Trust and Banking Co., Ltd.(Investment accounts)	37,653	4.66
SMBC Nikko Securities Inc.	25,650	3.17
STATE STREET BANK WEST CLIENT - TREATY 505234	10,504	1.30
STATE STREET BANK AND TRUST COMPANY 505103	10,429	1.29
The Shinkumi Federation Bank	8,425	1.04
JAPAN SECURITIES FINANCE CO.,LTD.	8,059	0.99
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	7,952	0.98
Total	541,874	67.10

(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 (Note1)	Nobuhide Kashiwagi	TLC REIT Management Inc., Chief Division Officer of Activia Management Division	—
Supervisory Directors (Note1)	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	—	13,700 (Note2)

(Note1) 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.

(Note2) Compensation for the independent auditor includes fees for preparing comfort letters related to the issuance of new investment corporation bonds in December 2022.

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	22nd period As of November 30, 2022		23rd period As of May 31, 2023	
		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	181,552	32.3	158,242	27.9
	Tokyo Office Properties	253,419	45.1	282,766	49.9
	Activia Account Properties	101,718	18.1	101,509	17.9
	Subtotal	536,689	95.6	542,518	95.7
Total real estate, etc.		536,689	95.6	542,518	95.7
Deposits and other assets		24,993	4.4	24,659	4.3
Total assets (Note 2)		561,682 (536,689)	100.0 (95.6)	567,177 (542,518)	100.0 (95.7)

(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)	70,053	28,136.05	21,164.54	75.2	6.8	Office
Tokyu Plaza Omotesando Harajuku (Note 4)	44,389	5,154.14	5,154.14	100.0	6.6	Retail
Ebisu Prime Square (Note 4)	30,973	18,059.66	17,597.78	97.4	5.6	Office
Kasumigaseki Tokyu Building	30,842	12,023.76	12,023.76	100.0	1.5	Office
A-PLACE Shinsaibashi	19,952	15,892.28	15,892.28	100.0	3.7	Office
Kobe Kyu Kyoryuchi 25Bankan	19,783	19,653.90	18,012.77	91.6	4.3	Retail
Umeda Gate Tower	18,867	13,513.73	13,410.77	99.2	3.5	Office
A-PLACE Shinagawa Higashi	18,681	14,517.11	14,260.66	98.2	2.4	Office
Q plaza Shinjuku-3chome	18,507	4,528.01	4,528.01	100.0	3.0	Office
Meguro Tokyu Building	16,348	6,993.70	6,993.70	100.0	2.2	Office
Total	288,401	138,472.34	129,038.41	93.2	39.6	

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of May 31, 2023 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of May 31, 2023.

(Note 2) Leased area refers to the leased area of each property based on lease agreements as of May 31, 2023. For properties with master lease agreements, leased area refers to leased areas of each property and is actually leased based on sublease agreements with end-tenants.

(Note 3) Occupancy rate refers to the percentage of total leased area for each property to total leasable area for each property as of May 31, 2023, rounding down to the first decimal place.

(Note 4) As for Shiodome Building, Tokyu Plaza Omotesando Harajuku 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% 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	5,154.14	60,675	44,389
	Q plaza EBISU	8-12 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,024.88	11,600	8,099
	Kyoto Karasuma Parking Building	678 Motohonenjicho, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficiary interests	21,616.04	10,300	8,605
	Kobe Kyu Kyoryuchi 25Bankan	25 Kyomachi, Chuo-ku, Kobe City, Hyogo	Trust beneficiary interests	19,653.90	26,200	19,783
	A-FLAG SAPPORO	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	21,229.16	7,490	5,459
	A-FLAG SHIBUYA	32-13, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	3,403.07	7,780	6,395
	Q plaza SHINSAIBASHI	1-10 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	2,820.23	14,000	13,358
	A-FLAG KOTTO DORI	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,656.53	4,740	4,373
	A-FLAG BIJUTSUKAN DORI	3-16, Minami-Aoyama 6-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,994.65	4,970	4,752
	A-FLAG DAIKANYAMA WEST	11-6, Sarugakucho, Shibuya-ku, Tokyo	Trust beneficiary interests	2,579.08	2,210	2,432
	DECKS Tokyo Beach (Note 4)	6-1, Daiba 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	16,119.47	11,025	12,905
	Q plaza HARAJUKU (Note 4)	28-6, Jingu-mae 6-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,378.49	12,600	13,288
	A-FLAG NISHI SHINSAIBASHI	2-4, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	13,680.84	15,000	14,397
	Subtotal			118,310.48	188,590	158,242
Tokyo Office Properties	TLC Ebisu Building	18-18 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,342.60	12,400	7,194
	A-PLACE Ebisu Minami	15-1 Ebisu-minami 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,950.49	16,700	9,503
	A-PLACE Yoyogi	23-15 Sendagaya 5-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,106.17	5,070	3,801
	A-PLACE Aoyama	11-3 Kita-Aoyama 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	7,303.69	11,000	8,496
	Luogo Shiodome (Note 4)	3-3 Higashi-Shinbashi 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,282.94	3,260	2,220
	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	5,760	3,600
	A-PLACE Shinbashi	11-1 Shinbashi 4-chome, Minato-ku, Tokyo	Trust beneficiary interests	5,054.19	7,240	5,725
	A-PLACE Gotanda	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,028.69	8,060	5,311
	A-PLACE Shinagawa	8-40, Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,986.36	6,560	3,755
	OSAKI WIZTOWER	11-1 Osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	7,193.28	14,800	10,279
	Shiodome Building (Note 4)	2-20 Kaigan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	28,136.05	75,600	70,053
	A-PLACE Ebisu Higashi	13-11 Higashi 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,010.69	7,790	6,928
	A-PLACE Shibuya Konnoh	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,010.53	5,880	4,910
	A-PLACE Gotanda Ekimae	5-1 Nishigotanda 1-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,333.64	7,890	7,578
	A-PLACE Shinagawa Higashi	7-18 Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	14,517.11	18,200	18,681
	Ebisu Prime Square (Note 4)	1-7,39,40 Hiroo 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	18,059.66	32,400	30,973
	A-PLACE Tamachi East	2-16, Shibaura 3-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,288.88	7,250	6,834
	Meguro Tokyu Building	13-17, Kami-osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,993.70	16,500	16,348
	Q plaza Shinjuku-3chome	5-6 Shinjuku 3-chome, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,528.01	19,400	18,507
	A-PLACE Shibuya Nanpeidai	2-17 Nanpeidai-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	4,373.54	9,290	8,855
	Kasumigaseki Tokyu Building	7-1 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	Trust beneficiary interests	12,023.76	31,300	30,842
	Subtotal			156,221.67	325,370	282,766

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	14,600	12,113
	icot Nakamozu	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Trust beneficiary interests	28,098.02	10,600	8,067
	icot Mizonokuchi	11-1 Mizonokuchi 6-chome, Takatsu-ku, Kawasaki City, Kanagawa	Trust beneficiary interests	14,032.05	4,470	2,562
	icot Tama Center	35 Ochiai 1-chome, Tama City, Tokyo	Trust beneficiary interests	5,181.58	4,110	2,549
	A-PLACE Kanayama	14-18 Kanayama 1-chome, Naka-ku, Nagoya City, Aichi	Trust beneficiary interests	9,314.90	8,730	5,970
	Osaka Nakanoshima Building	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	20,125.63	19,000	11,008
	icot Omori	8-2, Omorikita 1-chome, Ota-ku, Tokyo	Trust beneficiary interests	6,209.78 (Note 5)	7,370	5,618
	Market Square Sagamihara	777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interests	15,152.42	5,000	4,497
	Umeda Gate Tower	1-9, Tsurunocho, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	13,513.73	21,600	18,867
	A-PLACE Bashamichi	43 Honcho 4-chome, Naka-ku, Yokohama City, Kanagawa	Trust beneficiary interests	9,710.91	5,200	4,050
	Commercial Mall Hakata	6-40, Tokojimachi 2-chome, Hakata-ku, Fukuoka city, Fukuoka	Trust beneficiary interests	9,612.88	5,770	6,251
	A-PLACE Shinsaibashi	2-3, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	15,892.28	21,900	19,952
	Subtotal			174,309.62	128,350	101,509
	Total			448,841.77	642,310	542,518

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of May 31, 2023 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of May 31, 2023.

(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 May 31, 2023 taken as the point of evaluation.

(Note 3) Book value at end of period stands for the book value minus depreciation as of May 31, 2023, rounded down to the nearest ¥ million.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, 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%, 60%, 51%, 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

		22nd period (From June 1, 2022 to November 30, 2022)				23rd period (From December 1, 2022 to May 31, 2023)			
		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)	24	93.6	987	6.5	23	100.0	990	6.6
	Q plaza EBISU	4	100.0	275	1.8	4	100.0	271	1.8
	Kyoto Karasuma Parking Building	2	100.0	(Note 5)	(Note 5)	2	100.0	(Note 5)	(Note 5)
	Kobe Kyu Kyoryuchi 25Bankan	5	91.6	738	4.9	5	91.6	645	4.3
	A-FLAG SAPPORO	14	96.4	471	3.1	14	96.4	493	3.3
	A-FLAG SHIBUYA	2	100.0	225	1.5	2	100.0	219	1.5
	Q plaza SHINSAIBASHI	6	100.0	356	2.3	6	100.0	217	1.4
	A-FLAG KOTTO DORI	8	100.0	119	0.8	8	100.0	117	0.8
	A-FLAG BIUTSUKAN DORI	4	100.0	127	0.8	4	100.0	126	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)	—	—	17	0.1	—	—	—	—
	DECKS Tokyo Beach (Note 4)	76	95.8	533	3.5	78	97.5	562	3.7
	Tokyu Plaza Ginza (Land) (Note 4)	1	100.0	591	3.9	—	—	407	2.7
	Q plaza HARAJUKU (Note 4)	14	94.8	166	1.1	15	95.2	164	1.1
	A-FLAG NISHI SHINSAIBASHI	—	—	—	—	1	100.0	255	1.7
	Subtotal	161	96.6	—	—	163	97.5	—	—
Tokyo Office Properties	TLC Ebisu Building	13	100.0	270	1.8	13	100.0	326	2.2
	A-PLACE Ebisu Minami	9	100.0	442	2.9	8	97.1	444	2.9
	A-PLACE Yoyogi	5	100.0	112	0.7	5	100.0	140	0.9
	A-PLACE Aoyama	8	100.0	336	2.2	8	100.0	328	2.2
	Luogo Shiodome (Note 4)	7	79.1	145	1.0	7	79.1	115	0.8
	TAMACHI SQUARE (Land)	1	100.0	62	0.4	1	100.0	62	0.4
	A-PLACE Ikebukuro	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-PLACE Shinbashi	11	79.0	161	1.1	13	100.0	144	1.0
	A-PLACE Gotanda	14	100.0	186	1.2	14	100.0	198	1.3
	A-PLACE Shinagawa	8	100.0	127	0.8	8	100.0	136	0.9
	OSAKI WIZTOWER	6	100.0	354	2.3	6	100.0	352	2.3
	Shiodome Building (Note 4)	41	69.5	1,091	7.2	45	75.2	1,025	6.8
	A-PLACE Ebisu Higashi	7	100.0	192	1.3	7	100.0	186	1.2
	A-PLACE Shibuya Konnoh	4	100.0	150	1.0	4	96.2	148	1.0
	A-PLACE Gotanda Ekimae	10	100.0	216	1.4	10	100.0	213	1.4
	A-PLACE Shinagawa Higashi	7	74.4	565	3.7	10	98.2	359	2.4
	Ebisu Prime Square(Note 4)	116	96.9	834	5.5	116	97.4	849	5.6
	A-PLACE Tamachi East	24	100.0	175	1.2	24	100.0	180	1.2
	Meguro Tokyu Building	9	100.0	320	2.1	9	100.0	326	2.2
	Q plaza Shinjuku-3chome	4	100.0	447	2.9	4	100.0	448	3.0
	A-PLACE Shibuya Nampedai	12	100.0	222	1.5	11	100.0	195	1.3
	Kasumigaseki Tokyu Building	—	—	—	—	26	100.0	233	1.5
	Subtotal	317	89.9	—	—	350	94.6	—	—

		22nd period (From June 1, 2022 to November 30, 2022)				23rd period (From December 1, 2022 to May 31, 2023)			
		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	359	2.4	1	100.0	359	2.4
	icot Nakamozu	2	100.0	311	2.0	2	100.0	311	2.1
	icot Mizonokuchi	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	icot Tama Center	10	100.0	143	0.9	10	100.0	145	1.0
	A-PLACE Kanayama	21	100.0	308	2.0	21	100.0	306	2.0
	Osaka Nakanoshima Building	38	99.1	552	3.6	38	99.1	549	3.6
	icot Omori	8	100.0	235	1.5	8	100.0	233	1.5
	Market Square Sagamihara	3	100.0	(Note 5)	(Note 5)	3	100.0	(Note 5)	(Note 5)
	Umeda Gate Tower	19	97.8	477	3.1	20	99.2	530	3.5
	A-PLACE Bashamichi	37	100.0	203	1.3	36	94.7	193	1.3
	Commercial Mall Hakata	18	90.3	195	1.3	16	89.3	185	1.2
	A-PLACE Shinsaibashi	18	95.9	568	3.7	20	100.0	563	3.7
	Subtotal	176	98.8	—	—	176	98.9	—	—
Total		654	95.2	15,211	100.0	689	97.0	15,094	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%, 51%, 35% and 51%, respectively). A-FLAG KITASHINSAIBASHI was disposed June 30, 2022. Co-ownership interests of 20% and 29% in Luogo Shiodome has been transferred as of November 30, 2022 and May 31, 2023. Tokyu Plaza Ginza (Land) was disposed April 5, 2023.

(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)	25,140,000	25,140,000	4,033
Total		25,140,000	25,140,000	4,033

(Note 1) The contract amount of interest rate swaps is presented based on its notional principal.

(Note 2) The statement of the fair value is omitted for those transactions that satisfy requirements for special treatment based on accounting standards for financial instruments.

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

(5) Other Assets

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

(6) Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan.

4. Capital Expenditure for Assets under Management

(1) Scheduled Capital Expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held in the 23rd fiscal period as of May 31, 2023. 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
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	450	—	9
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	425	—	9
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	—	7
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Fourth period)	From December 2024 to May 2025	224	—	4
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From April 2024 to June 2024	223	—	—
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase II	From October 2024 to December 2024	211	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Installation of signage monitors on outer wall	From March 2023 to May 2024	208 (Note)	—	—
icot Mizonokuchi (Kawasaki, Kanagawa)	Large-scale repair work	From May 2023 to September 2023	168	—	—
A-PLACE Tamachi East (Minato, Tokyo)	Replacement of air conditioning	From February 2023 to November 2023	165	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Renewal of FCU	From February 2024 to May 2024	132 (Note)	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (13th, 14th floor and 17th floor Zone C)	From January 2025 to May 2025	129	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (15th, 16th floor and 17th floor Zone B)	From May 2024 to November 2024	127	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generators	From February 2024 to May 2024	111	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of super-high voltage transformer	From May 2025 to May 2025	100	—	—
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of air-conditioning units in B1-B4	From May 2025 to May 2025	93	—	—
A-PLACE Aoyama (Minato, Tokyo)	Renewal of lavatory	From November 2024 to November 2024	90	—	—
Kasumigaseki Tokyu Building (Chiyoda, Tokyo)	Installation of LED lighting in private areas (5.5 floors)	From December 2023 to May 2024	82	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Renewal of FCU	From March 2024 to June 2024	73 (Note)	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of Restaurant Plaza	From September 2023 to November 2023	68	—	3

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2024 to May 2025	67 (Note)	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2024 to November 2024	66 (Note)	—	—
A-PLACE Aoyama (Minato, Tokyo)	Renewal of elevator controls	From December 2024 to May 2025	65	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From August 2023 to November 2023	64 (Note)	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From February 2024 to May 2024	64 (Note)	—	—
A-PLACE Shinagawa (Minato, Tokyo)	Renovation of external wall	From June 2024 to November 2024	57	—	—
A-FLAG KOTTO DORI (Minato, Tokyo)	Large-scale repair work	From July 2024 to May 2025	50	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor (Phase I: 4th to 9th floors)	From July 2023 to November 2023	49	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Installation of LED lighting in private and common areas	From September 2023 to November 2023	40	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	OA floor replacement on 5F and 6F	From May 2023 to June 2023	37	—	—
A-PLACE Shinagawa (Minato, Tokyo)	Replacement of elevators	From October 2023 to November 2023	33	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Renewal of lavatory (First period)	From August 2023 to November 2023	32	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Sixth period)	From June 2023 to August 2023	30 (Note)	—	—

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

(2) Capital Expenditure during the Period

For assets held by the Investment Corporation in the 23rd fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2023 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2023 amounted to ¥1,187 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2023 came to ¥376 million. On aggregate, construction work of ¥1,564 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of extra-high voltage substation equipment (Second period)	From November 2022 to April 2023	437
TLC Ebisu Building (Shibuya, Tokyo)	Large-scale repair work	From November 2022 to May 2023	126
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From January 2023 to May 2023	64
icot Tama Center (Tama, Tokyo)	Replacement of elevator and escalator	From February 2023 to May 2023	58
A-PLACE Bashamichi (Yokohama, Kanagawa)	Repair of mechanical parking equipment	From October 2022 to May 2023	37
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From December 2022 to March 2023	36
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (1 floor)	From December 2022 to May 2023	31 (Note)
Other			395
Total			1,187

(Note) The shown estimated construction cost with regard to Ebisu Prime Square is the amount equivalent to the ratio of the Investment Corporation's co-ownership beneficial interests in real estate trust (51%).

(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)	
	22nd period (From June 1, 2022 to November 30, 2022)	23rd period (From December 1, 2022 to May 31, 2023)
(a) Asset management fees (Note)	1,175,652	1,211,643
(b) Asset custody fees	15,873	16,223
(c) Administrative service fees	39,675	40,499
(d) Directors' compensation	3,300	3,300
(e) Other operating expenses	126,298	187,612
Total	1,360,800	1,459,278

(Note) Asset management fees contain acquisition fees that were included in the book value of acquired properties (23rd fiscal period:¥224,500 thousand). Asset management fees that were deducted from the gain on sale of disposed properties (22nd fiscal period:¥34,610 thousand, 23rd fiscal period:¥13,210 thousand)

(2) Borrowings

Borrowings from financial institutions as of May 31, 2023 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	—	0.33045%	August 10, 2023	(Note 7)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		333,000	—				
	MUFG Bank, Ltd.		333,000	—				
	Total		999,000	—				
Long-term loans (Note2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2019	620,000	—	0.38236%	January 10, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		620,000	—				
	MUFG Bank, Ltd.		620,000	—				
	Sumitomo Mitsui Banking Corporation		320,000	—				
	Development Bank of Japan Inc.	September 30, 2015	320,000	—	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250,000	—				
	MUFG Bank, Ltd. (Note 6)		1,250,000	—				
	Mizuho Bank, Ltd.		1,250,000	—				
	MUFG Bank, Ltd.	March 30, 2018	1,250,000	—	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		750,000	—				
	Mizuho Bank, Ltd.		750,000	—				
	MUFG Bank, Ltd.		750,000	—				
	Sumitomo Mitsui Banking Corporation	October 6, 2016	375,000	—	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		375,000	—				
	Sumitomo Mitsui Trust Bank, Limited		800,000	—				
	MUFG Bank, Ltd.		1,600,000	—				
	Mizuho Bank, Ltd.	June 15, 2015	800,000	—	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		400,000	—				
	Development Bank of Japan Inc.		400,000	—				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2023	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				
	Mizuho Bank, Ltd.		1,500,000	1,500,000				
	MUFG Bank, Ltd.		1,500,000	1,500,000				
	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				
	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	600,000	0.19873%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	600,000				
	MUFG Bank, Ltd.		500,000	300,000				
	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	0.17498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	500,000	0.21498%	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 (Note2)	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.		2,000,000	2,000,000				
	Resona Bank, Limited.	March 31, 2017	1,500,000	1,500,000	0.41380%	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	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				
	Sumitomo Mitsui Trust Bank, Limited		—	1,560,000				
	Mizuho Bank, Ltd.	March 30, 2023	—	1,560,000	0.20196%	March 30, 2025	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		—	1,560,000				
	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	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
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.		500,000	500,000				
	The Bank of Kyoto, Ltd.		300,000	300,000				
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	500,000	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		500,000	500,000				
	MUFG Bank, Ltd.		500,000	500,000				
	Sumitomo Mitsui Banking Corporation		250,000	250,000				
	Development Bank of Japan Inc.		250,000	250,000				
	Mizuho Trust & Banking Co.,LTD.	August 29, 2019	1,500,000	1,500,000	0.09313%	February 27, 2026	(Note 4)	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
	MUFG Bank, Ltd.		4,200,000	4,200,000				
	Mizuho Bank, Ltd.		2,100,000	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	1,050,000				
	Development Bank of Japan Inc.		1,050,000	1,050,000				
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2023	—	750,000	0.21196%	March 30, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	750,000				
	MUFG Bank, Ltd.		—	750,000				
	Sumitomo Mitsui Trust Bank, Limited		—	1,070,000				
	Sumitomo Mitsui Banking Corporation	December 13, 2016	6,000,000	6,000,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		1,100,000	1,100,000				
	Resona Bank, Limited.	March 7, 2019	1,100,000	1,100,000	0.35765%	September 7, 2026	(Note 4)	Unsecured, non-guaranteed
	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	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note2)	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		500,000	500,000				
	Development Bank of Japan Inc.	April 19, 2019	500,000	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	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	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	April 6, 2023	—	1,000,000	0.74000%	April 6, 2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,000,000				
	MUFG Bank, Ltd.		—	1,000,000				
	Development Bank of Japan Inc.		—	1,000,000				
	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 10, 2023	—	620,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	620,000				
	MUFG Bank, Ltd.		—	620,000				
	Sumitomo Mitsui Banking Corporation		—	320,000				
	Development Bank of Japan Inc.		—	320,000				

(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	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.	June 15, 2022	1,245,000	1,245,000	0.86750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,810,000	1,810,000				
	Mizuho Bank, Ltd.		1,810,000	1,810,000				
	MUFG Bank, Ltd.		1,810,000	1,810,000				
	Sumitomo Mitsui Banking Corporation	January 13, 2023	480,000	480,000	1.32250%	January 13, 2032	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		480,000	480,000				
	Sumitomo Mitsui Trust Bank, Limited		—	1,580,000				
	Mizuho Bank, Ltd.		—	1,580,000				
	MUFG Bank, Ltd.		—	780,000				
	Sumitomo Mitsui Banking Corporation		—	780,000				
	Development Bank of Japan Inc.		—	780,000				
	Total		233,650,000	238,150,000				

(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

Issue	Issue Date	Beginning balance	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
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
15th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	December 19, 2022	—	2,000,000	0.820%	December 17, 2032	Partial repayment of the long-term borrowings	Unsecured, non- guaranteed
Total	—	25,700,000	27,700,000	—	—	—	—

(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	Tokyu Plaza Ginza (Land) (Note 3)	—	—	April 5, 2023	39,000	37,895	1,102
Tokyo Office Properties	Trust beneficiary interests	Luogo Shiodome (Note 2) (Note 4)	—	—	May 31,2023	2,642	1,262	1,286
Urban Retail Properties	Trust beneficiary interests	A-FLAG NISHI SHINSAIBASHI	January 13,2023	14,300	—	—	—	—
Tokyo Office Properties	Trust beneficiary interests	Kasumigaseki Tokyu Building	March 28,023	30,600	—	—	—	—
Total			—	44,900	—	41,642	39,157	2,388

- (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 (29%).
- (Note3) Regarding the disposal of Tokyu Plaza Ginza (Land), in addition to the above, there were “Other disposal expenses” of ¥2 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 ¥92 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	Tokyu Plaza Ginza (Land)	April 5, 2023	39,000	39,000	JLL Morii Valuation & Advisory K.K.	November 30, 2022
Disposal	Luogo Shiodome (Note 2)	May 31, 2023	2,642	1,841	DAIWA REAL ESTATE APPRAISAL CO.,LTD	November 30, 2021
Acquisition	A-FLAG NISHI SHINSAIBASHI	January 13, 2023	14,300	14,700	Japan Real Estate Institute	September 30, 2022
Acquisition	Kasumigaseki Tokyu Building	March 28, 2023	30,600	31,300	Tanizawa Sogo Appraisal Co., Ltd.	February 1, 2023

- (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 (29%).
- (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

Category	Purchase and sale amounts	
	Purchase amounts	Sale amounts
Total amount	¥44,900 million	¥41,642 million
Details of transactions between interested parties		
JACK.Y.K.	¥14,300 million (31.8%)	— million (— %)
KASUMIGASEKI INVESTMENT Y.K.	¥30,600 million (68.2%)	— million (— %)
Total	¥44,900 million (100.0%)	— million (— %)

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	447,402	Tokyu Community Corp.	212,791	47.6
		Tokyu Land SC Management Corporation	122,348	27.3
		Tokyu Land Corporation	76,957	17.2
		Tokyu Housing Leace Corporation	3,738	0.8
Building management fee	759,694	Tokyu Community Corp.	669,772	88.2
Construction management fee	12,425	Tokyu Community Corp.	6,404	51.5
		Tokyu Land SC Management Corporation	4,706	37.9
		Tokyu Land Corporation	758	6.1
Other management operation expenses	61,130	Tokyu Community Corp.	8,685	14.2
Brokerage fee	79,260	TOKYU LIVABLE INC	79,260	100.0
Other lease business expenses	341,522	Tokyu Community Corp.	102,004	29.9
		Tokyu Land SC Management Corporation	844	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. | ¥113,386 thousand |
| Tokyu Land SC Management Corporation | ¥24,949 thousand |
| Tokyu Re・design Corporation | ¥9,397 thousand |
| Tokyu Architects & Engineers INC | ¥6,150 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

Not applicable

(3) Status of Companies Owning Real Estate Overseas

Not applicable

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

Not applicable

(5) Other

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

Financial Statements

II .Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	18,682,435	17,150,438
Cash and deposits in trust	3,503,303	4,200,316
Operating accounts receivable	975,131	993,424
Prepaid expenses	399,878	633,114
Income taxes refund receivable	—	14
Consumption taxes refund receivable	—	303,074
Other	7,213	33,305
Total current assets	23,567,962	23,313,687
Non-current assets		
Property, plant and equipment		
Buildings in trust	87,849,045	94,557,011
Accumulated depreciation	(19,535,902)	(20,766,367)
Buildings in trust, net	68,313,143	73,790,644
Structures in trust	789,704	826,479
Accumulated depreciation	(299,392)	(319,842)
Structures in trust, net	490,311	506,637
Machinery and equipment in trust	1,509,042	1,614,169
Accumulated depreciation	(570,254)	(595,184)
Machinery and equipment in trust, net	938,788	1,018,985
Tools, furniture and fixtures in trust	339,084	374,756
Accumulated depreciation	(213,285)	(228,818)
Tools, furniture and fixtures in trust, net	125,799	145,938
Land in trust	457,717,784	457,941,557
Construction in progress in trust	47,273	58,978
Total property, plant and equipment	527,633,100	533,462,741
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	6,077	5,396
Total intangible assets	9,061,163	9,060,482
Investments and other assets		
Long-term prepaid expenses	1,217,968	1,184,546
Derivatives	41,581	4,033
Deferred tax assets	15,287	—
Other	38,322	39,222
Total investments and other assets	1,313,159	1,227,801
Total non-current assets	538,007,424	543,751,026
Deferred assets		
Investment corporation bond issuance costs	107,514	113,181
Total deferred assets	107,514	113,181
Total assets	561,682,901	567,177,894

(Unit: Thousands of yen)

	As of November 30, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Operating accounts payable	1,828,444	1,291,250
Short-term borrowings	999,000	—
Current portion of long-term borrowings	32,250,000	34,250,000
Accounts payable - other	17,645	183,435
Accrued expenses	978,032	1,077,749
Income taxes payable	168,105	605
Accrued consumption taxes	367,653	—
Advances received	450,262	394,999
Deposits received	830	49,941
Other	0	19,336
Total current liabilities	37,059,974	37,267,318
Non-current liabilities		
Investment corporation bonds	25,700,000	27,700,000
Long-term borrowings	201,400,000	203,900,000
Leasehold and guarantee deposits received in trust	22,616,298	24,154,932
Other	210	177
Total non-current liabilities	249,716,509	255,755,110
Total liabilities	286,776,483	293,022,428
Net assets		
Unitholders' equity		
Unitholders' capital	270,963,556	270,963,556
Deduction from unitholders' capital		
Other deduction from unitholders' capital	*4 (3,999,657)	*4 (5,999,640)
Total deduction from unitholders' capital	(3,999,657)	(5,999,640)
Unitholders' capital, net	266,963,899	264,963,916
Surplus		
Unappropriated retained earnings (undisposed loss)	7,900,936	9,187,516
Total surplus	7,900,936	9,187,516
Total unitholders' equity	274,864,836	274,151,432
Valuation and translation adjustments		
Deferred gains or losses on hedges	41,581	4,033
Total valuation and translation adjustments	41,581	4,033
Total net assets	*2 274,906,417	*2 274,155,466
Total liabilities and net assets	561,682,901	567,177,894

III. Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2022 to November 30, 2022)		Current fiscal period (From December 1, 2022 to May 31, 2023)	
Operating revenue				
Leasing business revenue	*1, *3	13,693,641	*1, *3	13,969,224
Other leasing business revenue	*1, *3	1,517,376	*1, *3	1,124,851
Gain on sale of real estate properties	*2	967,224	*2	2,388,827
Total operating revenue		16,178,241		17,482,902
Operating expenses				
Expenses related to leasing business	*1	5,896,538	*1	6,197,119
Asset management fees		1,175,652		1,211,643
Asset custody fees		15,873		16,223
Administrative service fees		39,675		40,499
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		126,298		187,612
Total operating expenses		7,257,339		7,656,398
Operating profit		8,920,902		9,826,504
Non-operating income				
Interest income		81		94
Reversal of distributions payable		854		646
Insurance claim income		—		729
Total non-operating income		936		1,469
Non-operating expenses				
Interest expenses		637,621		668,933
Interest expenses on investment corporation bonds		67,364		73,997
Amortization of investment corporation bond issuance costs		9,759		10,103
Financing fees		209,339		213,596
Other		530		2,024
Total non-operating expenses		924,614		968,656
Ordinary profit		7,997,224		8,859,317
Profit before income taxes		7,997,224		8,859,317
Income taxes - current		168,118		605
Income taxes - deferred		(15,287)		15,287
Total income taxes		152,830		15,892
Profit		7,844,394		8,843,424
Retained earnings brought forward		56,542		344,091
Unappropriated retained earnings (undisposed loss)		7,900,936		9,187,516

IV. Statement of Unitholders' Equity

Previous 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	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
Changes during period						
Dividends of surplus						(7,727,483)
Reversal of allowance for temporary difference adjustments		866		866	866	(866)
Profit						7,844,394
Net changes in items other than unitholders' equity						
Total changes during period	—	866	—	866	866	116,044
Balance at end of period	270,963,556	—	(3,999,657)	(3,999,657)	266,963,899	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

Current fiscal period (From December 1, 2022 to May 31, 2023)

(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	—	(3,999,657)	(3,999,657)	266,963,899	7,900,936	7,900,936
Changes during period							
Dividends of surplus						(7,556,845)	(7,556,845)
Profit						8,843,424	8,843,424
Purchase of treasury investment units							
Cancellation of treasury investment units			(1,999,983)	(1,999,983)	(1,999,983)		
Net changes in items other than unitholders' equity							
Total changes during period	—	—	(1,999,983)	(1,999,983)	(1,999,983)	1,286,579	1,286,579
Balance at end of period	^{*1} 270,963,556	—	(5,999,640)	(5,999,640)	264,963,916	9,187,516	9,187,516

(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	—	274,864,836	41,581	41,581	274,906,417
Changes during period					
Dividends of surplus		(7,556,845)			(7,556,845)
Profit		8,843,424			8,843,424
Purchase of treasury investment units	(1,999,983)	(1,999,983)			(1,999,983)
Cancellation of treasury investment units	1,999,983				—
Net changes in items other than unitholders' equity			(37,548)	(37,548)	(37,548)
Total changes during period	—	(713,403)	(37,548)	(37,548)	(750,951)
Balance at end of period	—	274,151,432	4,033	4,033	274,155,466

V.Statement of Cash Distributions

		Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
		Amount	Amount
I	Unappropriated retained earnings	¥7,900,936,793	¥9,187,516,573
II	Distributions	¥7,556,845,200	¥7,973,529,250
	[Cash distributions per unit]	[¥9,300]	[¥9,875]
	Of which, distributions of profits	¥7,556,845,200	¥7,973,529,250
	[Of which, distributions of profits per unit]	[¥9,300]	[¥9,875]
III	Voluntary reserve		
	Provision of reserve for tax purpose reduction entry	—	¥841,591,668
IV	Earnings carried forward	¥344,091,593	¥372,395,655

Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, internal reserve of ¥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 paid 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.	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 has been made to pay distributions of profit of ¥7,973,529,250, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation.
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VI. Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Cash flows from operating activities		
Profit before income taxes	7,997,224	8,859,317
Depreciation	1,377,072	1,454,609
Loss on retirement of non-current assets	—	18,726
Amortization of investment corporation bond issuance costs	9,759	10,103
Interest income and interest on securities	(81)	(94)
Interest expenses	704,985	742,931
Financing fees	209,339	213,596
Decrease (increase) in operating accounts receivable	(103,341)	(18,292)
Decrease (increase) in consumption taxes refund receivable	—	(303,074)
Increase (decrease) in accrued consumption taxes	(45,155)	(367,653)
Decrease (increase) in prepaid expenses	197,985	(234,167)
Decrease in property, plant and equipment in trust due to sale	5,708,272	39,157,799
Increase (decrease) in operating accounts payable	80,494	(37,392)
Increase (decrease) in accounts payable - other	10,021	8,946
Increase (decrease) in accrued expenses	(9,141)	55,074
Increase (decrease) in advances received	(184,539)	(55,262)
Decrease (increase) in long-term prepaid expenses	3,621	4,622
Other, net	(4,358)	48,502
Subtotal	15,952,157	49,558,292
Interest received	81	94
Interest paid	(698,820)	(706,536)
Income taxes paid	(603)	(168,119)
Net cash provided by (used in) operating activities	15,252,815	48,683,730
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(368,219)	(46,808,998)
Purchase of intangible assets	(2,568)	—
Refund of leasehold and guarantee deposits received in trust	(2,165,417)	(1,129,870)
Proceeds from leasehold and guarantee deposits received in trust	760,148	2,668,503
Other, net	—	(900)
Net cash provided by (used in) investing activities	(1,776,056)	(45,271,265)
Cash flows from financing activities		
Proceeds from short-term borrowings	999,000	29,298,425
Repayments of short-term borrowings	—	(30,299,000)
Proceeds from long-term borrowings	11,864,716	19,846,439
Repayments of long-term borrowings	(12,000,000)	(15,500,000)
Proceeds from issuance of investment corporation bonds	—	1,985,315
Redemption of investment corporation bonds	(1,000,000)	—
Purchase of treasury investment units	—	(1,999,983)
Distributions paid	(7,727,051)	(7,555,761)
Other, net	(35,784)	(22,883)
Net cash provided by (used in) financing activities	(7,899,119)	(4,247,448)
Net increase (decrease) in cash and cash equivalents	5,577,638	(834,983)
Cash and cash equivalents at beginning of period	16,608,099	22,185,738
Cash and cash equivalents at end of period	*1 22,185,738	*1 21,350,754

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) The straight-line method is used. 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 39 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr> </table> <p>(2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 70 years	Structures	2 to 66 years	Machinery and equipment	2 to 39 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 66 years								
Machinery and equipment	2 to 39 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>(1) Accounting for income Details of major performance obligations and typical timing of satisfying the performance obligations (timing when revenue is recognized) with regard to the Investment Corporation's revenue from contracts with customers are as follows.</p> <p>i) Sale of real estate properties For sale of real estate properties, revenue is recorded at the time when the buyer, a customer, obtains control of the real estate property, etc., by fulfilling the delivery obligation set forth in the agreement for the sale of the real estate property.</p> <p>ii) Utilities income For utilities income, revenue is recorded according to supply of electricity, water, etc. to the tenant, a customer, based on the contract for lease of the real estate property, etc. and any accompanying agreement. Of utilities income, for such income for which the Investment Corporation is considered to be an agent, the net amount of the amount received as charges for electricity, gas, etc. supplied by other parties less the amount paid to the other parties is recognized as revenue.</p> <p>(2) Property-related taxes For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business. The settlement money for property tax that is paid to the disposing entity for acquisition of real properties (so-called "amount equivalent to property tax") is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥156,405 thousand.</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>

Notes to Balance Sheet

1. Commitment Line Contracts

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

	As of November 30, 2022	As of May 31, 2023
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	¥999,000 thousand	¥– thousand
Net balance	¥20,001,000 thousand	¥21,000,000 thousand

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

	As of November 30, 2022	As of May 31, 2023
	¥50,000 thousand	¥50,000 thousand

3. Allowance for Temporary Difference Adjustments

Previous 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.

Current fiscal period (From December 1, 2022 to May 31, 2023)

Not applicable.

*4. Status of Cancellation of Treasury Investment Units

	As of November 30, 2022	As of May 31, 2023
Total number of units canceled	– units	5,118 units
Total amount of cancellation	¥– thousand	¥1,999,983 thousand

Notes to Statement of Income

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

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2022 to November 30, 2022)		Current fiscal period (From December 1, 2022 to May 31, 2023)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,667,243		12,908,174	
Common service fees	611,410		622,745	
Parking lot fees	300,857		315,903	
Other rent revenue	114,130	13,693,641	122,401	13,969,224
Other leasing business revenue		1,517,376		1,124,851
Total real estate leasing business revenues		15,211,017		15,094,075
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,258,250		1,280,651	
Utilities expenses	1,175,108		1,230,523	
Tax and public dues	1,413,622		1,481,717	
Insurance	13,204		13,685	
Repair and maintenance expenses	320,801		376,234	
Depreciation	1,376,446		1,454,058	
Loss on retirement of non-current assets	—		18,726	
Other expenses related to leasing business	339,104	5,896,538	341,522	6,197,119
Total real estate leasing business expenses		5,896,538		6,197,119
C. Profit (loss) from real estate leasing business (A – B)		9,314,478		8,896,955

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

Previous 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

Current fiscal period (From December 1, 2022 to May 31, 2023)

(Unit: Thousands of yen)

Tokyu Plaza Ginza (Land) (30% co-ownership interest)	
Income from sale of real estate properties	39,000,000
Costs of sale of real estate properties	37,895,144
Other costs of sale	2,403
Gain on sale of real estate properties	1,102,451

(Unit: Thousands of yen)

Luogo Shiodome (29% co-ownership interest)	
Income from sale of real estate properties	2,642,000
Costs of sale of real estate properties	1,262,654
Other costs of sale	92,970
Gain on sale of real estate properties	1,286,375

*3. Transactions with Major Unitholders

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Operating transactions		
Operating revenue	1,813,076	2,035,968

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
*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	807,446 units

Notes to Statement of Cash Flows

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

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Cash and deposits	¥18,682,435 thousand	¥17,150,438 thousand
Cash and deposits in trust	¥3,503,303 thousand	¥4,200,316 thousand
Cash and cash equivalents	¥22,185,738 thousand	¥21,350,754 thousand

Notes to Lease Rental Revenues

The Investment Corporation leases properties on which rental revenues are earned. As of November 30, 2022 and May 31, 2023, future lease revenues under non-cancelable operating leases are as follows.

	As of November 30, 2022	As of May 31, 2023
Due within one year	¥14,972,096 thousand	¥15,032,647 thousand
Due after one year	¥117,846,555 thousand	¥52,850,144 thousand
Total	¥132,818,651 thousand	¥67,882,791 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 26 should not be considered indicative of the market risk associated with derivative transactions.

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of November 30, 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	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2023, 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	34,250,000	34,366,492	116,492
(2) Investment corporation bonds	27,700,000	27,711,705	11,705
(3) Long-term borrowings	203,900,000	203,616,254	(283,745)
Total liabilities	265,850,000	265,694,452	(155,547)
Derivative transactions	4,033	4,033	—

(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” on pages 27 and 28.

(Note 2) 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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2023)

(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	–	7,000,000	2,000,000	1,000,000	–	17,700,000
Long-term borrowings	34,250,000	29,180,000	30,820,000	28,500,000	29,450,000	85,950,000
Total	34,250,000	36,180,000	32,820,000	29,500,000	29,450,000	103,650,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2022)

Not applicable.

(As of May 31, 2023)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(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	*	–

(As of May 31, 2023)

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	4,033	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	13,140,000	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 November 30, 2022	As of May 31, 2023
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥15,287 thousand	¥– thousand
Total deferred tax assets	¥15,287 thousand	¥– thousand
Net deferred tax assets	¥15,287 thousand	¥– thousand

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

	As of November 30, 2022	As of May 31, 2023
Effective statutory tax rate	34.59%	31.46%
Adjustments		
Distributions paid included in deductibles	(32.69)%	(28.31)%
Provision of reserve for tax purpose reduction entry	–%	(2.99)%
Other	0.01%	0.02%
Effective income tax rate after application of tax effect accounting	1.91%	0.18%

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous 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.

Current fiscal period (From December 1, 2022 to May 31, 2023)

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	11.06%	None	Major unitholder, and rent and management of properties	Transfer of leasehold and guarantee deposits received	711,368	Leasehold and guarantee deposits received in trust	3,058,583
								Receipt of leasehold and guarantee deposits	803,147		
								Refund of leasehold and guarantee deposits received	141,090		
								Rental revenues, etc.	2,035,968	Operating accounts receivable	200,280
										Advances received	60,588

(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 June 1, 2022 to November 30, 2022)

Not applicable.

Current fiscal period (From December 1, 2022 to May 31, 2023)

Not applicable.

3. Sister companies, etc.

Previous 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.

Current fiscal period (From December 1, 2022 to May 31, 2023)

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	219,444	Leasehold and guarantee deposits received in trust	6,625,188
								Refund of leasehold and guarantee deposits received	23,267		
								Rental revenues, etc.	4,250,594	Operating accounts receivable	286,952
										Advances received	15,153
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	1,449,353	Other accrued expenses	577,140

(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 June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	186,154,048	181,552,137
	Changes during period	(4,601,911)	(23,309,618)
	Balance at end of period	181,552,137	158,242,519
	Fair value at end of period	216,486,000	188,590,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	254,741,901	253,419,118
	Changes during period	(1,322,782)	29,347,494
	Balance at end of period	253,419,118	282,766,613
	Fair value at end of period	299,688,000	326,756,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	101,848,946	101,718,081
	Changes during period	(130,864)	(208,366)
	Balance at end of period	101,718,081	101,509,715
	Fair value at end of period	126,250,000	128,350,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	542,744,896	536,689,337
	Changes during period	(6,055,558)	5,829,509
	Balance at end of period	536,689,337	542,518,847
	Fair value at end of period	642,424,000	643,696,000

(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 Tokyu Plaza Ginza (Land) worth ¥37,895,144 thousand, the transfer of Luogo Shiodome (29% co-ownership interest) worth ¥1,262,654 thousand and the provision of depreciation worth ¥1,454,058 thousand.

(Note 3) The main reason for the increase in the current fiscal period is the acquisition of Kasumigaseki Tokyu Building worth ¥30,858,650 thousand and the acquisition of A-FLAG NISHI SHINSAIBASHI worth ¥14,435,541 thousand.

(Note 4) The fair value at end of period is the appraisal value provided by an outside real estate appraiser. The figure of the previous 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 figure of the current fiscal period for Luogo Shiodome is based on the transfer price (¥4,646,000 thousand, amount equivalent to 51% 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 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.

Current fiscal period (From December 1, 2022 to May 31, 2023)

(Unit: Thousands of yen)

	Revenue from contracts with customers *1	Revenues from external customers
Sale of real estate properties	41,642,000	*2 2,388,827
Utilities income	952,174	952,174
Others	–	14,141,900
Total	42,594,174	17,482,902

*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 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.

Current fiscal period (From December 1, 2022 to May 31, 2023)

Transaction price allocated to the remaining performance obligations

As of May 31, 2023, the transaction price allocated to the remaining performance obligations associated with the sale of real estate, etc. was ¥4,646,000 thousand pertaining to real estate, etc. for which a sales agreement was concluded

on May 27, 2022. The Investment Corporation expects to recognize revenue for the remaining performance obligations due to the transfer of real estate that is planned to be carried out on June 1, 2023.

Per Unit Information

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Net assets per unit	¥338,319	¥339,534
Basic earnings per unit	¥9,653	¥10,904

(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 812,564 units; current fiscal period 810,997 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

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

	Previous fiscal period (From June 1, 2022 to November 30, 2022)	Current fiscal period (From December 1, 2022 to May 31, 2023)
Profit (Thousands of yen)	7,844,394	8,843,424
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	7,844,394	8,843,424
Average number of investment units for the period (Units)	812,564	810,997

Significant Subsequent Events

Not applicable.

Omission of Disclosure

As the need for disclosing notes on 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	25,140,000	25,140,000	4,033
Total		25,140,000	25,140,000	4,033

(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 (Note1)	87,849,045	7,350,309	642,344	94,557,011	20,766,367	1,377,459	73,790,644
	Structures in trust	789,704	39,057	2,282	826,479	319,842	20,975	506,637
	Machinery and equipment in trust	1,509,042	126,007	20,880	1,614,169	595,184	39,414	1,018,985
	Tools, furniture and fixtures in trust	339,084	36,253	582	374,756	228,818	16,078	145,938
	Land in trust (Note1)	457,717,784	38,904,670	38,680,897	457,941,557	-	-	457,941,557
	Construction in progress in trust	47,273	11,705	-	58,978	-	-	58,978
	Subtotal	548,251,935	46,468,004	39,346,986	555,372,953	21,910,211	1,453,928	533,462,741
Intangible Assets	Leasehold rights in trust	9,055,086	-	-	9,055,086	-	-	9,055,086
	Other (Note2)	13,964	-	-	13,964	8,567	681	5,396
	Subtotal	9,069,050	-	-	9,069,050	8,567	681	9,060,482
Total		557,320,986	46,468,004	39,346,986	564,442,003	21,918,779	1,454,609	542,523,224

(Note1) The main reason for the fiscal period ended May 31, 2023 is the acquisition of 2 properties (Kasumigaseki Tokyu Building, A-FLAG NISHI SHINSAIBASHI). The decrease is mainly due to the transfer of 2 properties (Luogo Shiodome, Tokyu Plaza Ginza (Land)).

(Note2) "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
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
15th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	December 19, 2022	—	—	2,000,000	0.820%	December 17, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
Total	—	25,700,000	—	27,700,000	—	—	—	—

(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)	—	7,000,000	2,000,000	1,000,000	—

Loans Payable

The following tables show the details of loans.

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Short-term loans	Sumitomo Mitsui Trust Bank, Limited	August 10, 2022	333,000	—	333,000	—	0.33045%	August 10, 2023	(Note 7)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		333,000	—	333,000	—				
	MUFG Bank, Ltd.		333,000	—	333,000	—				
	Sumitomo Mitsui Trust Bank, Limited	January 13, 2023	—	1,400,000	1,400,000	—	0.17377%	January 13, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,400,000	1,400,000	—				
	MUFG Bank, Ltd.		—	700,000	700,000	—				
	Sumitomo Mitsui Trust Bank, Limited	March 28, 2023	—	4,000,000	4,000,000	—	0.25227%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	4,000,000	4,000,000	—				
	MUFG Bank, Ltd.		—	4,000,000	4,000,000	—				
	Sumitomo Mitsui Trust Bank, Limited	March 28, 2023	—	3,000,000	3,000,000	—	0.25227%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	3,000,000	3,000,000	—				
	MUFG Bank, Ltd.		—	3,000,000	3,000,000	—				
	Sumitomo Mitsui Trust Bank, Limited	March 28, 2023	—	1,600,000	1,600,000	—	0.25227%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,600,000	1,600,000	—				
	MUFG Bank, Ltd.		—	1,600,000	1,600,000	—				
	Total		999,000	29,300,000	30,299,000	—	—			
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.		1,250,000	—	1,250,000	—				
	Mizuho Bank, Ltd.		1,250,000	—	1,250,000	—				
	MUFG Bank, Ltd.		1,250,000	—	1,250,000	—				
	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.		1,500,000	—	—	1,500,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd.		1,500,000	—	—	1,500,000				
	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				
	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	—	400	600,000	0.19873%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	—	400	600,000				
	MUFG Bank, Ltd.		500,000	—	200	300,000				
	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	0.17498%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	—	—	500,000	0.21498%	September 30, 2023	(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
	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.	March 31, 2017	720,000	—	—	720,000	0.41380%	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.		2,000,000	—	—	2,000,000				
	Resona Bank, Limited.		1,500,000	—	—	1,500,000				
	The Bank of Fukuoka, Ltd.		1,000,000	—	—	1,000,000				
	Shinkin Central Bank		500,000	—	—	500,000				
	The Norinchukin Bank	December 16, 2015	500,000	—	—	500,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd. (Note 6)		1,200,000	—	—	1,200,000				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd.		1,200,000	—	—	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000				
	Development Bank of Japan Inc.	June 13, 2016	600,000	—	—	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.	June 13, 2016	1,500,000	—	—	1,500,000	0.33150% (Note 5)	June 17, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.	September 21, 2016	1,500,000	—	—	1,500,000	0.36900% (Note 5)	December 13, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	—	—	1,200,000				
	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				
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2023	—	1,560,000	—	1,560,000	0.20196%	March 30, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,560,000	—	1,560,000				
	MUFG Bank, Ltd.		—	1,560,000	—	1,560,000				
	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
	Lender									
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	September 21, 2016	2,100,000	—	—	2,100,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		4,200,000	—	—	4,200,000				
	Mizuho Bank, Ltd.		2,100,000	—	—	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	—	—	1,050,000				
	Development Bank of Japan Inc.		1,050,000	—	—	1,050,000				
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2023	—	750,000	—	750,000	0.21196%	March 30, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	750,000	—	750,000				
	MUFG Bank, Ltd.		—	750,000	—	750,000				
	Sumitomo Mitsui Trust Bank, Limited	December 13, 2016	—	1,070,000	—	1,070,000	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.		1,100,000	—	—	1,100,000				
	Resona Bank, Limited.	March 7, 2019	1,100,000	—	—	1,100,000	0.35765%	September 7, 2026	(Note 4)	Unsecured, non-guaranteed
	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		1,750,000	—	—	1,750,000				
	MUFG Bank, Ltd.	June 13, 2017	3,500,000	—	—	3,500,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed
	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
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	January 10, 2019	1,610,000	—	—	1,610,000	0.65264%	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		1,610,000	—	—	1,610,000				
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	—	—	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,165,000	—	—	1,165,000				
	MUFG Bank, Ltd.		590,000	—	—	590,000				
	Sumitomo Mitsui Banking Corporation		590,000	—	—	590,000				
	Development Bank of Japan Inc.	June 15, 2022	590,000	—	—	590,000	0.60750%	June 15, 2028	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		—	1,870,000	—	1,870,000				
	Mizuho Bank, Ltd.		—	1,870,000	—	1,870,000				
	MUFG Bank, Ltd.	July 9, 2019	—	1,870,000	—	1,870,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		420,000	—	—	420,000				
	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	April 6,2023	—	1,000,000	—	1,000,000	0.74000%	April 6,2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,000,000	—	1,000,000				
	MUFG Bank, Ltd.		—	1,000,000	—	1,000,000				
	Development Bank of Japan Inc.		—	1,000,000	—	1,000,000				
	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.	September 10, 2021	600,000	—	—	600,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,400,000	—	—	1,400,000				
	Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000				
	MUFG Bank, Ltd.		700,000	—	—	700,000				
	Sumitomo Mitsui Banking Corporation	December 21,2020	700,000	—	—	700,000	0.45403%	December 21,2029	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	—	—	700,000				
	Sumitomo Mitsui Trust Bank, Limited		1,320,000	—	—	1,320,000				
	Mizuho Bank, Ltd.		1,320,000	—	—	1,320,000				
	MUFG Bank, Ltd.	January 11, 2022	1,320,000	—	—	1,320,000	0.49750%	January 11,2030	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		670,000	—	—	670,000				
	Development Bank of Japan Inc.		670,000	—	—	670,000				
	Sumitomo Mitsui Trust Bank, Limited		400,000	—	—	400,000				
	Mizuho Bank, Ltd.	January 12, 2021	400,000	—	—	400,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed
	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	July 12, 2021	1,670,000	—	—	1,670,000	0.42436%	July 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.	September 10, 2021	845,000	—	—	845,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		2,720,000	—	—	2,720,000				
	Mizuho Bank, Ltd.		2,720,000	—	—	2,720,000				
	MUFG Bank, Ltd.		1,370,000	—	—	1,370,000				
Sumitomo Mitsui Banking Corporation	January 10, 2023	1,370,000	—	—	1,370,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed	
Development Bank of Japan Inc.		1,370,000	—	—	1,370,000					
Sumitomo Mitsui Trust Bank, Limited		1,400,000	—	—	1,400,000					
Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000					
MUFG Bank, Ltd.	January 10, 2023	700,000	—	—	700,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Banking Corporation		700,000	—	—	700,000					
Development Bank of Japan Inc.		700,000	—	—	700,000					
Sumitomo Mitsui Trust Bank, Limited		—	620,000	—	620,000					
Mizuho Bank, Ltd.	January 10, 2023	—	620,000	—	620,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		—	620,000	—	620,000					
Sumitomo Mitsui Banking Corporation		—	320,000	—	320,000					
Development Bank of Japan Inc.		—	320,000	—	320,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note2)	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				
	Sumitomo Mitsui Trust Bank, Limited	January 13, 2023	—	1,580,000	—	1,580,000	1.32250%	January 13, 2032	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,580,000	—	1,580,000				
	MUFG Bank, Ltd.		—	780,000	—	780,000				
	Sumitomo Mitsui Banking Corporation		—	780,000	—	780,000				
	Development Bank of Japan Inc.		—	780,000	—	780,000				
	Total		233,650,000	20,000,000	15,500,000	238,150,000				

(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	34,250,000	29,180,000	30,820,000	28,500,000	29,450,000

Independent Auditor’s Report

Independent Auditor’s Report

The Board of Directors
Activia Properties Inc.

Opinion

We have audited the accompanying financial statements of Activia Properties Inc. (the Investment Corporation), which comprise the balance sheet as at May 31, 2023, and the statement of income, unitholders’ equity, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at May 31, 2023, 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 Semi-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

September 22, 2023

板谷秀穂

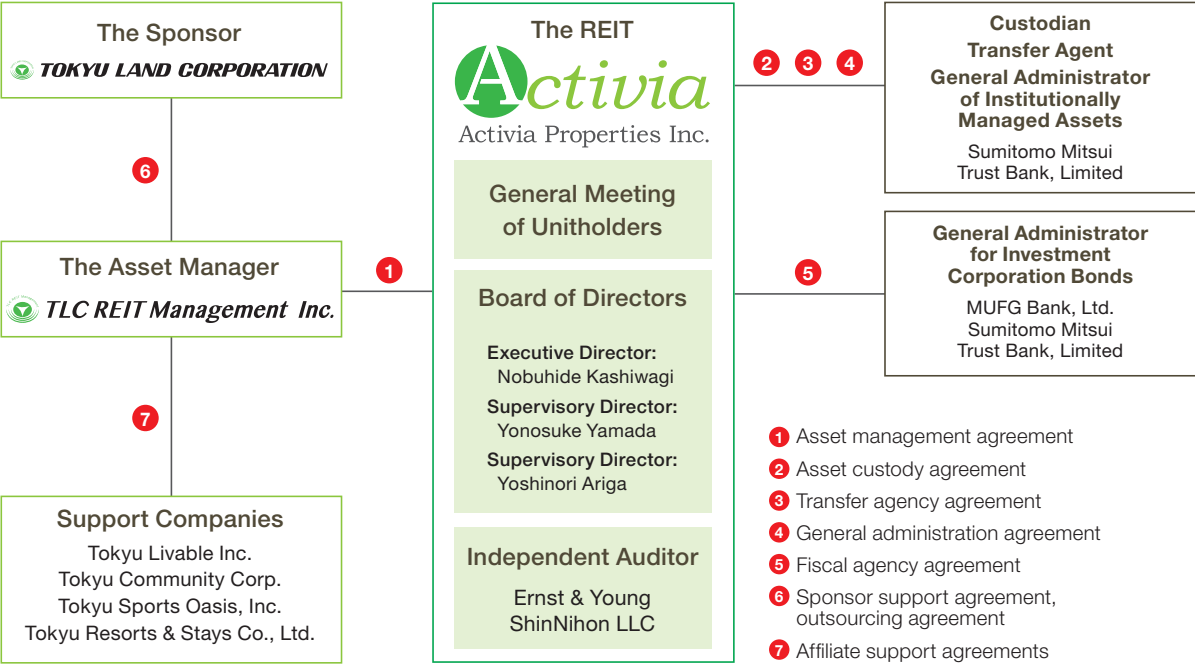
Hideho Itaya
Designated Engagement Partner
Certified Public Accountant

新居 幹也

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)



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	Akira Kubo

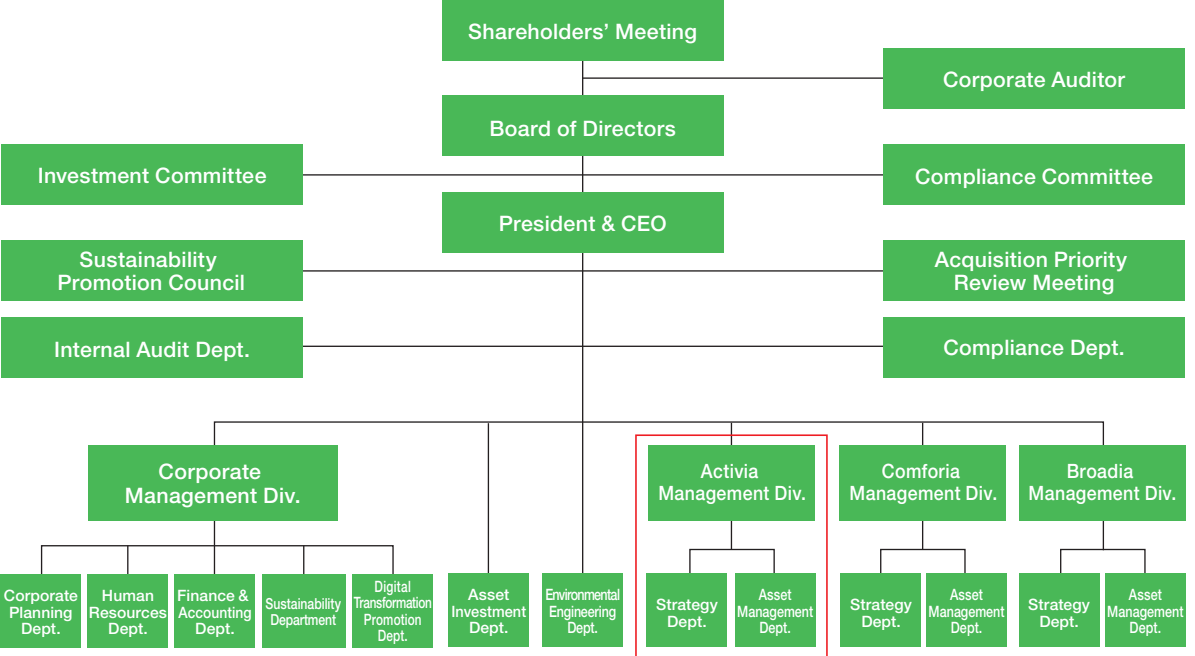
DNA of Tokyu Land Corporation

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 demand, for example by opening Tokyu Plaza as the forefront of a building complex near the station. The asset manager's 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



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 your securities company.

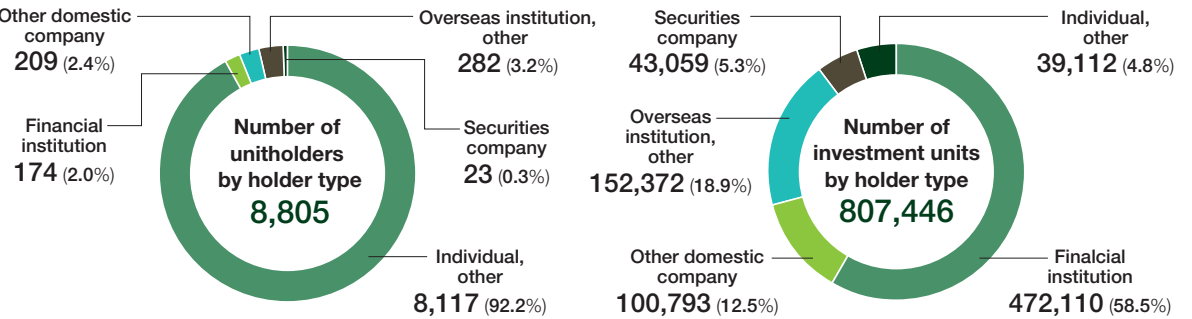
■ Dividends
You can receive dividends by presenting a dividend receipt to the nearest head office/branch/office of Japan Post Bank (bank agency). If the period for receipt has already expired, please specify how you wish to receive dividends on the back of the dividend receipt, and then mail it to the 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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Method of receiving dividends from listed stocks in NISA accounts

In order to be exempt from taxation on dividends, etc. (including cash distributions from investment units) of listed shares held in a NISA account, you need to change the “method of allocation in proportion to the number of shares held” in which you receive dividends, etc. at a securities company. Please confirm the necessary procedures with your securities company.

Distribution of Unitholders



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

API Website

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

1 Search box: You can search for contents on the website of the investment corporation by entering keywords.

2 Latest information: Press releases and updates are available here.

3 IR mail: By clicking on the link, you will go to a site for registration, where you can enter the necessary information to register.

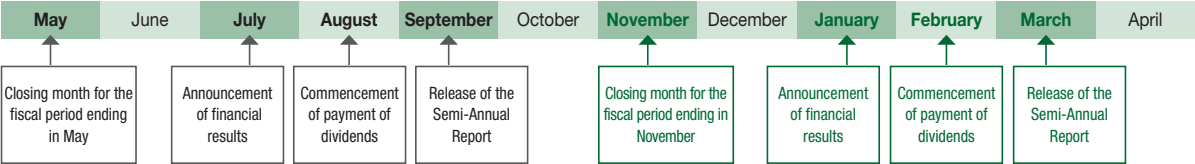
4 Latest financial results: Our latest financial results are here. Bulk download of materials is also possible.

5 Presentation video: You can watch a video explanation of the latest financial results.

6 Topics: We deliver a variety of information punctually.

Accessible from your smartphones as well.

Annual Schedule





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