

## Financial Report for the Fiscal Period Ended May 31, 2023 (December 1, 2022 – May 31, 2023)

### Activia Properties Inc.

Listing: Tokyo Stock Exchange  
 Securities code: 3279  
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 Supplementary material on financial report: Yes  
 Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

### 1. Summary of financial results for the fiscal period ended May 31, 2023 (December 1, 2022 – May 31, 2023)

#### (1) Operating results (Percentages show changes from the corresponding amounts for the previous period.)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2023	17,482	8.1	9,826	10.2	8,859	10.8	8,843	12.7
Fiscal period ended November 30, 2022	16,178	4.3	8,920	3.4	7,997	3.4	7,844	1.5

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2023	10,904	3.2	1.6	50.7
Fiscal period ended November 30, 2022	9,653	2.9	1.4	49.4

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (812,564 units for the fiscal period ended November 30, 2022 and 810,997 units for the fiscal period ended May 31, 2023).

## (2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions (excluding excess of earnings)	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Cash distributions per unit (including excess of earnings)	Total distributions (including excess of earnings)
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen
Fiscal period ended May 31, 2023	9,875	7,973	–	–	9,875	7,973
Fiscal period ended November 30, 2022	9,300	7,556	–	–	9,300	7,556

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2023	90.2	2.9
Fiscal period ended November 30, 2022	96.3	2.7

(Note 1) The difference between total distributions and profit was due to the provision of internal reserves ((fiscal period ended November 30, 2022) ¥344 million) and the provision of reserve for tax purpose reduction entry ((fiscal period ended May 31, 2023) ¥841 million).

(Note 2) Because treasury investment units were canceled during the fiscal period ended May 31, 2023, the payout ratio for the period is obtained by the following formula with figures rounded to the first decimal place:  
Payout ratio = total distributions (excluding excess of earnings) / profit × 100

## (3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2023	567,177	274,155	48.3	339,534
As of November 30, 2022	561,682	274,906	48.9	338,319

(Reference) Unitholders' equity

As of November 30, 2022: ¥274,906 million  
As of May 31, 2023: ¥274,155 million

## (4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2023	48,683	(45,271)	(4,247)	21,350
Fiscal period ended November 30, 2022	15,252	(1,776)	(7,899)	22,185

## 2. Forecasts of results for the fiscal period from June 1, 2023 to November 30, 2023 and the fiscal period from December 1, 2023 to May 31, 2024

(Percentages show changes from the corresponding amounts for the previous period.)

	Operating revenue		Operating profit		Ordinary profit		Profit		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2023	17,260	(1.3)	9,312	(5.2)	8,279	(6.5)	8,278	(6.4)	9,300	–
Fiscal period ending May 31, 2024	15,071	(12.7)	7,575	(18.7)	6,474	(21.8)	6,473	(21.8)	9,300	–

(Reference) Forecasted basic earnings per unit (forecasted profit / total projected number of investment units issued at end of period)

for the fiscal period ending November 30, 2023: ¥10,252

for the fiscal period ending May 31, 2024: ¥8,017

### \* Other

#### (1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements: None

#### (2) Total number of units issued

- a. Total number of units issued at end of period (including treasury investment units)
 

As of May 31, 2023	807,446 units
As of November 30, 2022	812,564 units
- b. Number of treasury investment units at end of period
 

As of May 31, 2023	– units
As of November 30, 2022	– units

(Note) Please refer to “Per Unit Information” on page 33 for the number of investment units used as the basis for calculating basic earnings per unit.

### \* Financial reports are exempt from audit conducted by certified public accountants or an audit corporation.

### \* Other special items

Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, these forecasts are in no way a guarantee of any distribution amount. Please refer to “Assumptions for Forecasts of Investment Performance for the 24th Fiscal Period from June 1, 2023 to November 30, 2023 and the 25th Fiscal Period from December 1, 2023 to May 31, 2024” on pages 11 through 12 for information on assumptions for the forecasts.

This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail.

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## 1. Asset Management Status

### (1) Asset Management Status

#### i) Summary of Results for the Current Fiscal Period

##### (A) 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.

##### (B) Investment Environment in the Fiscal Period Under Review

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.

##### (C) Investment Performance

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 m<sup>2</sup> (135,772 *tsubo*).

The trend of monthly average occupancy rate (Note) during the fiscal period under review is as follows:

	December 31, 2022	January 31, 2023	February 28, 2023	March 31, 2023	April 30, 2023	May 31, 2023
Urban Retail Properties	96.5%	96.6%	96.5%	96.5%	96.8%	97.5%
Tokyo Office Properties	89.9%	89.9%	89.7%	91.0%	91.3%	94.6%
Activia Account Properties	99.2%	99.2%	99.1%	99.1%	98.7%	98.9%
Total	95.4%	95.4%	95.3%	95.6%	95.6%	97.0%

(Note) Figures for occupancy rates are rounded to the nearest tenth.

#### (D) 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.

(E) 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

(F) Overview of Financial Results and Distributions in the Fiscal Period Under Review

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.

## ii) Outlook for the Next Fiscal Period

### (A) Investment Environment for the Next Fiscal Period

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.

### (B) Investment Policy and Developments to Be Addressed in the Next Fiscal Period

#### a. 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.

#### b. 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.

#### c. 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.

#### d. 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.

#### (C) Significant Subsequent Events

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 <sup>2</sup>
Gross floor area	8,242.61 m <sup>2</sup>
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).

#### (D) Outlook of Investment Performance

For the fiscal period ending November 30, 2023 (24th fiscal period: June 1, 2023 to November 30, 2023), investment performance is estimated as follows. For the assumptions used for the estimation of investment performance, please refer to “Assumptions for Forecasts of Investment Performance for the 24th Fiscal Period from June 1, 2023 to November 30, 2023 and the 25th Fiscal Period from December 1, 2023 to May 31, 2024” on pages 11 through 12.

Operating revenue	¥17,260 million
Operating profit	¥9,312 million
Ordinary profit	¥8,279 million
Profit	¥8,278 million
Cash distributions per unit	¥9,300
Cash distributions in excess of earnings per unit	¥-

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for the 24th Fiscal Period from June 1, 2023 to November 30, 2023 and the 25th Fiscal Period from December 1, 2023 to May 31, 2024” on pages 11 through 12, the outlook of investment performance for the fiscal period ending May 31, 2024 (25th fiscal period: December 1, 2023 to May 31, 2024) is estimated as follows.

Operating revenue	¥15,071 million
Operating profit	¥7,575 million
Ordinary profit	¥6,474 million
Profit	¥6,473 million
Cash distributions per unit	¥9,300
Cash distributions in excess of earnings per unit	¥-

(Note) The above estimation is determined based on certain assumptions at the time of preparing the financial statements. Due to changes in the circumstances surrounding the Investment Corporation including acquisition or disposition of properties, the trend of real estate market, etc. in the future, actual operating revenue, operating profit, ordinary profit, profit and cash distributions per unit may change. Furthermore, this estimation does not guarantee the amount of distributions.

**Assumptions for Forecasts of Investment Performance for the 24th Fiscal Period from June 1, 2023 to November 30, 2023 and the 25th Fiscal Period from December 1, 2023 to May 31, 2024**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>• 24th fiscal period (June 1, 2023 to November 30, 2023) (183 days)</li> <li>• 25th fiscal period (December 1, 2023 to May 31, 2024) (183 days)</li> </ul>
Investment portfolio	<ul style="list-style-type: none"> <li>• Our forecasts of investment performance take into account the following property disposition associated with the 46 properties that the Investment Corporation holds at present (the “Assets Currently Held”).</li> <li>• 24th fiscal period (June 1, 2023 to November 30, 2023) Luogo Shiodome (the pro rata share of our trust beneficiary co-ownership interests (<i>jun kyōyū-mochibun</i>) of 51%) was transferred on June 1, 2023, and the total number of properties after said transfer date is assumed to be 46 properties.</li> <li>• Our forecasts, however, may change due to any changes to the composition of our investment portfolio.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc.</li> <li>• Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.</li> <li>• In the 24th fiscal period (June 1, 2023 to November 30, 2023), ¥2,261 million of gain on the sale of Luogo Shiodome (the pro rata share of our trust beneficiary co-ownership interests (<i>jun kyōyū-mochibun</i>) of 51%) from its transfer is expected to be recorded. This may change, however, depending on outcomes of the sales, transfer prices, transfer dates and other conditions.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors.</li> <li>• In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥1,351 million and ¥1,356 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2023 (24th fiscal period) and in the fiscal period ending May 31, 2024 (25th fiscal period), respectively.</li> <li>• Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period.</li> <li>• We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,490 million and ¥1,525 million for the 24th fiscal period ending November 30, 2023 and the 25th fiscal period ending May 31, 2024, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• We expect interest expense and other borrowing-related expenses of ¥1,032 million for the fiscal period ending November 30, 2023 (24th fiscal period) and ¥1,099 million for the fiscal period ending May 31, 2024 (25th fiscal period).</li> </ul>

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> <li>• As of today, the Investment Corporation has a balance of interest-bearing debt of ¥265,850 million (borrowings of ¥238,150 million and investment corporation bonds of ¥27,700 million).</li> <li>• We assume that there will be refinancing of all interest-bearing debt due by the end of the fiscal period ending November 30, 2023 (24th fiscal period) and the fiscal period ending May 31, 2024 (25th fiscal period) (24th fiscal period: long-term borrowings of ¥16,750 million; 25th fiscal period: long-term borrowings of ¥17,500 million).</li> <li>• We assume the LTV ratios as of November 30, 2023 and May 31, 2024 are both to be approximately 47%.</li> <li>• The LTV ratio is obtained by the following formula: LTV = Balance of interest-bearing debt / Total assets × 100</li> </ul>
Units	<ul style="list-style-type: none"> <li>• The number is based on our assumption of total of 807,446 units issued as of today. We assume that there will be no changes in number of investment units before the end of the 25th fiscal period (May 31, 2024).</li> <li>• The cash distributions per unit for the 24th fiscal period ending November 30, 2023 and the 25th fiscal period ending May 31, 2024 have been calculated in accordance with the total projected number of investment units issued as of the end of each of the fiscal periods which is 807,446 units.</li> </ul>
Cash distributions per unit	<ul style="list-style-type: none"> <li>• Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>• In order to distribute stable dividends over the long term, assumptions were made for the calculation that ¥952 per unit were retained as part of gain on sale of real estate properties in the fiscal period ending November 30, 2023 (24th fiscal period).</li> <li>• In the fiscal period ending May 31, 2024 (25th fiscal period), we assume a reversal of ¥1,035 million from the reserve for tax purpose reduction entry for use in distributions.</li> <li>• The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.</li> <li>• Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.</li> </ul>
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• As stated above, deferred losses on hedges, which are counted as a deduction in net assets, are calculated assuming no fluctuation. Accordingly, we do not anticipate distributions in excess of earnings (allowance for temporary difference adjustments) for the 24th fiscal period ending November 30, 2023 or the 25th fiscal period ending May 31, 2024.</li> <li>• Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts.</li> <li>• We assume that there will be no material changes in general economic conditions or real estate markets.</li> </ul>

## 2. Financial Statements

### (1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2022	As of May 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>23,567,962</b>	<b>23,313,687</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
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
<b>Total property, plant and equipment</b>	<b>527,633,100</b>	<b>533,462,741</b>
<b>Intangible assets</b>		
Land leasehold interests in trust	9,055,086	9,055,086
Other	6,077	5,396
<b>Total intangible assets</b>	<b>9,061,163</b>	<b>9,060,482</b>
<b>Investments and other assets</b>		
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
<b>Total investments and other assets</b>	<b>1,313,159</b>	<b>1,227,801</b>
<b>Total non-current assets</b>	<b>538,007,424</b>	<b>543,751,026</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	107,514	113,181
<b>Total deferred assets</b>	<b>107,514</b>	<b>113,181</b>
<b>Total assets</b>	<b>561,682,901</b>	<b>567,177,894</b>

(Unit: Thousands of yen)

	As of November 30, 2022	As of May 31, 2023
<b>Liabilities</b>		
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
<b>Net assets</b>		
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

## (2) 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)	
<b>Operating revenue</b>				
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
<b>Total operating revenue</b>		<b>16,178,241</b>		<b>17,482,902</b>
<b>Operating expenses</b>				
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
<b>Total operating expenses</b>		<b>7,257,339</b>		<b>7,656,398</b>
<b>Operating profit</b>		<b>8,920,902</b>		<b>9,826,504</b>
<b>Non-operating income</b>				
Interest income		81		94
Reversal of distributions payable		854		646
Insurance claim income		–		729
<b>Total non-operating income</b>		<b>936</b>		<b>1,469</b>
<b>Non-operating expenses</b>				
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
<b>Total non-operating expenses</b>		<b>924,614</b>		<b>968,656</b>
<b>Ordinary profit</b>		<b>7,997,224</b>		<b>8,859,317</b>
<b>Profit before income taxes</b>		<b>7,997,224</b>		<b>8,859,317</b>
Income taxes - current		168,118		605
Income taxes - deferred		(15,287)		15,287
<b>Total income taxes</b>		<b>152,830</b>		<b>15,892</b>
<b>Profit</b>		<b>7,844,394</b>		<b>8,843,424</b>
Retained earnings brought forward		56,542		344,091
Unappropriated retained earnings (undisposed loss)		7,900,936		9,187,516

### (3) 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	Unappropriated retained earnings (undisposed loss)	Total surplus
Allowance for temporary difference adjustments		Other deduction from unitholders' capital	Total deduction from unitholders' capital				
Balance at beginning of period	270,963,556	(866)	(3,999,657)	(4,000,523)	266,963,033	7,784,892	7,784,892
Changes during period							
Dividends of surplus						(7,727,483)	(7,727,483)
Reversal of allowance for temporary difference adjustments		866		866	866	(866)	(866)
Profit						7,844,394	7,844,394
Net changes in items other than unitholders' equity							
Total changes during period	–	866	–	866	866	116,044	116,044
Balance at end of period	<sup>*1</sup> 270,963,556	–	(3,999,657)	(3,999,657)	266,963,899	7,900,936	7,900,936

(Unit: Thousands of yen)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Treasury investment units	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	–	274,747,925	20,177	20,177	274,768,103
Changes during period					
Dividends of surplus		(7,727,483)			(7,727,483)
Reversal of allowance for temporary difference adjustments		–			–
Profit		7,844,394			7,844,394
Net changes in items other than unitholders' equity			21,403	21,403	21,403
Total changes during period	–	116,910	21,403	21,403	138,314
Balance at end of period	–	274,864,836	41,581	41,581	274,906,417



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	<sup>*1</sup> 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

## (4) 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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## (5) 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)
<b>Cash flows from operating activities</b>		
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
<b>Cash flows from investing activities</b>		
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)
<b>Cash flows from financing activities</b>		
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

(6) Notes on Assumption of Going Concern

Not applicable.

(7) 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 border="0"><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>

(8) Notes to Financial Statements

**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	<u>181,712</u>	
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	<u>64,790</u>	
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	<u>2,403</u>	
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	<u>92,970</u>	
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 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)” on page 26.)

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

## (9) Changes in Total Number of Investment Units Issued and Outstanding

Changes in unitholders' capital, net and total number of investment units issued up to the current fiscal period are as follows:

Date	Summary	Unitholders' capital, net (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2011	Establishment through private placement	200,000	200,000	400	400	(Note 1)
June 12, 2012	Capital increase through public offering	90,834,705	91,034,705	204,100	204,500	(Note 2)
July 10, 2012	Capital increase through third-party allotment	339,128	91,373,833	762	205,262	(Note 3)
December 16, 2013	Capital increase through public offering	32,636,569	124,010,403	43,100	248,362	(Note 4)
January 15, 2014	Capital increase through third-party allotment	2,044,518	126,054,921	2,700	251,062	(Note 5)
December 17, 2014	Capital increase through public offering	22,800,626	148,855,547	24,050	275,112	(Note 6)
January 8, 2015	Capital increase through third-party allotment	1,915,063	150,770,610	2,020	277,132	(Note 7)
October 1, 2015	Investment unit split	–	150,770,610	277,132	554,264	(Note 8)
December 15, 2015	Capital increase through public offering	19,152,091	169,922,702	41,870	596,134	(Note 9)
January 6, 2016	Capital increase through third-party allotment	1,610,111	171,532,813	3,520	599,654	(Note 10)
December 1, 2016	Capital increase through public offering	28,583,994	200,116,808	61,040	660,694	(Note 11)
December 15, 2016	Capital increase through third-party allotment	2,116,639	202,233,447	4,520	665,214	(Note 12)
December 13, 2017	Capital increase through public offering	13,793,296	216,026,743	31,090	696,304	(Note 13)
December 26, 2017	Capital increase through third-party allotment	1,064,776	217,091,520	2,400	698,704	(Note 14)
December 19, 2018	Capital increase through public offering	29,036,462	246,127,982	67,320	766,024	(Note 15)
January 7, 2019	Capital increase through third-party allotment	2,242,864	248,370,846	5,200	771,224	(Note 16)

Date	Summary	Unitholders' capital, net (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2021	Capital increase through public offering	21,496,615	269,867,461	49,030	820,254	(Note 17)
September 28, 2021	Capital increase through third-party allotment	1,096,095	270,963,556	2,500	822,754	(Note 18)
May 13, 2022	Cancellation	(3,999,657)	266,963,899	(10,190)	812,564	(Note 19)
May 12, 2023	Cancellation	(1,999,983)	264,963,916	(5,118)	807,446	(Note 20)

- (Note 1) The Investment Corporation was established with an offering price per unit of ¥500,000.
- (Note 2) New investment units were issued by public offering with an offering price per unit of ¥460,000 (paid-in amount of ¥445,050 per unit) in order to raise funds for the acquisition of new properties, etc., and then investment operations were commenced.
- (Note 3) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥445,050 per unit.
- (Note 4) New investment units were issued by public offering with an offering price per unit of ¥782,925 (paid-in amount of ¥757,229 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 5) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥757,229 per unit.
- (Note 6) New investment units were issued by public offering with an offering price per unit of ¥979,020 (paid-in amount of ¥948,051 per unit) in order to raise funds for the acquisition of new properties.
- (Note 7) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥948,051 per unit.
- (Note 8) A two-for-one split of the investment units has been implemented, with September 30, 2015 as the record date and October 1, 2015 as the effective date.
- (Note 9) New investment units were issued by public offering with an offering price per unit of ¥472,360 (paid-in amount of ¥457,418 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 10) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥457,418 per unit.
- (Note 11) New investment units were issued by public offering with an offering price per unit of ¥483,326 (paid-in amount of ¥468,283 per unit) in order to raise funds for the acquisition of new properties.
- (Note 12) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥468,283 per unit.
- (Note 13) New investment units were issued by public offering with an offering price per unit of ¥458,150 (paid-in amount of ¥443,657 per unit) in order to raise funds for the acquisition of new properties.
- (Note 14) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥443,657 per unit.
- (Note 15) New investment units were issued by public offering with an offering price per unit of ¥445,410 (paid-in amount of ¥431,320 per unit) in order to raise funds for the acquisition of new properties.
- (Note 16) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥431,320 per unit.

- (Note 17) New investment units were issued by public offering with an offering price per unit of ¥452,760 (paid-in amount of ¥438,438 per unit) in order to raise funds for the acquisition of new properties.
- (Note 18) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount 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) "Unitholders' capital, net" is the amount of "unitholders' capital" less "deduction from unitholders' capital." Furthermore, the above does not take into account the changes in unitholders' capital arising from the implementation of distributions in excess of earnings from allowance for temporary difference adjustments.

### 3. Reference Information

#### (1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of November 30, 2022)		Current fiscal period (As of May 31, 2023)	
		Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	By property type				
	Urban Retail Properties	–	–	–	–
	Tokyo Office Properties	–	–	–	–
	Activia Account Properties	–	–	–	–
	By location				
	The five central wards of Tokyo (Note 3)	–	–	–	–
	Wards of Tokyo other than the five central wards	–	–	–	–
	Three major metropolitan areas (Note 4)	–	–	–	–
	Other locations	–	–	–	–
	Subtotal	–	–	–	–
Real estate in trust	By property type				
	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
	By location				
	The five central wards of Tokyo (Note 3)	344,724	61.4	336,286	59.3
	Wards of Tokyo other than the five central wards	48,873	8.7	48,737	8.6
	Three major metropolitan areas (Note 4)	131,703	23.4	145,784	25.7
	Other locations	11,387	2.0	11,711	2.1
	Subtotal	536,689	95.6	542,518	95.7
Total real estate assets		536,689	95.6	542,518	95.7
Deposits and other assets		24,993	4.4	24,659	4.3
Total assets (Note 5)		561,682	100.0	567,177	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)
Total liabilities (Notes 5, 6)	286,776	51.1	293,022	51.7
Total net assets (Note 5)	274,906	48.9	274,155	48.3

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

(Note 2) Figures are rounded to the nearest tenth.

(Note 3) “The five central wards of Tokyo” refers to Chiyoda ward (Chiyoda-ku), Chuo ward (Chuo-ku), Minato ward (Minato-ku), Shinjuku ward (Shinjuku-ku) and Shibuya ward (Shibuya-ku) in Tokyo.

(Note 4) “Three major metropolitan areas” refers to the Tokyo area (Tokyo, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture), the Chukyo area (Aichi Prefecture) and the Kinki area (Osaka Prefecture, Kyoto Prefecture and Hyogo Prefecture); the same shall apply hereinafter.

(Note 5) Total assets, total liabilities and total net assets represent the amounts reported in the balance sheet as of the end of each fiscal period.

(Note 6) Total liabilities include the obligation to refund leasehold and guarantee deposits.

## (2) Investment Assets

### i) Major investment securities

Not applicable.

## 2. Investment properties

Properties in trust held by the Investment Corporation are included in the below section “iii) Other investment assets.”

iii) Other investment assets

(A) Overview of real estate and beneficial interests in real estate trust

The following table shows property name, acquisition price, book value at the end of the fiscal period, assessed value at the end of the fiscal period, return price and investment ratio related to the assets held by the Investment Corporation as of the end of the 23rd fiscal period. Figures shown in the table are as of May 31, 2023 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2023)

Category	Property number (Note 1)	Property name	Acquisition price  (Millions of yen) (Note 2)	Book value at end of period  (Millions of yen) (Note 3)	Assessed value at end of period  (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio  (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method  (Millions of yen)	Direct capitalization rate  (%)	Price based on DCF method  (Millions of yen)	Discount rate  (%)	Terminal capitalization rate  (%)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 6)	45,000	44,389	60,675	60,825	2.6	60,450	2.3	2.6	8.2
	UR-3	Q plaza EBISU (Note 7)	8,430	8,099	11,600	11,700	3.2	11,500	3.4/3.3	3.4	1.5
	UR-5	Kyoto Karasuma Parking Building	8,860	8,605	10,300	10,300	4.6	10,300	4.6	4.8	1.6
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	19,783	26,200	26,700	3.7	25,700	3.5	3.9	3.9
	UR-8	A-FLAG SAPPORO	4,410	5,459	7,490	7,460	5.3	7,500	5.1	5.5	0.8
	UR-9	A-FLAG SHIBUYA	6,370	6,395	7,780	7,850	3.9	7,750	3.7	4.1	1.2
	UR-10	Q plaza SHINSAIBASHI	13,350	13,358	14,000	14,700	3.5	13,800	3.3	3.7	2.4
	UR-11	A-FLAG KOTTO DORI	4,370	4,373	4,740	4,840	3.2	4,690	3.0	3.4	0.8
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,752	4,970	5,080	3.2	4,850	3.0	3.4	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,432	2,210	2,230	3.9	2,190	3.7	4.1	0.4
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,905	11,025	11,662	4.0	10,780	3.8	4.2	2.3
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,288	12,600	12,840	3.0	12,360	2.7	3.1	2.4
	UR-18	A-FLAG NISHI SHINSAIBASHI	14,300	14,397	15,000	15,200	3.9	14,800	3.7	4.1	2.6
		Subtotal		159,340	158,242	188,590	191,387	–	186,670	–	–

Category	Property number (Note 1)	Property name	Acquisition price  (Millions of yen) (Note 2)	Book value at end of period  (Millions of yen) (Note 3)	Assessed value at end of period  (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio  (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method  (Millions of yen)	Direct capitalization rate  (%)	Price based on DCF method  (Millions of yen)	Discount rate  (%)	Terminal capitalization rate  (%)	
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,194	12,400	12,900	3.4	12,200	3.5	3.6	1.3
	TO-2	A-PLACE Ebisu Minami	9,640	9,503	16,700	16,100	3.3	17,000	3.4	3.5	1.8
	TO-3	A-PLACE Yoyogi	4,070	3,801	5,070	5,130	3.7	5,010	3.5	3.9	0.7
	TO-4	A-PLACE Aoyama	8,790	8,496	11,000	10,900	3.8	11,000	3.6	4.0	1.6
	TO-5	Luogo Shiodome (Note 6)	2,315	2,220	3,260	3,330	3.4	3,230	3.2	3.6	0.4
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	3,020	3,170	3.2	2,960	3.6	3.4	0.4
	TO-7	A-PLACE Ikebukuro	3,990	3,600	5,760	5,810	3.7	5,710	3.5	3.8	0.7
	TO-8	A-PLACE Shinbashi	5,650	5,725	7,240	7,250	3.5	7,230	3.2	3.5	1.0
	TO-9	A-PLACE Gotanda	5,730	5,311	8,060	8,190	3.4	7,920	3.2	3.6	1.0
	TO-10	A-PLACE Shinagawa	3,800	3,755	6,560	6,630	3.2	6,480	3.0	3.3	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,279	14,800	14,900	3.2	14,700	2.9	3.3	1.9
	TO-12	Shiodome Building (Note 6)	71,600	70,053	75,600	80,500	3.1	73,500	2.9	3.3	13.1
	TO-13	A-PLACE Ebisu Higashi	7,072	6,928	7,790	7,910	3.5	7,660	3.3	3.7	1.3
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,910	5,880	5,870	3.4	5,890	3.1	3.5	0.9
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,578	7,890	7,900	3.6	7,870	3.3	3.7	1.3
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,681	18,200	19,700	3.6	17,600	3.4	3.8	3.4
	TO-18	Ebisu Prime Square (Note 6)	30,700	30,973	32,400	33,099	3.2	31,620	3.0	3.4	5.6
	TO-19	A-PLACE Tamachi East	6,800	6,834	7,250	7,410	3.3	7,080	3.1	3.5	1.2
	TO-20	Meguro Tokyu Building	16,300	16,348	16,500	16,500	3.1	16,500	2.8	3.1	3.0
	TO-21	Q plaza Shinjuku-3chome	18,400	18,507	19,400	19,700	3.5	19,100	3.3	3.7	3.4
	TO-22	A-PLACE Shibuya Nampeidai	8,800	8,855	9,290	9,340	3.2	9,230	2.9	3.3	1.6
	TO-23	Kasumigaseki Tokyu Building	30,600	30,842	31,300	32,300	3.2	30,800	3.3	3.4	5.6
		Subtotal	285,575	282,766	325,370	334,539	-	320,290	-	-	52.1
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	12,000	12,113	14,600	14,700	4.1	14,500	3.8	4.2	2.2
	AA-2	icot Nakamozu (Note 8)	8,500	8,067	10,600	10,900	4.8	10,500	4.8/4.9	5.0	1.5
	AA-4	icot Mizonokuchi	2,710	2,562	4,470	4,710	5.4	4,370	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,549	4,110	4,120	4.7	4,100	4.3	4.9	0.5
	AA-6	A-PLACE Kanayama	6,980	5,970	8,730	8,810	4.8	8,650	4.6	5.0	1.3
	AA-7	Osaka Nakanoshima Building	11,100	11,008	19,000	19,200	3.4	18,800	3.2	3.5	2.0
	AA-8	icot Omori	5,790	5,618	7,370	7,380	4.0	7,350	3.8	4.1	1.1
	AA-9	Market Square Sagamihara	4,820	4,497	5,000	5,020	5.3	4,980	5.1	5.5	0.9
	AA-10	Umeda Gate Tower	19,000	18,867	21,600	21,900	3.5	21,500	3.3	3.7	3.5
	AA-11	A-PLACE Bashamichi	3,930	4,050	5,200	5,330	4.6	5,060	4.3	4.8	0.7
	AA-12	Commercial Mall Hakata	6,100	6,251	5,770	5,770	4.7	5,770	4.4	4.8	1.1
	AA-13	A-PLACE Shinsaibashi	19,800	19,952	21,900	22,200	3.6	21,500	3.4	3.8	3.6
		Subtotal	103,570	101,509	128,350	130,040	-	127,080	-	-	18.9
	Total	548,485	542,518	642,310	655,966	-	634,040	-	-	100.0	

(Note 1) A property number is assigned to each of assets held by the Investment Corporation, which are divided into the three categories: UR (meaning Urban Retail Properties), TO (meaning Tokyo Office Properties) and AA (meaning Activia Account Properties).

(Note 2) Acquisition price represents trading value of beneficial interests in trust stipulated in each beneficiary interest in trust sales agreement in relation to the assets held (excluding consumption tax and local consumption tax, and expenses such as trading commissions, rounding down to the nearest million yen).

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of May 31, 2023, rounding down to the nearest million yen.



- (Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Morii Valuation & Advisory K.K. Assessed value at end of period and return price show value described in each real estate appraisal report with the date of value estimate of May 31, 2023.
- (Note 5) Investment ratio is calculated by dividing the acquisition price for each property by the total acquisition price (excluding consumption tax and other acquisition-related expenses). Figures are rounded to the nearest tenth.
- (Note 6) 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 the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 60%, 51%, 35% and 51%, respectively).
- (Note 7) The discount rates of Q plaza EBISU represent 3.4% from the first year to the third year and 3.3% in and after the fourth year.
- (Note 8) The discount rates of icot Nakamozu represent 4.8% from the first year to the fourth year and 4.9% in and after the fifth year.

b. Overview of assets held (2)

(As of May 31, 2023)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	23	1,883	1,389	5,154.14	5,154.14	100.0
	UR-3	Q plaza EBISU	Shibuya, Tokyo	August 20, 2008	4	485	475	4,024.88	4,024.88	100.0
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	July 24, 2006	2	(Note 9)	(Note 9)	21,616.04	21,616.04	100.0
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	January 31, 2010	5	977	1,276	19,653.90	18,012.77	91.6
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	14	695	103	21,229.16	20,462.26	96.4
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	June 29, 1988	2	420	179	3,403.07	3,403.07	100.0
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	November 16, 2007	6	512	433	2,820.23	2,820.23	100.0
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	January 22, 1992	8	245	192	2,656.53	2,656.53	100.0
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 1, 1998	4	239	241	1,994.65	1,994.65	100.0
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	April 21, 1992	1	(Note 9)	(Note 9)	2,579.08	2,579.08	100.0
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	78	520	429	16,119.47	15,719.40	97.5
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	15	355	236	3,378.49	3,216.55	95.2
	UR-18	A-FLAG NISHI SHINSAIBASHI	Osaka, Osaka	March 14, 2022	1	665	333	13,680.84	13,680.84	100.0
		Subtotal			–	163	–	–	118,310.48	115,340.44

Category	Property number	Property name	Location	Date of construction	Number of tenants	Contracted rent (Annual)	Leasehold and guarantee deposit	Total leasable area	Total leased area	Occupancy rate
				(Note 1)	(Note 2)	(Millions of yen) (Note 3)	(Millions of yen) (Note 4)	(m <sup>2</sup> ) (Note 5)	(m <sup>2</sup> ) (Note 6)	(%) (Note 7)
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	13	622	489	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	8	807	761	7,950.49	7,721.20	97.1
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	5	261	241	3,106.17	3,106.17	100.0
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	608	590	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome (Note 8)	Minato, Tokyo	July 30, 2004	7	137	131	2,282.94	1,805.73	79.1
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	–	1	125	–	1,287.96	1,287.96	100.0
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	October 13, 2011	1	(Note 9)	(Note 9)	3,409.73	3,409.73	100.0
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	March 4, 1999	13	365	300	5,054.19	5,054.19	100.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	14	371	348	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	270	260	2,986.36	2,986.36	100.0
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	6	686	686	7,193.28	7,193.28	100.0
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	45	2,318	2,102	28,136.05	21,164.54	75.2
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	7	362	253	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	265	205	3,010.53	2,895.71	96.2
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	10	401	340	4,333.64	4,333.64	100.0
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	10	994	991	14,517.11	14,260.66	98.2
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	116	1,494	1,167	18,059.66	17,597.78	97.4
	TO-19	A-PLACE Tamachi East	Minato, Tokyo	April 9, 2003	24	329	313	4,288.88	4,288.88	100.0
	TO-20	Meguro Tokyu Building	Shinagawa, Tokyo	December 24, 2002	9	616	599	6,993.70	6,993.70	100.0
	TO-21	Q plaza Shinjuku-3chome	Shinjuku, Tokyo	September 24, 1992	4	827	570	4,528.01	4,528.01	100.0
	TO-22	A-PLACE Shibuya Nampeidai	Shibuya, Tokyo	July 31, 1989	11	386	353	4,373.54	4,373.54	100.0
	TO-23	Kasumigaseki Tokyu Building	Chiyoda, Tokyo	October 20, 2010	26	1,218	711	12,023.76	12,023.76	100.0
		Subtotal			–	350	–	–	156,221.67	147,710.51

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	718	341	27,465.44	27,465.44	100.0
	AA-2	icot Nakamozu	Sakai, Osaka	June 27, 2007	2	620	430	28,098.02	28,098.02	100.0
	AA-4	icot Mizonokuchi	Kawasaki, Kanagawa	July 15, 1998	1	(Note 9)	100	14,032.05	14,032.05	100.0
	AA-5	icot Tama Center	Tama, Tokyo	March 7, 2006	10	237	233	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	21	541	446	9,314.90	9,314.90	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	38	998	720	20,125.63	19,934.80	99.1
	AA-8	icot Omori	Ota, Tokyo	March 6, 2007	8	388	357	6,209.78 (Note 10)	6,209.78 (Note 10)	100.0
	AA-9	Market Square Sagamihara	Sagamihara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0
	AA-10	Umeda Gate Tower	Osaka, Osaka	January 15, 2010	20	1,003	789	13,513.73	13,410.77	99.2
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	36	328	258	9,710.91	9,198.95	94.7
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	16	303	145	9,612.88	8,588.37	89.3
	AA-13	A-PLACE Shinsaibashi	Osaka, Osaka	April 22, 1986	20	1,073	888	15,892.28	15,892.28	100.0
		Subtotal			–	176	–	–	174,309.62	172,479.36
	Total			–	689	–	–	448,841.77	435,530.31	97.0

- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of May 31, 2023 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as May 31, 2023), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2023, as indicated in the lease agreements in relation to buildings as of May 31, 2023 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of May 31, 2023, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2023), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The leasehold and guarantee deposit is calculated as the total amount on the lease agreement for each property as of May 31, 2023 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2023), rounding to the nearest million yen. For properties with master lease agreements, the leasehold and guarantee deposit is calculated as the total amount required based on the sublease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of May 31, 2023 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of May 31, 2023 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of May 31, 2023. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of May 31, 2023, rounding to the nearest tenth. The subtotal and total are calculated by dividing aggregate leased area by aggregate leasable area, rounding to the nearest tenth.
- (Note 8) 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 the pro rata share of our trust beneficiary

co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 60%, 51%, 35% and 51%, respectively). However, the numbers of tenants provided are the numbers for each whole building.

- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m<sup>2</sup>) and part of a common area on the second floor (approximately 28 m<sup>2</sup>).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 2023, assuming that the lease agreements with the end-tenants remained effective; the same shall apply hereinafter.

## (B) Capital expenditure for assets under management

## a. 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	–	–

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)	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
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	–	–

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)	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).



b. Capital expenditure during the fiscal 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%).

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 23rd fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 2023. The forms of agreements with the tenants in the table are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Community Corp. and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of May 31, 2023. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,656.53	245	192	December 31, 2026
		TLC Ebisu Building	7,342.60	622	489	May 31, 2025
		A-PLACE Ebisu Minami	7,721.20	807	761	May 31, 2025
		A-PLACE Yoyogi	3,106.17	261	241	May 31, 2025
		A-PLACE Aoyama	7,303.69	608	590	May 31, 2025
		Luogo Shiodome (Note 6)	1,805.73	137	131	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,054.19	365	300	May 31, 2025
		A-PLACE Gotanda	4,028.69	371	348	May 31, 2025
		A-PLACE Shinagawa	2,986.36	270	260	May 31, 2025
		OSAKI WIZTOWER	7,193.28	686	686	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	362	253	May 31, 2025
		A-PLACE Shibuya Konnoh	2,895.71	265	205	September 30, 2025
		A-PLACE Gotanda Ekimae	4,333.64	401	340	June 30, 2026
		A-PLACE Shinagawa Higashi	14,260.66	994	991	March 31, 2027
		Ebisu Prime Square (Note 6)	14,150.64	1,288	1,138	January 31, 2030
		A-PLACE Tamachi East	4,288.88	329	313	October 31, 2031
		A-PLACE Shibuya Nampeidai	4,373.54	386	353	September 30, 2031
		A-PLACE Kanayama	9,314.90	541	446	May 31, 2025
		Osaka Nakanoshima Building	19,934.80	998	720	November 30, 2024
		Umeda Gate Tower	13,410.77	1,003	789	April 30, 2028
		A-PLACE Bashamichi	9,198.95	328	258	October 31, 2026
		Commercial Mall Hakata	8,588.37	303	145	March 31, 2027
A-PLACE Shinsaibashi	15,892.28	1,073	888	December 31, 2031		
		Total	177,262.00	-	-	-

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	485	475	June 30, 2024
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	18,012.77	977	1,276	August 31, 2023
		A-FLAG SAPPORO	20,462.26	695	103	December 31, 2023
		A-FLAG SHIBUYA	3,403.07	420	179	December 31, 2023
		Q plaza SHINSAIBASHI	2,820.23	512	433	December 31, 2025
		A-FLAG BIJUTSUKAN DORI	1,994.65	239	241	December 31, 2026
		A-FLAG DAIKANYAMA WEST	2,579.08	(Note 5)	(Note 5)	December 31, 2026
		DECKS Tokyo Beach (Note 6)	15,719.40	520	429	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,216.55	355	236	January 31, 2029
		Q plaza Shinjuku-3chome	4,528.01	827	570	September 30, 2031
		icot Nakamozu	28,098.02	620	430	June 30, 2024
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2024
		icot Tama Center	5,181.58	237	233	November 30, 2024
		icot Omori	6,209.78	388	357	December 31, 2023
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
		Total		167,050.79	-	-

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of May 31, 2023 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the monthly rent (limited to rooms which were occupied by tenants as of May 31, 2023), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2023, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2023 by 12, rounding to the nearest million yen.

(Note 3) The leasehold and guarantee deposit is calculated as the total amount on the sublease agreement with the end-tenant as of May 31, 2023 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2023), rounding to the nearest million yen, where the tenant is the master lease company and sublessor.

(Note 4) The expiration date is the date provided in the lease agreement where the tenant is the lessee, including where the tenant is a sublessor and master lease company under a sublease agreement. Concerning the method of renewing the master lease agreement entered into with the above-mentioned major tenant who is the master lease company, assuming that the lessor or lessee has not expressed in writing their intention to refuse renewal at a time that is at least three full months before the expiry of the lease agreement, the agreement shall be renewed for a further two years under the same conditions, and the same will apply thereafter.

(Note 5) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.

(Note 6) As for Luogo Shiodome, Ebisu Prime Square, DECKS Tokyo Beach and Q plaza HARAJUKU, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (51%, 51%, 49% and 60%, respectively).

b. End-tenants in the top 10 in terms of total leased area

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of May 31, 2023.

End-tenants	Property name	Total leased area (m <sup>2</sup> ) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Sumitomo Mitsui Trust Bank, Limited (Note 3)	TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	28,753.40 (Note 4)	May 31, 2074 January 31, 2042	Ordinary leasehold land agreement Fixed-term business-use lease agreement
Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529.03	July 11, 2027	Fixed-term building lease agreement
Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224.14	–	Fixed-term building lease agreement
Tokyu Hotels Co., Ltd.	A-FLAG SAPPORO	18,891.39	March 31, 2027	Fixed-term building lease agreement
Plan Do See Inc.	Kobe Kyu Kyoryuchi 25Bankan	14,195.42	February 28, 2051	Fixed-term building lease agreement
Room's-Taishodo	icot Mizonokuchi	14,032.05	July 24, 2023 (Note 5)	Fixed-term building lease agreement
Tokyu Resorts & Stays Co., Ltd.	A-FLAG NISHI SHINSAIBASHI	13,680.84	October 31, 2037	Fixed-term building lease agreement
K'S HOLDINGS CORPORATION	Market Square Sagamihara	11,863.92	June 30, 2034	Fixed-term building lease agreement
MUFG Bank, Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609.11	–	–
CA Sega Joypolis Ltd.	DECKS Tokyo Beach	5,172.76	July 31, 2036	Fixed-term building lease agreement

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2023. As for DECKS Tokyo Beach, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) as of May 31, 2023 (49%).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of May 31, 2023.

(Note 3) Tenant is the trustee of the building on the land; Tokyu Land Corporation is the trust beneficiary under such trust.

(Note 4) Total leased area for TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land) is in respect of the land.

(Note 5) Room's-Taishodo is scheduled to vacate upon expiration of contract on July 24, 2023.

(Note 6) Since we have not obtained permission from the tenant of the properties to release the information, the information missing from this table is not disclosed.

## (D) Overview of lease and profit and loss

23rd fiscal period (From December 1, 2022 to May 31, 2023)

(Unit: Thousands of yen)

Property number	UR-1	UR-3	UR-5	UR-7	UR-8
Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Q plaza EBISU	Kyoto Karasuma Parking Building	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	990,167	271,964	(Note 2)	645,463	493,157
Leasing business revenue	955,749	242,944	(Note 2)	587,042	413,053
Other leasing business revenue	34,418	29,020	(Note 2)	58,420	80,103
b. Expenses related to leasing business	263,543	66,484	46,614	212,922	318,083
Management operation expenses	95,429	16,426	3,596	76,778	100,650
Utilities expenses	37,957	25,768	–	64,224	117,850
Tax and public dues	74,573	9,172	41,090	49,347	27,683
Insurance	253	101	211	892	852
Repair and maintenance expenses	15,828	2,495	265	16,338	65,688
Other expenses related to leasing business	39,500	12,520	1,450	5,342	5,357
c. NOI (a – b)	726,623	205,480	(Note 2)	432,541	175,073
d. Depreciation, etc. (Note 3)	71,052	18,748	16,250	125,549	101,746
Profit (loss) from leasing business (c – d)	655,571	186,732	(Note 2)	306,991	73,326

(Unit: Thousands of yen)

Property number	UR-9	UR-10	UR-11	UR-12	UR-13
Property name	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	219,287	217,180	117,083	126,552	(Note 2)
Leasing business revenue	209,911	201,227	110,868	119,079	(Note 2)
Other leasing business revenue	9,375	15,952	6,214	7,472	(Note 2)
b. Expenses related to leasing business	41,624	52,886	50,093	37,870	31,491
Management operation expenses	14,247	9,276	9,429	3,972	7,878
Utilities expenses	9,122	16,262	7,053	7,048	452
Tax and public dues	11,903	17,694	14,512	2,118	14,991
Insurance	70	89	99	49	82
Repair and maintenance expenses	2,842	5,242	16,108	1,999	4,933
Other expenses related to leasing business	3,438	4,321	2,890	22,683	3,153
c. NOI (a – b)	177,663	164,293	66,990	88,681	(Note 2)
d. Depreciation, etc. (Note 3)	12,873	14,926	4,450	6,787	5,581
Profit (loss) from leasing business (c – d)	164,790	149,366	62,539	81,894	(Note 2)

(Unit: Thousands of yen)

Property number	UR-15	UR-16	UR-17	UR-18	TO-1
Property name	DECKS Tokyo Beach (Note 1)	Tokyu Plaza Ginza (Land) (Note 1) (Note 4)	Q plaza HARAJUKU (Note 1)	A-FLAG NISHI SHINSAIBASHI (Note 5)	TLC Ebisu Building
Number of business days in the 23rd fiscal period	182	125	182	139	182
a. Real estate leasing business revenues	562,035	407,535	164,511	255,670	326,302
Leasing business revenue	435,332	407,535	146,438	255,670	310,993
Other leasing business revenue	126,703	–	18,072	–	15,308
b. Expenses related to leasing business	353,052	175,542	81,909	2,059	77,595
Management operation expenses	106,894	–	20,999	–	23,906
Utilities expenses	116,134	–	17,175	–	19,721
Tax and public dues	58,397	175,330	39,740	–	17,782
Insurance	614	–	105	294	264
Repair and maintenance expenses	15,644	–	2,078	–	1,576
Other expenses related to leasing business	55,366	212	1,809	1,764	14,344
c. NOI (a – b)	208,983	231,992	82,601	253,610	248,707
d. Depreciation, etc. (Note 3)	28,739	–	6,829	37,617	49,444
Profit (loss) from leasing business (c – d)	180,244	231,992	75,772	215,993	199,262

(Unit: Thousands of yen)

Property number	TO-2	TO-3	TO-4	TO-5	TO-6
Property name	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome (Note 6)	TAMACHI SQUARE (Land)
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	444,917	140,015	328,020	115,994	62,502
Leasing business revenue	423,006	132,958	313,879	108,349	62,502
Other leasing business revenue	21,911	7,056	14,141	7,644	–
b. Expenses related to leasing business	101,746	35,244	77,364	43,844	9,875
Management operation expenses	29,693	10,604	19,495	8,503	–
Utilities expenses	29,730	9,395	21,452	9,247	–
Tax and public dues	34,317	11,062	24,530	20,193	9,620
Insurance	337	114	248	172	–
Repair and maintenance expenses	3,670	2,982	7,422	554	–
Other expenses related to leasing business	3,997	1,085	4,214	5,171	255
c. NOI (a – b)	343,171	104,770	250,655	72,149	52,626
d. Depreciation, etc. (Note 3)	36,800	16,315	25,416	26,888	–
Profit (loss) from leasing business (c – d)	306,371	88,455	225,239	45,261	52,626

(Unit: Thousands of yen)

Property number	TO-7	TO-8	TO-9	TO-10	TO-11
Property name	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	(Note 2)	144,204	198,854	136,348	352,386
Leasing business revenue	(Note 2)	132,632	187,592	128,708	340,286
Other leasing business revenue	(Note 2)	11,571	11,261	7,639	12,100
b. Expenses related to leasing business	35,320	62,478	48,608	42,145	96,082
Management operation expenses	10,502	21,706	13,237	10,061	58,067
Utilities expenses	11,971	13,154	14,325	7,836	11,283
Tax and public dues	11,031	16,085	14,386	12,052	24,603
Insurance	112	189	152	104	445
Repair and maintenance expenses	643	4,031	3,889	10,285	–
Other expenses related to leasing business	1,058	7,310	2,617	1,806	1,681
c. NOI (a – b)	(Note 2)	81,725	150,245	94,202	256,304
d. Depreciation, etc. (Note 3)	21,731	23,878	27,294	9,951	48,045
Profit (loss) from leasing business (c – d)	(Note 2)	57,847	122,950	84,250	208,258

(Unit: Thousands of yen)

Property number	TO-12	TO-13	TO-14	TO-15	TO-16
Property name	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	1,025,569	186,722	148,061	213,859	359,269
Leasing business revenue	951,575	176,874	128,035	203,740	326,177
Other leasing business revenue	73,993	9,848	20,026	10,119	33,091
b. Expenses related to leasing business	383,690	43,539	46,453	62,451	185,746
Management operation expenses	94,792	14,728	15,673	14,858	61,740
Utilities expenses	100,633	10,469	6,866	14,582	38,336
Tax and public dues	128,419	14,455	9,906	18,895	50,917
Insurance	874	138	106	158	627
Repair and maintenance expenses	25,430	1,759	4,830	6,784	27,543
Other expenses related to leasing business	33,540	1,988	9,069	7,171	6,580
c. NOI (a – b)	641,878	143,182	101,608	151,407	173,523
d. Depreciation, etc. (Note 3)	157,698	23,578	13,368	15,445	31,408
Profit (loss) from leasing business (c – d)	484,180	119,604	88,239	135,961	142,115

(Unit: Thousands of yen)

Property number	TO-18	TO-19	TO-20	TO-21	TO-22
Property name	Ebisu Prime Square (Note 1)	A-PLACE Tamachi East	Meguro Tokyu Building	Q plaza Shinjuku- 3chome	A-PLACE Shibuya Nampeidai
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	849,964	180,089	326,666	448,689	195,473
Leasing business revenue	743,074	167,672	307,497	352,268	186,120
Other leasing business revenue	106,889	12,417	19,168	96,421	9,353
b. Expenses related to leasing business	328,698	49,319	81,488	91,044	56,897
Management operation expenses	63,196	13,832	29,782	11,569	14,270
Utilities expenses	127,974	12,449	21,515	27,499	14,214
Tax and public dues	73,339	15,081	17,817	48,704	21,241
Insurance	856	190	256	187	191
Repair and maintenance expenses	47,643	2,696	3,064	510	2,416
Other expenses related to leasing business	15,687	5,068	9,051	2,573	4,562
c. NOI (a – b)	521,266	130,770	245,177	357,645	138,576
d. Depreciation, etc. (Note 3)	44,002	8,276	15,006	5,971	4,103
Profit (loss) from leasing business (c – d)	477,264	122,493	230,170	351,673	134,472

(Unit: Thousands of yen)

Property number	TO-23	AA-1	AA-2	AA-4	AA-5
Property name	Kasumigaseki Tokyu Building (Note 7)	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center
Number of business days in the 23rd fiscal period	65	182	182	182	182
a. Real estate leasing business revenues	233,685	359,181	311,031	(Note 2)	145,481
Leasing business revenue	219,546	359,181	311,001	(Note 2)	133,413
Other leasing business revenue	14,138	–	30	(Note 2)	12,068
b. Expenses related to leasing business	37,025	58,811	45,220	13,256	50,980
Management operation expenses	20,060	–	5,854	2,261	17,952
Utilities expenses	14,634	–	30	–	14,227
Tax and public dues	9	58,555	30,958	10,093	11,699
Insurance	215	–	306	133	216
Repair and maintenance expenses	64	–	7,160	–	5,902
Other expenses related to leasing business	2,041	255	911	768	982
c. NOI (a – b)	196,659	300,369	265,810	(Note 2)	94,501
d. Depreciation, etc. (Note 3)	16,731	–	37,796	8,426	19,410
Profit (loss) from leasing business (c – d)	179,928	300,369	228,014	(Note 2)	75,090

(Unit: Thousands of yen)

Property number	AA-6	AA-7	AA-8	AA-9	AA-10
Property name	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara	Umeda Gate Tower
Number of business days in the 23rd fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	306,408	549,391	233,203	(Note 2)	530,953
Leasing business revenue	283,176	522,624	202,800	(Note 2)	498,000
Other leasing business revenue	23,231	26,766	30,403	(Note 2)	32,952
b. Expenses related to leasing business	78,491	181,882	54,276	39,455	115,697
Management operation expenses	23,566	55,920	8,858	16,085	32,540
Utilities expenses	22,221	59,331	29,584	6,282	39,148
Tax and public dues	28,213	55,900	12,690	13,473	35,686
Insurance	341	1,018	143	179	501
Repair and maintenance expenses	1,409	4,817	1,616	1,266	1,409
Other expenses related to leasing business	2,739	4,894	1,381	2,166	6,410
c. NOI (a – b)	227,916	367,508	178,926	(Note 2)	415,255
d. Depreciation, etc. (Note 3)	54,139	98,286	19,062	23,521	68,533
Profit (loss) from leasing business (c – d)	173,777	269,222	159,863	(Note 2)	346,722

(Unit: Thousands of yen)

Property number	AA-11	AA-12	AA-13
Property name	A-PLACE Bashamichi	Commercial Mall Hakata	A-PLACE Shinsaibashi
Number of business days in the 23rd fiscal period	182	182	182
a. Real estate leasing business revenues	193,467	185,526	563,605
Leasing business revenue	179,159	154,656	526,646
Other leasing business revenue	14,308	30,870	36,959
b. Expenses related to leasing business	85,751	76,164	193,507
Management operation expenses	19,885	29,689	42,173
Utilities expenses	28,261	20,262	54,826
Tax and public dues	17,523	12,544	63,366
Insurance	400	165	614
Repair and maintenance expenses	17,091	4,316	23,979
Other expenses related to leasing business	2,588	9,186	8,546
c. NOI (a – b)	107,716	109,362	370,098
d. Depreciation, etc. (Note 3)	37,472	16,179	17,443
Profit (loss) from leasing business (c – d)	70,244	93,183	352,655

(Note 1) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Luogo Shiodome, Shiodome Building and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 30%, 60%, 80%, 35% and 51%, respectively).

(Note 2) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.

(Note 3) “Depreciation, etc.” includes loss on retirement of non-current assets.

(Note 4) Disposed on April 5, 2023. Therefore, figures up to the day prior to the disposition date are presented.

(Note 5) Acquired on January 13, 2023. Therefore, figures after the acquisition date are presented.

(Note 6) Co-ownership interests of 29% have been transferred as of May 31, 2023. Therefore, figures after the transfer date are presented in proportion to the pro rata share of our remaining 51% trust beneficiary co-ownership interests (*jun kyōyū-mochibun*).

(Note 7) Acquired on March 28, 2023. Therefore, figures after the acquisition date are presented.