

Financial Report for the Fiscal Period Ended November 30, 2022 (June 1, 2022 – November 30, 2022)

Activia Properties Inc.

Listing: Tokyo Stock Exchange
 Securities code: 3279
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 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 November 30, 2022 (June 1, 2022 – November 30, 2022)

(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 November 30, 2022	16,178	4.3	8,920	3.4	7,997	3.4	7,844	1.5
Fiscal period ended May 31, 2022	15,512	(0.9)	8,624	(1.5)	7,734	(0.6)	7,731	(0.3)

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended November 30, 2022	9,653	2.9	1.4	49.4
Fiscal period ended May 31, 2022	9,453	2.8	1.4	49.9

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (817,847 units for the fiscal period ended May 31, 2022 and 812,564 units for the fiscal period ended November 30, 2022).

(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 November 30, 2022	9,300	7,556	–	–	9,300	7,556
Fiscal period ended May 31, 2022	9,510	7,727	–	–	9,510	7,727

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended November 30, 2022	96.3	2.7
Fiscal period ended May 31, 2022	99.9	2.8

(Note) Because treasury investment units were canceled during the fiscal period ended May 31, 2022, 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 November 30, 2022	561,682	274,906	48.9	338,319
As of May 31, 2022	562,272	274,768	48.9	338,149

(Reference) Unitholders' equity

As of May 31, 2022: ¥274,768 million

As of November 30, 2022: ¥274,906 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 November 30, 2022	15,252	(1,776)	(7,899)	22,185
Fiscal period ended May 31, 2022	9,234	(774)	(11,909)	16,608

2. Forecasts of results for the fiscal period from December 1, 2022 to May 31, 2023 and the fiscal period from June 1, 2023 to November 30, 2023

(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 May 31, 2023	16,149	(0.2)	8,844	(0.9)	7,880	(1.5)	7,865	0.3	9,350	–
Fiscal period ending November 30, 2023	17,172	6.3	9,313	5.3	8,278	5.1	8,277	5.2	9,300	–

(Reference) Forecasted profit per unit (forecasted profit / total projected number of investment units issued at end of period)
for the fiscal period ending May 31, 2023: ¥9,679
for the fiscal period ending November 30, 2023: ¥10,187

* Other

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

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

(2) Total number of units issued

- Total number of units issued at end of period (including treasury investment units)
 - As of November 30, 2022 812,564 units
 - As of May 31, 2022 812,564 units
- Number of treasury investment units at end of period
 - As of November 30, 2022 – units
 - As of May 31, 2022 – units

(Note) Please refer to “Per Unit Information” on page 37 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 23rd Fiscal Period from December 1, 2022 to May 31, 2023 and the 24th Fiscal Period from June 1, 2023 to November 30, 2023” on pages 12 through 14 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 TLC Township Inc. (on April 1, 2017, an absorption-type merger took place with current TLC REIT Management Inc. (hereinafter referred to as the “Asset Manager”) as a surviving company and TLC Activia Investment Management Inc. (its trade name was changed from TLC Township Inc. on April 1, 2012) as an absorbed company) as the organizer under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions; hereinafter referred to as the “Investment Trust Act”), and completed its registration in the Kanto Local Finance Bureau on September 20, 2011 (Director-General of the Kanto Local Finance Bureau No. 73).

After that, the Investment Corporation was listed on the real estate investment trust securities market of Tokyo Stock Exchange, Inc. (Securities code 3279) on June 13, 2012. On September 7, 2021, the Investment Corporation carried out its seventh publicly offered capital increase after the listing, and on September 28, 2021, it carried out a third-party allotment.

“Activia” of “Activia Properties,” the name of the Investment Corporation, has been coined from the words “activate” and “ia,” a suffix meaning “place.” By investing in and managing real estate appropriate to its name, the Investment Corporation seeks to become an entity capable of broadly energizing society. The Investment Corporation will also select real estate capable of sustaining customer demand as a location for both corporate activities and urban recreation in popular areas, with the aim of maximizing the medium- and long-term value of unitholders, supported by its proactive management (management to improve the circumstances by taking initiatives and acting for the future).

The Investment Corporation has continued to carefully select investment assets with a focus on location and quality since having concluded its IPO, and consequently held 46 properties (with the total acquisition price of ¥542,402 million) at the end of the fiscal period under review.

(B) Investment Environment in the Fiscal Period Under Review

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

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

In the rental office market, although there was a continuation of a downward trend in the prices of new rent contracts, the shift to teleworking appears to have run its course and people are now returning to the office. Most recently, we are seeing a slowing in the trend of increase in vacancy rates. The average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of November 30, 2022, according to data published by Miki Shoji Co., Ltd., was 6.38%, an increase of 0.01 percentage points from the period ended May 31, 2022. Rent levels have dropped for 28 consecutive months starting in August 2020. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of November 30, 2022, was ¥20,081. Vacancy rates remain high in major cities other than Tokyo, but rent levels have bottomed out and are beginning to bounce back.

The J-REIT market, in addition to undergoing a significant adjustment amid the global rise in interest rates in June, saw a temporary worsening of the supply and demand situation with a succession of capital increases through public offerings occurring in October, but subsequently, the market regained its ground, and prices bounced back by the end of November 2022.

(C) Investment Performance

The Investment Corporation has continued to maintain and improve its portfolio in accordance with the basic asset management policy set forth in the Articles of Incorporation. Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 46 properties

(with the total acquisition price of ¥542,402 million) with the total leasable area of 425,476.30 m² (128,704 *tsubo*).

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

	June 30, 2022	July 31, 2022	August 31, 2022	September 30, 2022	October 31, 2022	November 30, 2022
Urban Retail Properties	95.9%	96.9%	96.8%	96.3%	96.8%	96.6%
Tokyo Office Properties	96.5%	90.1%	88.1%	89.5%	89.7%	89.9%
Activia Account Properties	98.7%	98.6%	99.0%	98.9%	98.9%	98.8%
Total	97.3%	95.2%	94.7%	95.0%	95.2%	95.2%

(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. Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System of TLC REIT Management Inc., our Asset Manager. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program. As works to reduce environmental load for the fiscal period under review, the lighting was upgraded to LED lighting at private areas of A-PLACE Aoyama and A-PLACE Gotanda. Also, we performed emergency elevator replacement work at Osaka Nakanoshima Building, which has helped reduce power consumption and CO₂ emissions by improving energy-saving performance of equipment.

Moreover, we continue to engage in annual initiatives geared to acquiring green building certifications. During the fiscal period under review, we have acquired the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate certification for icot Tama Center (S class) and A-PLACE Bashamichi (A class). We have also acquired the BELS certifications for Q plaza Shinjuku-3chome (two stars) and A-PLACE Gotanda Ekimae (two stars). As such, a total of 33 of our properties have acquired green building certification, which amounted to 72.5% of our holdings calculated on the basis of gross floor area (as of November 30, 2022).

In addition, we performed employee lavatory renewal at DECKS Tokyo Beach to improve employee satisfaction. At Tokyu Plaza Omotesando Harajuku, we have been cultivating vegetables with Shibuya Ward and sponsor companies at the Omohara Forest rooftop garden, thereby carrying out initiatives that are open to communities in part by harvesting vegetables with children of neighboring nursery schools. The Investment Corporation will contribute to achieving a sustainable society by engaging in such initiatives geared to the environment and society.

(E) Overview of Financing

During the fiscal period under review, the Investment Corporation borrowed ¥12,999 million largely in order to cover repayment of borrowings that had come due, and worked to otherwise maintain a stable financial base through ongoing moves that have included diversifying repayment dates. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥260,349 million (borrowings of ¥234,649 million and investment corporation bonds of ¥25,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.4% as of the end of the fiscal period under review. The long-term debt

ratio and the ratio of fixed-interest debt to total interest-bearing debt were 99.6% and 97.9%, respectively.

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

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

(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 ¥16,178 million, ¥8,920 million, and ¥7,997 million, respectively, for the fiscal period under review, and profit was ¥7,844 million.

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

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

The Japanese economy is expected to see gradual recovery through various measures to address the rising price of goods and to support tourism across Japan. Meanwhile, it will be necessary to keep a close eye on potential risks, such as the rising inflation and its protraction, triggered by the soaring prices of resources and energy, new waves of COVID-19 infections, and fluctuations in the financial and capital markets.

With respect to the environment surrounding retail properties, as a result of a further easing of immigration restrictions and yen depreciation, the number of foreign visitors to Japan is expected to pick up, but successive increases in food and the like means it will be important to pay attention to the rising frugality centered on daily necessities. In the rental office market, while large office spaces have begun to be launched on the market from this year, companies are tending to have reduced needs regarding office expansion due to the widespread adoption of teleworking. However, we believe that there will continue to be active demand for prime locations and higher grades of buildings. The J-REIT market can be expected to continue to see an influx of money because in spite of expectations of high long-term interest rates, the yield spread level continues to be maintained at around 3.5%.

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

(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

Issuance of Investment Corporation Bonds

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

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

< Reference Information >

a. Acquisition of properties

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

(UR-18) A-FLAG NISHI SHINSAIBASHI

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

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

b. Transfer of properties

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

(TO-5) Luogo Shiodome

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

(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 May 31, 2023 (23rd fiscal period: December 1, 2022 to May 31, 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 23rd Fiscal Period from December 1, 2022 to May 31, 2023 and the 24th Fiscal Period from June 1, 2023 to November 30, 2023” on pages 12 through 14.

Operating revenue	¥16,149 million
Operating profit	¥8,844 million
Ordinary profit	¥7,880 million
Profit	¥7,865 million
Cash distributions per unit	¥9,350
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 23rd Fiscal Period from December 1, 2022 to May 31, 2023 and the 24th Fiscal Period from June 1, 2023 to November 30, 2023” on pages 12 through 14, the outlook of investment performance for the fiscal period ending November 30, 2023 (24th fiscal period: June 1, 2023 to November 30, 2023) is estimated as follows.

Operating revenue	¥17,172 million
Operating profit	¥9,313 million
Ordinary profit	¥8,278 million
Profit	¥8,277 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 23rd Fiscal Period from December 1, 2022 to May 31, 2023 and the 24th Fiscal Period from June 1, 2023 to November 30, 2023

Item	Assumptions
Period	<ul style="list-style-type: none"> • 23rd fiscal period (December 1, 2022 to May 31, 2023) (182 days) • 24th fiscal period (June 1, 2023 to November 30, 2023) (183 days)
Investment portfolio	<ul style="list-style-type: none"> • Our forecasts of investment performance take into account the following property dispositions associated with the 47 properties that the Investment Corporation holds as of today (the “Assets Currently Held”). • 23rd fiscal period (December 1, 2022 to May 31, 2023) As A-FLAG NISHI SHINSAIBASHI was acquired on January 13, 2023, and Luogo Shiodome (the pro rata share of our trust beneficiary co-ownership interests (<i>jun kyōyū-mochibun</i>) of 29%) is scheduled to be transferred on May 31, 2023, the total number of properties after these scheduled transfer dates is assumed to be 47 properties. • 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%) is scheduled to be transferred on June 1, 2023, and the total number of properties after said scheduled transfer date is assumed to be 46 properties. • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> • 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. • Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants. • In the 23rd fiscal period (December 1, 2022 to May 31, 2023), ¥1,285 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 29%) from its transfer are estimated to be recorded. 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.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> • 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. • 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, ¥1,410 million and ¥1,478 million for the Assets Currently Held will be expensed in the fiscal period ending May 31, 2023 (23rd fiscal period) and in the fiscal period ending November 30, 2023 (24th fiscal period), respectively. • 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. • We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,437 million and ¥1,455 million for the 23rd fiscal period ending May 31, 2023 and the 24th fiscal period ending November 30, 2023, respectively.
Non-operating expenses	<ul style="list-style-type: none"> • We expect interest expense and other borrowing-related expenses of ¥964 million for the fiscal period ending May 31, 2023 (23rd fiscal period) and ¥1,034 million for the fiscal period ending November 30, 2023 (24th fiscal period).
Interest-bearing debt	<ul style="list-style-type: none"> • As of today, the Investment Corporation has a balance of interest-bearing debt of ¥260,350 million (borrowings of ¥232,650 million and investment corporation bonds of ¥27,700 million). • We assume that there will be refinancing of all interest-bearing debt due by the end of the fiscal period ending May 31, 2023 (23rd fiscal period) and the fiscal period ending November 30, 2023 (24th fiscal period) (23rd fiscal period: long-term borrowings of ¥14,500 million; 24th fiscal period: short-term borrowings of ¥999 million and long-term borrowings of ¥17,750 million). • We assume the LTV ratios as of May 31, 2023 and November 30, 2023 are both to be approximately 47%. • The LTV ratio is obtained by the following formula: $\text{LTV} = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100$
Units	<ul style="list-style-type: none"> • The number is based on our assumption of total of 812,564 units issued as of today. We assume that there will be no changes in number of investment units before the end of the 24th fiscal period (November 30, 2023). • The cash distributions per unit for the 23rd fiscal period ending May 31, 2023 and the 24th fiscal period ending November 30, 2023 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 812,564 units.

Item	Assumptions
Cash distributions per unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. • In order to distribute stable dividends over the long term, assumptions were made for the calculation that ¥329 per unit and ¥887 per unit were retained as part of gain on sale of real estate properties in the fiscal period ending May 31, 2023 (23rd fiscal period) and the fiscal period ending November 30, 2023 (24th fiscal period), respectively. • 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. • Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> • 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 23rd fiscal period ending May 31, 2023 or the 24th fiscal period ending November 30, 2023. • Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.
Other	<ul style="list-style-type: none"> • 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. • We assume that there will be no material changes in general economic conditions or real estate markets.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

(2) Statement of Income

(Unit: Thousands of yen)

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

(3) Statement of Unitholders' Equity

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

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

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

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

(4) Statement of Cash Distributions

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

Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the decision was made with respect to paying distributions of profit of ¥7,727,483,640, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations).	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, internal reserve of ¥344,091,593 was provided for stabilization of future distributions in view of ¥967,224,205 of gain on sale of real estate properties arising, and we will pay distributions of profits of ¥7,556,845,200, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve for the fiscal period under review.
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

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

(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 33 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 33 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 66 years								
Machinery and equipment	2 to 33 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses 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. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.</p>								

4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings</p> <p>(3) Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation.</p> <p>(4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>
5. Scope of cash (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.
6. Other matters related to the preparation of financial statements	<p>(1) Accounting method for beneficial interests in trust with real estate, etc. as trust asset With regard to beneficial interests in trust with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheet and statement of income. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheet.</p> <p>i) Cash and deposits in trust</p> <p>ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and land leasehold interests in trust</p> <p>iii) Leasehold and guarantee deposits received in trust</p> <p>(2) Accounting method for consumption tax and local consumption tax Consumption taxes unqualified for deduction for tax purposes for non-current assets, etc. are included in acquisition cost for each asset.</p>

Additional information

Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal
Deferred gains or losses on hedges

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

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

Not applicable.

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

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

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

*3. Allowance for Temporary Difference Adjustments

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal
Deferred gains or losses on hedges

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

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

*4. Status of Cancellation of Treasury Investment Units

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

Notes to Statement of Income

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

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

- *2. Breakdown of Gain (Loss) on Sale of Real Estate Properties
 Previous fiscal period (From December 1, 2021 to May 31, 2022)
 Not applicable.

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

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

	(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		<u>879,690</u>

- *3. Transactions with Major Unitholders

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

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

Notes to Statement of Unitholders' Equity

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

Notes to Statement of Cash Flows

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

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

Notes on Financial Instruments

1. Matters Regarding Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

As certain assumptions are made in calculating the fair value of financial instruments, if different assumptions are used, these values could vary. Furthermore, the contract amounts related to derivative transactions, etc. stated in “Derivative transactions” on page 29 should not be considered indicative of the market risk associated with derivative transactions.

2. Matters Regarding Fair Values of Financial Instruments

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

(Unit: Thousands of yen)

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

Carrying amounts, fair values, and the differences between the two values as of November 30, 2022, are as shown below. Notes on “cash and deposits,” “cash and deposits in trust” and “short-term borrowings” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term borrowings	32,250,000	32,351,324	101,324
(2) Investment corporation bonds	25,700,000	25,630,288	(69,711)
(3) Long-term borrowings	201,400,000	200,167,710	(1,232,289)
Total liabilities	259,350,000	258,149,324	(1,200,675)
Derivative transactions	41,581	41,581	—

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

Liabilities

(2) Investment corporation bonds

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

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

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

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 30 and 31.

(Note 2) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2022)

(Unit: Thousands of yen)

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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 2022)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Investment corporation bonds	–	5,000,000	2,000,000	2,000,000	1,000,000	15,700,000
Long-term borrowings	32,250,000	29,500,000	26,500,000	24,500,000	31,600,000	89,300,000
Total	32,250,000	34,500,000	28,500,000	26,500,000	32,600,000	105,000,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2022)

Not applicable.

(As of November 30, 2022)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 2022)

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

(Unit: Thousands of yen)

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

(As of November 30, 2022)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	41,581	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	13,140,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (3)” on page 29.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

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

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

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

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

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

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

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

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

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

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit holder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.99%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	79,926	Leasehold and guarantee deposits received in trust	2,396,526
								Refund of leasehold and guarantee deposits received	23,295		
								Rental revenues, etc.	1,813,076	Operating accounts receivable	150,917
										Advances received	146,538

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

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

2. Associates, etc.

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

Not applicable.

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

Not applicable.

3. Sister companies, etc.

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

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

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

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

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

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	-	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	8,211	Leasehold and guarantee deposits received in trust	6,429,011
								Refund of leasehold and guarantee deposits received	218,107		
								Rental revenues, etc.	4,442,230	Operating accounts receivable	257,138
										Advances received	4,667
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	-	None	Asset Manager	Payment of asset management fee	1,210,262	Other accrued expenses	527,995

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

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

Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

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

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

(Note 2) The main reason for the decrease in the current fiscal period is the transfer of A-FLAG KITA SHINSAIBASHI worth ¥4,830,753 thousand, the transfer of Luogo Shiodome (20% co-ownership interest) worth ¥877,518 thousand and the provision of depreciation worth ¥1,376,446 thousand.

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

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

Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

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

(Unit: Thousands of yen)

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

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

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

(Unit: Thousands of yen)

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

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

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

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

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

Transaction price allocated to the remaining performance obligations

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

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

Transaction price allocated to the remaining performance obligations

As of November 30, 2022, the transaction price allocated to the remaining performance obligations associated with the sale of real estate, etc. was ¥7,288,000 thousand pertaining to real estate, etc. for which a sales agreement was concluded on May 27, 2022. The Investment Corporation expects to recognize revenue of ¥2,642,000 thousand and ¥4,646,000 thousand out of the remaining performance obligations due to the transfer of real estate that is planned to be carried out on May 31, 2023, and June 1, 2023, respectively.

Per Unit Information

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

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (previous fiscal period 817,847 units; current fiscal period 812,564 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

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

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

Significant Subsequent Events

Not applicable.

Omission of Disclosure

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

(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)

- (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) "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 May 31, 2022)		Current fiscal period (As of November 30, 2022)	
		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	186,154	33.1	181,552	32.3
	Tokyo Office Properties	254,741	45.3	253,419	45.1
	Activia Account Properties	101,848	18.1	101,718	18.1
	By location				
	The five central wards of Tokyo (Note 3)	346,071	61.5	344,724	61.4
	Wards of Tokyo other than the five central wards	48,993	8.7	48,873	8.7
	Three major metropolitan areas (Note 4)	136,726	24.3	131,703	23.4
	Other locations	10,953	1.9	11,387	2.0
	Subtotal	542,744	96.5	536,689	95.6
Total real estate assets		542,744	96.5	536,689	95.6
Deposits and other assets		19,527	3.5	24,993	4.4
Total assets (Note 5)		562,272	100.0	561,682	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)	287,504	51.1	286,776	51.1
Total net assets (Note 5)	274,768	48.9	274,906	48.9

(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.

ii) 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 22nd fiscal period. Figures shown in the table are as of November 30, 2022 unless otherwise provided.

a. Overview of assets held (1)

(As of November 30, 2022)

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	44,434	62,250	62,400	2.7	62,025	2.4	2.7	8.3
	UR-3	Q plaza EBISU (Note 7)	8,430	8,115	11,600	11,800	3.2	11,500	3.4/3.3	3.4	1.6
	UR-5	Kyoto Karasuma Parking Building	8,860	8,621	10,300	10,300	4.6	10,300	4.6	4.8	1.6
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	19,901	27,000	27,600	3.8	26,300	3.6	4.0	3.9
	UR-8	A-FLAG SAPPORO	4,410	5,123	7,490	7,480	5.4	7,490	5.2	5.6	0.8
	UR-9	A-FLAG SHIBUYA	6,370	6,408	7,780	7,850	3.9	7,750	3.7	4.1	1.2
	UR-10	Q plaza SHINSAIBASHI	13,350	13,361	14,400	14,300	3.6	14,500	3.4	3.8	2.5
	UR-11	A-FLAG KOTTO DORI	4,370	4,377	4,730	4,840	3.2	4,680	3.0	3.4	0.8
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,689	4,970	5,070	3.4	4,870	3.2	3.6	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,428	2,210	2,230	3.9	2,180	3.7	4.1	0.4
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,899	11,956	12,593	4.0	11,662	3.8	4.2	2.3
	UR-16	Tokyu Plaza Ginza (Land) (Notes 6, 8)	37,500	37,895	39,000	38,400	2.6	39,000	2.5	–	6.9
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,294	12,800	12,960	3.0	12,540	2.7	3.1	2.4
		Subtotal		182,540	181,552	216,486	217,823	–	214,797	–	–

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	7,115	12,400	12,900	3.4	12,200	3.5	3.6	1.4
	TO-2	A-PLACE Ebisu Minami	9,640	9,526	16,700	16,100	3.3	16,900	3.4	3.5	1.8
	TO-3	A-PLACE Yoyogi	4,070	3,813	5,070	5,130	3.7	5,010	3.5	3.9	0.8
	TO-4	A-PLACE Aoyama	8,790	8,520	11,000	10,900	3.8	11,000	3.6	4.0	1.6
	TO-5	Luogo Shiodome (Note 6)	3,632	3,510	5,120	5,200	3.4	5,080	3.2	3.6	0.7
	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	3,620	5,830	5,880	3.7	5,770	3.5	3.8	0.7
	TO-8	A-PLACE Shinbashi	5,650	5,714	7,420	7,470	3.5	7,370	3.2	3.5	1.0
	TO-9	A-PLACE Gotanda	5,730	5,339	7,990	8,110	3.5	7,860	3.3	3.7	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,761	6,640	6,730	3.2	6,550	3.0	3.3	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,327	14,800	14,900	3.2	14,700	2.9	3.3	2.0
	TO-12	Shiodome Building (Note 6)	71,600	70,155	75,950	80,500	3.2	74,200	3.0	3.4	13.2
	TO-13	A-PLACE Ebisu Higashi	7,072	6,947	7,790	7,920	3.5	7,660	3.3	3.7	1.3
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,884	5,860	5,840	3.4	5,870	3.1	3.5	0.9
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,588	7,890	7,900	3.6	7,880	3.3	3.7	1.3
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,704	19,500	20,400	3.7	19,100	3.5	3.9	3.5
	TO-18	Ebisu Prime Square (Note 6)	30,700	30,951	32,000	32,640	3.3	31,263	3.1	3.5	5.7
	TO-19	A-PLACE Tamachi East	6,800	6,842	7,250	7,400	3.3	7,090	3.1	3.5	1.3
	TO-20	Meguro Tokyu Building	16,300	16,363	16,600	16,600	3.1	16,500	2.8	3.1	3.0
	TO-21	Q plaza Shinjuku-3chome	18,400	18,513	19,400	19,700	3.5	19,100	3.3	3.7	3.4
	TO-22	A-PLACE Shibuya Nampeidai	8,800	8,857	9,290	9,360	3.2	9,220	2.9	3.3	1.6
		Subtotal	256,292	253,419	297,520	304,750	-	293,283	-	-	47.3
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	12,000	12,113	14,200	14,400	4.2	14,000	3.9	4.4	2.2
	AA-2	icot Nakamozu (Note 9)	8,500	8,068	10,600	10,900	4.8	10,500	4.8/4.9	5.0	1.6
	AA-4	icot Mizonokuchi	2,710	2,570	3,250	3,320	5.4	3,170	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,509	4,010	4,020	4.8	4,000	4.4	5.0	0.5
	AA-6	A-PLACE Kanayama	6,980	6,024	8,730	8,810	4.9	8,650	4.7	5.1	1.3
	AA-7	Osaka Nakanoshima Building	11,100	11,075	18,700	18,900	3.5	18,500	3.3	3.6	2.0
	AA-8	icot Omori	5,790	5,635	7,270	7,300	4.1	7,230	3.9	4.2	1.1
	AA-9	Market Square Sagamihara	4,820	4,520	5,010	5,030	5.3	4,990	5.1	5.5	0.9
	AA-10	Umeda Gate Tower	19,000	18,921	21,600	21,900	3.5	21,400	3.3	3.7	3.5
	AA-11	A-PLACE Bashamichi	3,930	4,049	5,190	5,320	4.7	5,050	4.4	4.9	0.7
	AA-12	Commercial Mall Hakata	6,100	6,263	5,790	5,780	4.8	5,790	4.5	4.9	1.1
	AA-13	A-PLACE Shinsaibashi (Note 10)	19,800	19,965	21,900	22,200	3.6	21,500	3.4	3.8	3.7
		Subtotal	103,570	101,718	126,250	127,880	-	124,780	-	-	19.1
	Total	542,402	536,689	640,256	650,453	-	632,860	-	-	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 November 30, 2022, 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 November 30, 2022.
- (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, 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 7) The discount rates of Q plaza EBISU represent 3.4% in the first year and 3.3% in and after the second year.
- (Note 8) The price based on direct capitalization method stated for Tokyu Plaza Ginza (Land) has been calculated by means of the fixed term capitalization method.
- (Note 9) The discount rates of icot Nakamozu represent 4.8% from the first year to the fifth year and 4.9% in and after the sixth year.
- (Note 10) Effective September 1, 2022, the property name was changed from EDGE Shinsaibashi to A-PLACE Shinsaibashi; the same shall apply hereinafter.

b. Overview of assets held (2)

(As of November 30, 2022)

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 ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	24	1,780	1,382	4,918.40	4,602.92	93.6
	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	974	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	673	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	76	520	427	16,119.47	15,443.20	95.8
	UR-16	Tokyu Plaza Ginza (Land) (Note 8)	Chuo, Tokyo	–	1	1,183	572	1,130.04	1,130.04	100.0
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	14	293	232	3,378.49	3,201.22	94.8
	Subtotal				–	161	–	–	105,523.94	101,946.89

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 ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (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	9	828	779	7,950.49	7,950.49	100.0
	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	607	588	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome (Note 8)	Minato, Tokyo	July 30, 2004	7	214	206	3,581.08	2,832.52	79.1
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	–	1	125	0	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	11	290	225	5,054.19	3,994.42	79.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	14	375	352	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	267	257	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	41	2,232	1,952	28,136.05	19,552.58	69.5
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	7	359	269	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	285	209	3,010.53	3,010.53	100.0
	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)	7	821	819	14,658.98	10,911.70	74.4
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	116	1,457	1,141	18,059.66	17,491.51	96.9
	TO-19	A-PLACE Tamachi East	Minato, Tokyo	April 9, 2003	24	329	314	4,288.88	4,288.88	100.0
	TO-20	Meguro Tokyu Building	Shinagawa, Tokyo	December 24, 2002	9	609	598	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 Nampoedai	Shibuya, Tokyo	July 31, 1989	12	383	350	4,373.54	4,373.54	100.0
	Subtotal				–	317	–	–	145,637.92	130,930.69

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 ²) (Note 5)	Total leased area (m ²) (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	991	710	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	19	979	769	13,513.73	13,214.86	97.8
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	37	352	262	9,710.91	9,710.91	100.0
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	18	308	154	9,612.88	8,683.91	90.3
	AA-13	A-PLACE Shinsaibashi	Osaka, Osaka	April 22, 1986	18	1,040	851	15,897.10	15,252.64	95.9
		Subtotal			–	176	–	–	174,314.44	172,251.31
	Total			–	654	–	–	425,476.30	405,128.89	95.2

(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 November 30, 2022 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 of November 30, 2022), 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 November 30, 2022, as indicated in the lease agreements in relation to buildings as of November 30, 2022 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 November 30, 2022, 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 November 30, 2022), 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 November 30, 2022 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of November 30, 2022), 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 November 30, 2022 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 November 30, 2022 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 November 30, 2022. 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 November 30, 2022, 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, 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). 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 m²) and part of a common area on the second floor (approximately 28 m²).
- (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 November 30, 2022, 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 22nd fiscal period as of November 30, 2022. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of extra-high voltage substation equipment (Second period)	From November 2022 to April 2023	470	–	20
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	450	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units (14th-16th floor hotel guest rooms, etc.) and replacement of ventilation fans (14th-16th floor hotel guest rooms)	From June 2025 to April 2026	428	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	425	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	(Main building/new building) repair of external wall and guest room window	From March 2023 to November 2023	412	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (First period)	From November 2022 to November 2023	347	–	–
A-PLACE Aoyama (Minato, Tokyo)	Replacement of air conditioning units	From November 2024 to November 2024	311	–	–
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of controls for passenger elevators No. 1 to No. 5	From June 2025 to March 2026	300	–	–
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From April 2024 to June 2024	250	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Forth period)	From December 2024 to February 2025	224	–	–
icot Mizonokuchi (Kawasaki, Kanagawa)	Large-scale repair work	From May 2023 to August 2023	213	–	–
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Installation of signage monitors on outer wall	From October 2023 to January 2024	208	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-PLACE Tamachi East (Minato, Tokyo)	Replacement of air conditioning	From February 2023 to November 2023	165	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generators	From May 2024 to May 2024	132	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Large-scale repair work	From November 2022 to May 2023	117	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units and ventilation fans (8th and 9th floor hotel guest rooms)	From June 2026 to August 2026	107	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units and ventilation fans (12th and 13th floor hotel guest rooms)	From January 2025 to February 2025	104	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of EHP units (10th and 11th floor hotel guest rooms)	From May 2024 to July 2024	90	–	–
A-PLACE Aoyama (Minato, Tokyo)	Renewal of lavatory	From November 2024 to November 2024	90	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of wooden deck flooring in Island Mall and stairways (Second period)	From May 2024 to November 2024	84	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of Restaurant Plaza	From August 2023 to November 2023	66	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From August 2023 to November 2023	64	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2023 to May 2024	64	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2024 to November 2024	64	–	–
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From January 2023 to May 2023	62	–	–
icot Tama Center (Tama, Tokyo)	Replacement of elevator and escalator	From February 2023 to May 2023	61	–	–
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Beautification of lavatory	From June 2023 to November 2023	54	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor	From October 2023 to November 2023	54	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Merchandising work in common areas	From November 2023 to November 2023	50	–	–
A-PLACE Shinagawa (Minato, Tokyo)	Renovation of external wall	From November 2024 to November 2024	50	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Repair of mechanical parking equipment	From October 2022 to May 2023	49	–	–
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From December 2022 to March 2023	35	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (1 floor)	From December 2022 to May 2023	32	–	–
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Fifth period)	From February 2023 to February 2023	28	–	–
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Renewal of entrance	From December 2022 to May 2023	23	–	–
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Renovation of rooftop fence	From February 2023 to May 2023	20	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of substation equipment components	From May 2023 to May 2023	20	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair work of substation equipment according to facility planning	From February 2023 to February 2023	20	–	–
A-FLAG KOTTO DORI (Minato, Tokyo)	Measures for preventing water leakage in private areas of B2 floor	From May 2023 to May 2023	18	–	–
A-PLACE Shinbashi (Minato, Tokyo)	Replacement of lavatory on 3rd to 5th floors	From May 2023 to May 2023	16	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of kitchen drainage pipes	From December 2022 to March 2023	13	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Installation of set-up office	From May 2023 to May 2023	13	–	–
Umeda Gate Tower (Osaka, Osaka)	Replacement of toilets	From February 2023 to March 2023	13	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of common areas on 5th floor	From March 2023 to March 2023	12	–	–
Shiodome Building (Minato, Tokyo)	Replacement of lifting machine monitoring panels (Third period)	From January 2023 to January 2023	12	–	–
A-PLACE Shinsaibashi (Osaka, Osaka)	Maintenance of horizontal rotary parking system (1st and 2nd layer sections of vertical feed device)	From May 2023 to May 2023	12	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Instillation of substation active filter	From July 2022 to April 2023	11	–	–
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Addition of 8th floor plumbing	From January 2023 to May 2023	11	–	–
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of halon control board	From May 2023 to May 2023	11	–	–
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of barrier-free access in Compartment A on the 1st floor	From February 2023 to March 2023	10	–	–

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

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 22nd fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2022 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2022 amounted to ¥1,046 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2022 came to ¥320 million. On aggregate, construction work of ¥1,366 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 (First period)	From March 2022 to November 2022	547
Osaka Nakanoshima Building (Osaka, Osaka)	Partial dismantling and renewal work of elevators	From April 2022 to November 2022	143
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of vertical pipes for supply/pumped clean water and for black water	From May 2022 to November 2022	59
A-PLACE Aoyama (Minato, Tokyo)	Installation of LED lighting in private areas	From September 2022 to November 2022	50
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Compartmentalization	From September 2022 to November 2022	42
Shiodome Building (Minato, Tokyo)	Installation of LED lighting in private and common areas	From April 2022 to August 2022	27
A-PLACE Gotanda (Shinagawa, Tokyo)	Installation of LED lighting in private areas	From August 2022 to September 2022	15
Q plaza SHINSAIBASHI (Osaka, Osaka)	Replacement of light wall lamp in north building	From October 2022 to November 2022	15
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of T-1 receiving water tank	From October 2022 to November 2022	15
Other			129
Total			1,046

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

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 22nd 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 November 30, 2022. 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 November 30, 2022. 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 ²) (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	7,950.49	828	779	May 31, 2025
		A-PLACE Yoyogi	3,106.17	261	241	May 31, 2025
		A-PLACE Aoyama	7,303.69	607	588	May 31, 2025
		Luogo Shiodome (Note 6)	2,832.52	214	206	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	3,994.42	290	225	May 31, 2025
		A-PLACE Gotanda	4,028.69	375	352	May 31, 2025
		A-PLACE Shinagawa	2,986.36	267	257	May 31, 2025
		OSAKI WIZTOWER	7,193.28	686	686	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	359	269	May 31, 2025
		A-PLACE Shibuya Konnoh	3,010.53	285	209	September 30, 2025
		A-PLACE Gotanda Ekimae	4,333.64	401	340	June 30, 2026
		A-PLACE Shinagawa Higashi	10,911.70	821	819	March 31, 2027
		Ebisu Prime Square (Note 6)	13,892.29	1,248	1,111	January 31, 2030
		A-PLACE Tamachi East	4,288.88	329	314	October 31, 2031
		A-PLACE Shibuya Nampeidai	4,373.54	383	350	September 30, 2031
		A-PLACE Kanayama	9,314.90	541	446	May 31, 2025
		Osaka Nakanoshima Building	19,934.80	991	710	November 30, 2024
		Umeda Gate Tower	13,214.86	979	769	April 30, 2028
		A-PLACE Bashamichi	9,710.91	352	262	October 31, 2026
		Commercial Mall Hakata	8,683.91	308	154	March 31, 2027
		A-PLACE Shinsaibashi	15,252.64	1,040	851	December 31, 2031
		Total	173,737.77	-	-	-

Tenant	Business	Property name	Leased area (m ²) (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	974	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	673	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)	15,443.20	520	427	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,201.22	293	232	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		166,759.26	-	-

(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 November 30, 2022 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 November 30, 2022), 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 November 30, 2022, as indicated in the sublease agreement concluded with the end-tenant as of November 30, 2022 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 November 30, 2022 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of November 30, 2022), 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*) (80%, 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 November 30, 2022.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Sumitomo Mitsui Trust Bank, Limited (Note 3)	Tokyu Plaza Ginza (Land) TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	29,883.44 (Note 4)	January 9, 2089 May 31, 2074 January 31, 2042	General fixed-term leasehold land agreement 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	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	4,911.63	July 31, 2036	Fixed-term building lease agreement
–	icot Omori	–	–	–

(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 November 30, 2022. As for Tokyu Plaza Ginza (Land) and 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 November 30, 2022 (30% and 49%, respectively).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of November 30, 2022.

(Note 3) Tenant is the trustee of the building on the land; SPADE HOUSE Limited Liability Company is the trust beneficiary under such trust of Tokyu Plaza Ginza (Land); Tokyu Land Corporation is the trust beneficiary under such trust of TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land).

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

(Note 5) 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

22nd fiscal period (From June 1, 2022 to November 30, 2022)

(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 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	987,094	275,355	(Note 2)	738,950	471,698
Leasing business revenue	943,600	242,939	(Note 2)	510,183	394,195
Other leasing business revenue	43,494	32,416	(Note 2)	228,766	77,503
b. Expenses related to leasing business	236,397	69,814	47,738	230,212	269,498
Management operation expenses	87,375	16,357	3,652	75,754	102,881
Utilities expenses	37,983	31,526	–	66,465	75,918
Tax and public dues	74,342	9,155	41,090	49,348	25,109
Insurance	254	101	212	897	739
Repair and maintenance expenses	3,148	776	1,674	32,647	57,380
Other expenses related to leasing business	33,293	11,896	1,108	5,099	7,469
c. NOI (a – b)	750,696	205,540	(Note 2)	508,738	202,199
d. Depreciation, etc. (Note 3)	52,599	18,596	16,187	124,337	81,348
Profit (loss) from leasing business (c – d)	698,097	186,944	(Note 2)	384,400	120,851

(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 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	225,876	356,147	119,853	127,061	(Note 2)
Leasing business revenue	209,971	336,227	113,175	119,079	(Note 2)
Other leasing business revenue	15,904	19,919	6,677	7,981	(Note 2)
b. Expenses related to leasing business	39,113	49,454	42,187	36,925	27,662
Management operation expenses	13,470	9,734	12,530	4,092	7,756
Utilities expenses	11,841	15,872	7,690	8,233	444
Tax and public dues	11,858	17,694	14,417	2,118	14,667
Insurance	70	89	100	49	82
Repair and maintenance expenses	673	2,256	4,394	1,592	1,875
Other expenses related to leasing business	1,199	3,807	3,053	20,839	2,837
c. NOI (a – b)	186,762	306,692	77,666	90,136	(Note 2)
d. Depreciation, etc. (Note 3)	13,073	14,633	4,428	7,200	5,516
Profit (loss) from leasing business (c – d)	173,688	292,058	73,237	82,935	(Note 2)

(Unit: Thousands of yen)

Property number	UR-14	UR-15	UR-16	UR-17	TO-1
Property name	A-FLAG KITA SHINSAIBASHI (Note 4)	DECKS Tokyo Beach (Note 1)	Tokyu Plaza Ginza (Land) (Note 1)	Q plaza HARAJUKU (Note 1)	TLC Ebisu Building
Number of business days in the 22nd fiscal period	29	183	183	183	183
a. Real estate leasing business revenues	17,164	533,224	591,584	166,653	270,686
Leasing business revenue	15,164	405,863	591,584	150,795	257,036
Other leasing business revenue	1,999	127,360	–	15,858	13,649
b. Expenses related to leasing business	10,764	334,412	116,026	79,675	86,398
Management operation expenses	831	106,511	–	18,766	32,889
Utilities expenses	1,610	115,234	–	14,797	16,162
Tax and public dues	6,855	56,870	115,724	39,717	17,425
Insurance	15	617	–	106	266
Repair and maintenance expenses	–	7,813	–	3,038	7,421
Other expenses related to leasing business	1,451	47,364	302	3,249	12,233
c. NOI (a – b)	6,399	198,811	475,557	86,977	184,287
d. Depreciation, etc. (Note 3)	998	31,478	–	6,801	49,771
Profit (loss) from leasing business (c – d)	5,401	167,332	475,557	80,176	134,516

(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 5)	TAMACHI SQUARE (Land)
Number of business days in the 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	442,246	112,003	336,754	145,292	62,502
Leasing business revenue	419,436	104,588	313,516	135,653	62,502
Other leasing business revenue	22,809	7,414	23,237	9,639	–
b. Expenses related to leasing business	98,364	34,051	82,087	49,692	10,223
Management operation expenses	29,539	10,023	19,826	11,595	–
Utilities expenses	29,465	8,731	25,405	10,862	–
Tax and public dues	32,999	10,938	24,468	20,607	9,620
Insurance	339	114	249	214	–
Repair and maintenance expenses	1,901	1,843	3,988	1,008	–
Other expenses related to leasing business	4,119	2,399	8,147	5,404	603
c. NOI (a – b)	343,881	77,952	254,666	95,600	52,278
d. Depreciation, etc. (Note 3)	36,775	16,286	23,936	33,940	0
Profit (loss) from leasing business (c – d)	307,106	61,665	230,730	61,659	52,278

(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 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 2)	161,912	186,248	127,626	354,315
Leasing business revenue	(Note 2)	105,458	172,891	122,203	340,286
Other leasing business revenue	(Note 2)	56,454	13,356	5,423	14,029
b. Expenses related to leasing business	36,579	74,755	48,010	51,629	96,400
Management operation expenses	10,645	25,102	16,077	11,905	58,079
Utilities expenses	11,807	9,676	13,469	6,356	11,598
Tax and public dues	10,812	15,772	14,083	11,875	24,603
Insurance	113	190	153	105	448
Repair and maintenance expenses	484	15,653	2,169	15,562	–
Other expenses related to leasing business	2,716	8,360	2,057	5,824	1,671
c. NOI (a – b)	(Note 2)	87,156	138,238	75,996	257,915
d. Depreciation, etc. (Note 3)	21,741	23,919	27,029	9,472	48,045
Profit (loss) from leasing business (c – d)	(Note 2)	63,236	111,208	66,523	209,869

(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 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	1,091,407	192,306	150,071	216,891	565,009
Leasing business revenue	1,036,187	183,371	145,336	203,221	432,660
Other leasing business revenue	55,219	8,934	4,735	13,669	132,349
b. Expenses related to leasing business	373,439	39,725	36,935	56,738	179,239
Management operation expenses	93,043	12,266	12,650	14,551	64,852
Utilities expenses	85,132	9,617	6,038	14,458	32,752
Tax and public dues	127,486	14,262	9,680	18,690	49,517
Insurance	898	139	107	159	630
Repair and maintenance expenses	23,679	1,469	2,409	2,197	14,515
Other expenses related to leasing business	43,200	1,968	6,049	6,680	16,970
c. NOI (a – b)	717,967	152,581	113,136	160,152	385,769
d. Depreciation, etc. (Note 3)	156,558	23,498	13,113	15,105	31,436
Profit (loss) from leasing business (c – d)	561,409	129,083	100,022	145,047	354,333

(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 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	834,126	175,499	320,298	447,257	222,669
Leasing business revenue	721,409	164,442	302,384	332,034	179,811
Other leasing business revenue	112,717	11,057	17,914	115,222	42,857
b. Expenses related to leasing business	304,371	47,398	67,239	88,852	62,731
Management operation expenses	60,485	14,597	22,071	11,601	20,245
Utilities expenses	131,132	11,295	20,110	24,592	13,508
Tax and public dues	69,506	14,656	17,806	48,442	21,032
Insurance	861	191	258	188	192
Repair and maintenance expenses	27,889	3,637	1,769	1,320	4,347
Other expenses related to leasing business	14,494	3,020	5,223	2,707	3,404
c. NOI (a – b)	529,755	128,101	253,059	358,404	159,937
d. Depreciation, etc. (Note 3)	44,330	8,167	15,006	5,950	4,035
Profit (loss) from leasing business (c – d)	485,424	119,933	238,052	352,454	155,902

(Unit: Thousands of yen)

Property number	AA-1	AA-2	AA-4	AA-5	AA-6
Property name	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama
Number of business days in the 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	359,181	311,031	(Note 2)	143,796	308,629
Leasing business revenue	359,181	311,001	(Note 2)	132,772	283,171
Other leasing business revenue	–	30	(Note 2)	11,024	25,458
b. Expenses related to leasing business	59,159	39,275	13,596	44,992	81,768
Management operation expenses	–	5,674	2,262	17,191	24,056
Utilities expenses	–	30	–	13,066	26,125
Tax and public dues	58,556	30,962	10,094	11,699	28,157
Insurance	–	307	133	217	343
Repair and maintenance expenses	–	1,356	–	1,821	298
Other expenses related to leasing business	603	943	1,105	997	2,787
c. NOI (a – b)	300,021	271,755	(Note 2)	98,804	226,861
d. Depreciation, etc. (Note 3)	–	37,081	8,426	19,155	54,161
Profit (loss) from leasing business (c – d)	300,021	234,674	(Note 2)	79,648	172,699

(Unit: Thousands of yen)

Property number	AA-7	AA-8	AA-9	AA-10	AA-11
Property name	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara	Umeda Gate Tower	A-PLACE Bashamichi
Number of business days in the 22nd fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	552,176	235,626	(Note 2)	477,678	203,582
Leasing business revenue	524,973	202,800	(Note 2)	438,316	181,225
Other leasing business revenue	27,203	32,826	(Note 2)	39,362	22,357
b. Expenses related to leasing business	189,977	58,091	38,450	137,719	98,081
Management operation expenses	54,117	8,889	16,075	38,750	20,950
Utilities expenses	56,910	32,148	6,565	38,968	30,413
Tax and public dues	55,857	12,686	13,499	35,686	17,420
Insurance	1,023	144	180	504	402
Repair and maintenance expenses	13,708	2,373	955	18,436	26,765
Other expenses related to leasing business	8,359	1,849	1,174	5,372	2,129
c. NOI (a – b)	362,199	177,535	(Note 2)	339,958	105,501
d. Depreciation, etc. (Note 3)	94,367	19,001	23,521	68,092	33,977
Profit (loss) from leasing business (c – d)	267,831	158,533	(Note 2)	271,866	71,523

(Unit: Thousands of yen)

Property number	AA-12	AA-13
Property name	Commercial Mall Hakata	A-PLACE Shinsaibashi
Number of business days in the 22nd fiscal period	183	183
a. Real estate leasing business revenues	195,455	568,542
Leasing business revenue	156,379	526,627
Other leasing business revenue	39,076	41,915
b. Expenses related to leasing business	68,199	176,029
Management operation expenses	20,424	38,094
Utilities expenses	26,754	64,331
Tax and public dues	12,544	63,197
Insurance	166	617
Repair and maintenance expenses	1,341	3,207
Other expenses related to leasing business	6,967	6,580
c. NOI (a – b)	127,256	392,513
d. Depreciation, etc. (Note 3)	16,340	16,993
Profit (loss) from leasing business (c – d)	110,916	375,519

(Note 1) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 30%, 60%, 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 June 30, 2022. Therefore, figures up to the day prior to the disposition date are presented.

(Note 5) Co-ownership interests of 20% have been transferred as of November 30, 2022. Therefore, figures after the transfer date are presented in proportion to the pro rata share of our remaining 80% trust beneficiary co-ownership interests (*jun kyōyū-mochibun*).