

## Financial Report for the Fiscal Period Ended May 31, 2022 (December 1, 2021 – May 31, 2022)

### Activia Properties Inc.

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

(Amounts truncated to the nearest million yen)

### 1. Summary of financial results for the fiscal period ended May 31, 2022 (December 1, 2021 – May 31, 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 May 31, 2022	15,512	(0.9)	8,624	(1.5)	7,734	(0.6)	7,731	(0.3)
Fiscal period ended November 30, 2021	15,646	6.3	8,758	8.1	7,781	7.3	7,753	6.9

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2022	9,453	2.8	1.4	49.9
Fiscal period ended November 30, 2021	9,754	2.9	1.4	49.7

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (794,871 units for the fiscal period ended November 30, 2021 and 817,847 units for the fiscal period ended May 31, 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 May 31, 2022	9,510	7,727	0	0	9,510	7,727
Fiscal period ended November 30, 2021	9,360	7,700	0	0	9,360	7,700

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2022	99.9	2.8
Fiscal period ended November 30, 2021	99.3	2.8

(Note) Because new investment units were issued during the fiscal period ended November 30, 2021 and treasury investment units were canceled during the fiscal period ended May 31, 2022, the payout ratios for these periods are obtained by the following formula with figures rounded to the first decimal place:  
Payout ratio = total distributions (excluding excess of earnings) / profit × 100

## (3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	562,272	274,768	48.9	338,149
As of November 30, 2021	566,257	278,716	49.2	338,760

(Reference) Unitholders' equity

As of November 30, 2021: ¥278,716 million  
As of May 31, 2022: ¥274,768 million

## (4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2022	9,234	(774)	(11,909)	16,608
Fiscal period ended November 30, 2021	21,002	(49,887)	31,061	20,057

## 2. Forecasts of results for the fiscal period from June 1, 2022 to November 30, 2022 and the fiscal period from December 1, 2022 to May 31, 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 November 30, 2022	15,882	2.4	8,834	2.4	7,888	2.0	7,773	0.5	9,300	0
Fiscal period ending May 31, 2023	15,868	(0.1)	8,712	(1.4)	7,706	(2.3)	7,693	(1.0)	9,350	0

(Reference) Forecasted profit per unit (forecasted profit / total projected number of investment units issued at end of period)  
for the fiscal period ending November 30, 2022: ¥9,566  
for the fiscal period ending May 31, 2023: ¥9,468

### \* Other

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

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

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

- a. Total number of units issued at end of period (including treasury investment units)
  - As of May 31, 2022 812,564 units
  - As of November 30, 2021 822,754 units
- b. Number of treasury investment units at end of period
  - As of May 31, 2022 – units
  - As of November 30, 2021 – 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 22nd Fiscal Period from June 1, 2022 to November 30, 2022 and the 23rd Fiscal Period from December 1, 2022 to May 31, 2023” on pages 11 through 13 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 47 properties (with the total acquisition price of ¥548,035 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, the Japanese economy showed signs of a gradual recovery, despite another slight contraction due to the expansion of the COVID-19 mutations and the resulting issuance of a quasi-state of emergency to prevent the spread of COVID-19.

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

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

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

##### (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 47 properties (with the total acquisition price of ¥548,035 million) with the total leasable area of 428,911.58 m<sup>2</sup> (129,743 *tsubo*).

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

	December 31, 2021	January 31, 2022	February 28, 2022	March 31, 2022	April 30, 2022	May 31, 2022
Urban Retail Properties	97.4%	97.7%	97.5%	96.9%	96.2%	97.7%
Tokyo Office Properties	95.8%	96.2%	96.6%	97.4%	96.4%	96.7%
Activia Account Properties	97.9%	97.9%	97.9%	98.0%	97.9%	98.7%
Total	97.1%	97.3%	97.4%	97.5%	97.0%	97.8%

(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. Environmental load reduction work during the fiscal period under review includes escalator control renewal at A-FLAG SHIBUYA and air conditioning equipment replacement at Commercial Mall Hakata. The introduction of eco-mode operation, which senses usage conditions and controls speed, in the escalator control renewal work at A-FLAG SHIBUYA, has led to power consumption saving and improved energy-saving performance.

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

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

#### (E) Overview of Financing

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

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

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

(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 ¥15,512 million, ¥8,624 million, and ¥7,734 million, respectively, for the fiscal period under review, and profit was ¥7,731 million.

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

## ii) Outlook for the Next Fiscal Period

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

The Japanese economy is expected to normalize its economic activities and recover thanks to progress in vaccination rollout and various government measures. Meanwhile, it is necessary to closely monitor risks such as the progress of the depreciation of the yen, stagnation in supply chains, and instability in financial and capital markets due to the monetary policies of central banks in various countries, in addition to the prolonged tension in Ukraine.

With respect to the environment surrounding retail properties, the number of foreign visitors to Japan is expected to pick up due to the recent easing of immigration restrictions; on the other hand, the risk of household purchasing power being pressured by full-scale price hikes in food and other products due to the depreciated yen and soaring energy prices requires careful consideration. In the rental office market, although an increase in new supply from FY2023 onward should be closely watched, the choices of and preference for properties in favorable locations, in particular, are expected to continue to dominate as the trend of relocations to smaller offices and partial contract cancellations appears to have been leveled off. The J-REIT market has had relatively stable medium- to long-term earnings performance, despite the fact that the outlook remains uncertain with the market on the verge of recovering from COVID-19, and a continuous influx of money is expected for J-REIT with its enticingly high dividend yield level.

Amid this environment, the Investment Corporation will fulfill its social responsibility in preventing the spread of infections, etc. while minimizing the impact of the COVID-19 pandemic through its abundant management expertise, and in line with its medium- to long-term portfolio strategy of asset replacement, etc., it will aim to return to the path of improving unitholder value through external growth by leveraging sponsor support and through internal growth by utilizing the strength of its properties focused on location and quality.

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

#### a. Basic Policy

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

#### b. External Growth Strategy

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

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

#### c. Internal Growth Strategy

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

The Investment Corporation will also maintain and improve the value of its assets through its expertise in internal growth through operating and managing properties. It will maximize the competitiveness of its assets through the ongoing assistance of Tokyu Land Corporation and other



support companies, which, through their face-to-face business with consumers, have rich information regarding consumer needs and developments in industries such as retail and services.

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

#### d. Financial Strategy

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

#### (C) Significant Subsequent Events

Not applicable.

< Reference Information >

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

##### (UR-14) A-FLAG KITASHINSAIBASHI

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥5,100 million in total
Scheduled delivery date	June 30, 2022
Location	10-11, Minami Senba 3-chome, Chuo-ku, Osaka City, Osaka
Use	Retail, office and parking
Land area	627.13 m <sup>2</sup>
Gross floor area	3,096.18 m <sup>2</sup>
Structure	Steel frame, reinforced concrete / 7 floors above and 1 floor underground
Month and year of completion	March 2008
Ownership	Owned

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

##### (TO-5) Luogo Shiodome

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥9,110 million in total (1) ¥1,822 million (20% co-ownership interest) (2) ¥2,642 million (29% co-ownership interest) (3) ¥4,646 million (51% co-ownership interest)
Scheduled delivery date	(1) November 30, 2022 (20% co-ownership interest) (2) May 31, 2023 (29% co-ownership interest) (3) June 1, 2023 (51% co-ownership interest)
Location	3-3, Higashi-shinbashi 2-chome, Minato-ku, Tokyo
Use	Office
Land area	1,134.44 m <sup>2</sup>
Gross floor area	8,242.61 m <sup>2</sup>

Structure	Steel frame, steel-framed reinforced concrete / 11 floors above and 1 floor underground
Month and year of completion	July 2004
Ownership	Owned

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

#### (D) Outlook of Investment Performance

For the fiscal period ending November 30, 2022 (22nd fiscal period: June 1, 2022 to November 30, 2022), 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 22nd Fiscal Period from June 1, 2022 to November 30, 2022 and the 23rd Fiscal Period from December 1, 2022 to May 31, 2023” on pages 11 through 13.

Operating revenue	¥15,882 million
Operating profit	¥8,834 million
Ordinary profit	¥7,888 million
Profit	¥7,773 million
Cash distributions per unit	¥9,300
Cash distributions in excess of earnings per unit	¥-

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for the 22nd Fiscal Period from June 1, 2022 to November 30, 2022 and the 23rd Fiscal Period from December 1, 2022 to May 31, 2023” on pages 11 through 13, the outlook of investment performance for the fiscal period ending May 31, 2023 (23rd fiscal period: December 1, 2022 to May 31, 2023) is estimated as follows.

Operating revenue	¥15,868 million
Operating profit	¥8,712 million
Ordinary profit	¥7,706 million
Profit	¥7,693 million
Cash distributions per unit	¥9,350
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 22nd Fiscal Period from June 1, 2022 to November 30, 2022 and the 23rd Fiscal Period from December 1, 2022 to May 31, 2023**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>• 22nd fiscal period (June 1, 2022 to November 30, 2022) (183 days)</li> <li>• 23rd fiscal period (December 1, 2022 to May 31, 2023) (182 days)</li> </ul>
Investment portfolio	<ul style="list-style-type: none"> <li>• Our forecasts of investment performance take into account the following property dispositions associated with the 46 properties that the Investment Corporation holds as of today (the “Assets Currently Held”).</li> <li>• 22nd fiscal period (June 1, 2022 to November 30, 2022) As A-FLAG KITA SHINSAIBASHI was transferred on June 30, 2022, and Luogo Shiodome (the pro rata share of our trust beneficiary co-ownership interests (<i>jun kyōyū-mochibun</i>) of 20%) is scheduled to be transferred on November 30, 2022, the total number of properties after these scheduled transfer dates is assumed to be 46 properties.</li> <li>• 23rd fiscal period (December 1, 2022 to May 31, 2023) 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, and the total number of properties after said scheduled transfer date is assumed to be 46 properties.</li> <li>• Our forecasts, however, may change due to any changes to the composition of our investment portfolio.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc.</li> <li>• Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.</li> <li>• In the 22nd fiscal period (June 1, 2022 to November 30, 2022), ¥87 million of gain on the sale of A-FLAG KITA SHINSAIBASHI from its transfer and ¥882 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 20%) from its transfer are estimated to be recorded. In the 23rd fiscal period (December 1, 2022 to May 31, 2023), ¥1,290 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 is expected to be recorded. This may change, however, depending on outcomes of the sales, transfer prices, transfer dates and other conditions.</li> <li>• In addition to the above, a certain amount of the expected lower leasing business revenue, etc. due to the impact of the COVID-19 pandemic has been factored into the calculations.</li> </ul>

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> <li>• Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors.</li> <li>• In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥1,422 million and ¥1,413 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2022 (22nd fiscal period) and in the fiscal period ending May 31, 2023 (23rd fiscal period), respectively.</li> <li>• Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period.</li> <li>• We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,376 million and ¥1,391 million for the 22nd fiscal period ending November 30, 2022 and the 23rd fiscal period ending May 31, 2023, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• We expect interest expense and other borrowing-related expenses of ¥945 million for the fiscal period ending November 30, 2022 (22nd fiscal period) and ¥1,005 million for the fiscal period ending May 31, 2023 (23rd fiscal period).</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• As of today, the Investment Corporation has a balance of interest-bearing debt of ¥260,350 million (borrowings of ¥233,650 million and investment corporation bonds of ¥26,700 million).</li> <li>• We assume that there will be refinancing of all interest-bearing debt due by the end of the fiscal period ending November 30, 2022 (22nd fiscal period) and the fiscal period ending May 31, 2023 (23rd fiscal period) (22nd fiscal period: long-term borrowings of ¥12,000 million and investment corporation bonds of ¥1,000 million; 23rd fiscal period: long-term borrowings of ¥14,500 million).</li> <li>• We assume the LTV ratios as of November 30, 2022 and May 31, 2023 are both to be approximately 46%.</li> <li>• The LTV ratio is obtained by the following formula:  <math display="block">\text{LTV} = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100</math> </li> </ul>
Units	<ul style="list-style-type: none"> <li>• 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 23rd fiscal period (May 31, 2023).</li> <li>• The cash distributions per unit for the 22nd fiscal period ending November 30, 2022 and the 23rd fiscal period ending May 31, 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.</li> </ul>

Item	Assumptions
Cash distributions per unit	<ul style="list-style-type: none"> <li>• Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>• In order to distribute stable dividends over the long term, assumptions were made for the calculation that ¥266 per unit and ¥118 per unit were retained as part of gain on sale of real estate properties in the fiscal period ending November 30, 2022 (22nd fiscal period) and the fiscal period ending May 31, 2023 (23rd fiscal period), respectively.</li> <li>• The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.</li> <li>• Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.</li> </ul>
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• As stated above, deferred losses on hedges, which are counted as a deduction in net assets, are calculated assuming no fluctuation. Accordingly, we do not anticipate distributions in excess of earnings (allowance for temporary difference adjustments) for the 22nd fiscal period ending November 30, 2022 or the 23rd fiscal period ending May 31, 2023.</li> <li>• Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts.</li> <li>• We assume that there will be no material changes in general economic conditions or real estate markets.</li> </ul>

## 2. Financial Statements

### (1) Balance Sheet

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

## (2) Statement of Income

(Unit: Thousands of yen)

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



### (3) Statement of Unitholders' Equity

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

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

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

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

## (4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)
	Amount	Amount
I Unappropriated retained earnings	¥7,793,594,694	¥7,784,892,593
II Amount incorporated into unitholders' capital	¥39,237,355	¥866,293
Of which, reversal of allowance for temporary difference adjustments	¥39,237,355	¥866,293
III Distributions	¥7,700,977,440	¥7,727,483,640
[Cash distributions per unit]	[¥9,360]	[¥9,510]
Of which, distributions of profits	¥7,700,977,440	¥7,727,483,640
[Of which, distributions of profits per unit]	[¥9,360]	[¥9,510]
IV Earnings carried forward	¥53,379,899	¥56,542,660

Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, internal reserve of ¥53,379,899 was provided for stabilization of future distributions in view of ¥250,323,186 of gain on sale of real estate properties arising, and we will pay distributions of profits of ¥7,700,977,440, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations), for the fiscal period under review.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the decision was made with respect to paying distributions of profit of ¥7,727,483,640, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations).
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## (5) Statement of Cash Flows

(Unit: Thousands of yen)

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

(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 June 1, 2021 to November 30, 2021)

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

(Unit: Thousands of yen)

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

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

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

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

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

(Unit: Thousands of yen)

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

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

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

(8) Notes to Financial Statements

**Notes to Balance Sheet**

1. Commitment Line Contracts

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

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

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

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

\*3. Allowance for Temporary Difference Adjustments

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

\*4. Status of Cancellation of Treasury Investment Units

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



## Notes to Statement of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From June 1, 2021 to November 30, 2021)		Current fiscal period (From December 1, 2021 to May 31, 2022)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	13,170,192		13,413,454	
Common service fees	706,032		677,699	
Parking lot fees	307,780		299,832	
Other rent revenue	99,550	14,283,556	99,773	14,490,760
Other leasing business revenue		1,112,460		1,021,894
Total real estate leasing business revenues		15,396,016		15,512,654
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,307,867		1,269,345	
Utilities expenses	873,305		918,297	
Tax and public dues	1,374,652		1,273,744	
Insurance	13,324		13,296	
Repair and maintenance expenses	276,218		346,175	
Depreciation	1,374,701		1,367,301	
Loss on retirement of non-current assets	5,229		1,097	
Other expenses related to leasing business	326,250	5,551,549	368,754	5,558,011
Total real estate leasing business expenses		5,551,549		5,558,011
C. Profit (loss) from real estate leasing business (A – B)		9,844,466		9,954,643

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

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

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

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

Not applicable.

\*3. Transactions with Major Unitholders

	(Unit: Thousands of yen)	
	Previous fiscal period (From June 1, 2021 to November 30, 2021)	Current fiscal period (From December 1, 2021 to May 31, 2022)

Operating transactions

Operating revenue	974,811 (Note 1)	917,241 (Note 2)
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(Note 1) Due to the Investment Corporation's issuance of new investment units through public offering that was conducted on September 7, 2021, Tokyu Land Corporation no longer qualifies as a major unitholder. Consequently, the transaction amount stated above is for the amount until the time immediately preceding when that company ceased to qualify as a major unitholder.

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

**Notes to Statement of Unitholders' Equity**

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

**Notes to Statement of Cash Flows**

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

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

## Notes on Financial Instruments

### 1. Matters Regarding Financial Instruments

#### (1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

(Unit: Thousands of yen)

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

Carrying amounts, fair values, and the differences between the two values as of May 31, 2022, are as shown

below. Notes on “cash and deposits” and “cash and deposits in trust” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

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

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

Liabilities

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

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

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

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

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 29 and 30.

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

(Unit: Thousands of yen)

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

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

(Unit: Thousands of yen)

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

**Notes on Derivative Transactions**

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2021)

Not applicable.

(As of May 31, 2022)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 2021)

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

(Unit: Thousands of yen)

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

(As of May 31, 2022)

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

(Unit: Thousands of yen)

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

\* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (4)” on page 28.)

## Notes on Tax Effect Accounting

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

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

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

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

## Notes on Transactions with Related Parties

### 1. Parent Company and Major Corporate Unitholders

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

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

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

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

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

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

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

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

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

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

### 2. Associates, etc.

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

Not applicable.

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

Not applicable.

### 3. Sister companies, etc.

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

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

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

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

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



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

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

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

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

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

## Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

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

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

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

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

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

## Notes on Revenue Recognition

### 1. Information on disaggregation of revenue from contracts with customers

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

(Unit: Thousands of yen)

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

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

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

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

(Unit: Thousands of yen)

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

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

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

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

Not applicable.

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

Transaction price allocated to the remaining performance obligations

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

## Per Unit Information

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

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

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

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

## Significant Subsequent Events

Not applicable.

## Omission of Disclosure

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

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

Changes in total investments and the number of investment units issued up to the current fiscal period are as follows:

Date	Summary	Total investments, 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	Total investments, 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) 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 net earnings from allowance for temporary difference adjustments.



### 3. Reference Information

#### (1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of November 30, 2021)		Current fiscal period (As of May 31, 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	186,299	32.9	186,154	33.1
	Tokyo Office Properties	255,093	45.0	254,741	45.3
	Activia Account Properties	102,044	18.0	101,848	18.1
	By location				
	The five central wards of Tokyo (Note 3)	346,305	61.2	346,071	61.5
	Wards of Tokyo other than the five central wards	49,095	8.7	48,993	8.7
	Three major metropolitan areas (Note 4)	137,054	24.2	136,726	24.3
	Other locations	10,982	1.9	10,953	1.9
	Subtotal	543,438	96.0	542,744	96.5
Total real estate assets		543,438	96.0	542,744	96.5
Deposits and other assets		22,818	4.0	19,527	3.5
Total assets (Note 5)		566,257	100.0	562,272	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)	287,540	50.8	287,504	51.1
Total net assets (Note 5)	278,716	49.2	274,768	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 21st fiscal period. Figures shown in the table are as of May 31, 2022 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 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	44,487	62,100	63,150	2.7	60,975	2.4	2.8	8.2
	UR-3	Q plaza EBISU (Note 7)	8,430	8,134	11,700	11,900	3.2	11,600	3.4/3.3	3.4	1.5
	UR-5	Kyoto Karasuma Parking Building	8,860	8,635	10,300	10,300	4.6	10,300	4.6	4.8	1.6
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	19,983	26,800	27,400	3.8	26,100	3.6	4.0	3.9
	UR-8	A-FLAG SAPPORO	4,410	4,673	7,470	7,460	5.4	7,480	5.2	5.6	0.8
	UR-9	A-FLAG SHIBUYA	6,370	6,419	7,890	7,950	3.9	7,870	3.7	4.1	1.2
	UR-10	Q plaza SHINSAIBASHI	13,350	13,360	14,400	14,300	3.6	14,400	3.4	3.8	2.4
	UR-11	A-FLAG KOTTO DORI	4,370	4,380	4,850	4,980	3.2	4,800	3.0	3.4	0.8
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,695	4,890	4,980	3.5	4,790	3.3	3.7	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,434	2,300	2,320	3.9	2,280	3.7	4.1	0.4
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	4,831	4,670	4,730	3.9	4,600	3.6	4.0	0.9
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,922	12,005	12,642	4.0	11,711	3.8	4.2	2.3
	UR-16	Tokyu Plaza Ginza (Land) (Notes 6, 8)	37,500	37,895	39,000	38,700	2.6	39,000	2.5	–	6.8
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,300	12,800	12,960	3.0	12,540	2.7	3.1	2.4
	Subtotal	187,265	186,154	221,175	223,772	–	218,446	–	–	34.2	

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	7,163	12,200	12,700	3.5	12,000	3.6	3.7	1.4
	TO-2	A-PLACE Ebisu Minami	9,640	9,562	16,300	15,700	3.4	16,500	3.5	3.6	1.8
	TO-3	A-PLACE Yoyogi	4,070	3,829	5,060	5,120	3.7	4,990	3.5	3.9	0.7
	TO-4	A-PLACE Aoyama	8,790	8,493	11,000	10,900	3.8	11,000	3.6	4.0	1.6
	TO-5	Luogo Shiodome	4,540	4,421	6,400	6,500	3.4	6,350	3.2	3.6	0.8
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	2,940	3,070	3.3	2,880	3.7	3.5	0.4
	TO-7	A-PLACE Ikebukuro	3,990	3,641	5,830	5,880	3.7	5,770	3.5	3.8	0.7
	TO-8	A-PLACE Shinbashi	5,650	5,734	7,420	7,470	3.5	7,370	3.2	3.5	1.0
	TO-9	A-PLACE Gotanda	5,730	5,350	7,790	7,910	3.6	7,670	3.4	3.8	1.0
	TO-10	A-PLACE Shinagawa	3,800	3,762	6,640	6,740	3.2	6,540	3.0	3.3	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,375	14,800	14,900	3.2	14,700	2.9	3.3	2.0
	TO-12	Shiodome Building (Note 6)	71,600	70,270	76,650	80,850	3.3	74,900	3.1	3.5	13.1
	TO-13	A-PLACE Ebisu Higashi	7,072	6,969	7,790	7,910	3.5	7,670	3.3	3.7	1.3
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,896	5,860	5,840	3.4	5,870	3.1	3.5	0.9
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,593	7,870	7,870	3.6	7,860	3.3	3.7	1.3
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,735	21,700	22,000	3.8	21,300	3.6	4.0	3.4
	TO-18	Ebisu Prime Square (Note 6)	30,700	30,974	31,400	32,130	3.4	30,702	3.2	3.6	5.6
	TO-19	A-PLACE Tamachi East	6,800	6,847	7,230	7,380	3.3	7,070	3.1	3.5	1.2
	TO-20	Meguro Tokyu Building	16,300	16,378	16,800	16,800	3.1	16,800	2.8	3.1	3.0
	TO-21	Q plaza Shinjuku-3chome	18,400	18,518	19,200	19,500	3.5	18,900	3.3	3.7	3.4
	TO-22	A-PLACE Shibuya Nampeidai	8,800	8,858	9,290	9,350	3.2	9,220	2.9	3.3	1.6
		Subtotal	257,200	254,741	300,170	306,520	-	296,062	-	-	46.9
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	8,101	10,600	10,900	4.8	10,500	4.8 /4.9	5.0	1.6
	AA-4	icot Mizonokuchi	2,710	2,579	3,250	3,320	5.4	3,170	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,528	3,970	3,980	4.9	3,960	4.5	5.1	0.5
	AA-6	A-PLACE Kanayama	6,980	6,077	8,760	8,840	4.9	8,680	4.7	5.1	1.3
	AA-7	Osaka Nakanoshima Building	11,100	11,000	18,100	18,300	3.6	17,900	3.4	3.7	2.0
	AA-8	icot Omori	5,790	5,654	7,050	7,130	4.2	6,960	4.0	4.4	1.1
	AA-9	Market Square Sagamihara	4,820	4,544	5,010	5,030	5.3	4,990	5.1	5.5	0.9
	AA-10	Umeda Gate Tower	19,000	18,986	21,600	21,900	3.5	21,400	3.3	3.7	3.5
	AA-11	A-PLACE Bashamichi	3,930	4,010	5,100	5,210	4.8	4,980	4.5	5.0	0.7
	AA-12	Commercial Mall Hakata	6,100	6,279	5,720	5,720	4.8	5,720	4.5	4.9	1.1
	AA-13	EDGE Shinsaibashi	19,800	19,971	22,000	22,300	3.6	21,600	3.4	3.8	3.6
		Subtotal	103,570	101,848	125,360	127,030	-	123,860	-	-	18.9
	Total	548,035	542,744	646,705	657,322	-	638,368	-	-	100.0	

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

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

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of May 31, 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 May 31, 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, 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 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.

b. Overview of assets held (2)

(As of May 31, 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 <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	26	1,816	1,397	4,918.43	4,578.33	93.1
	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	6	1,235	1,407	19,653.90	19,265.71	98.0
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	13	691	100	21,229.16	20,392.03	96.1
	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	7	200	161	2,656.53	2,362.46	88.9
	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-14	A-FLAG KITA SHINSAIBASHI	Osaka, Osaka	March 25, 2008	7	188	146	2,540.93	2,540.93	100.0
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	77	542	421	16,119.47	15,642.84	97.0
	UR-16	Tokyu Plaza Ginza (Land) (Note 8)	Chuo, Tokyo	–	1	1,162	572	1,130.04	1,130.04	100.0
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	15	300	236	3,378.49	3,278.26	97.0
Subtotal				–	171	–	–	108,064.90	105,628.55	97.7

Category	Property number	Property name	Location	Date of construction	Number of tenants	Contracted rent (Annual)	Leasehold and guarantee deposit	Total leasable area	Total leased area	Occupancy rate
				(Note 1)	(Note 2)	(Millions of yen) (Note 3)	(Millions of yen) (Note 4)	(m <sup>2</sup> ) (Note 5)	(m <sup>2</sup> ) (Note 6)	(%) (Note 7)
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	11	512	429	7,342.60	6,054.73	82.5
	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	609	583	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	8	312	294	4,476.35	4,108.26	91.8
	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	261	222	5,054.19	3,994.42	79.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	12	388	358	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	7	236	226	2,986.36	2,580.94	86.4
	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	38	3,163	2,744	28,136.05	27,508.15	97.8
	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	225	3,010.53	3,010.53	100.0
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	10	400	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	1,092	996	14,658.98	13,956.02	95.2
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	112	1,486	1,174	18,063.03	17,620.67	97.6
	TO-19	A-PLACE Tamachi East	Minato, Tokyo	April 9, 2003	24	330	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 Nampeidai	Shibuya, Tokyo	July 31, 1989	12	378	343	4,373.54	4,373.54	100.0
		Subtotal			–	306	–	–	146,536.56	141,642.19
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	714	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	39	1,010	714	20,125.63	20,125.63	100.0
	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 Sagamiyama	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	930	715	13,509.41	12,634.87	93.5
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	37	355	261	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	EDGE Shinsuibashi	Osaka, Osaka	April 22, 1986	18	1,046	856	15,897.10	15,421.89	97.0
		Subtotal			–	177	–	–	174,310.12	172,031.40

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Total				-	654	-	-	428,911.58	419,302.14	97.8



- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of May 31, 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 May 31, 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 May 31, 2022, as indicated in the lease agreements in relation to buildings as of May 31, 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 May 31, 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 May 31, 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 May 31, 2022 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 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 May 31, 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 May 31, 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 May 31, 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 May 31, 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, 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). However, the numbers of tenants provided are the numbers for each whole building.
- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m<sup>2</sup>) and part of a common area on the second floor (approximately 28 m<sup>2</sup>).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 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 21st fiscal period as of May 31, 2022. The estimated construction cost below includes the portion expensed for accounting purposes.

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

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 Shibuya Nampeidai (Shibuya, Tokyo)	Renewal of air conditioning units in north building (proposed expansion)	From December 2023 to May 2024	76	–	–
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From May 2023 to May 2023	74	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of vertical pipes for supply/pumped clean water and for black water	From June 2021 to November 2022	72	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor	From October 2023 to November 2023	65	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2023 to November 2023	64 (Note)	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2023 to May 2024	64 (Note)	–	–
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From December 2022 to May 2023	62	–	–
icot Tama Center (Tama, Tokyo)	Replacement of elevator and escalator	From March 2023 to May 2023	61	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 2nd to 5th floors	From December 2022 to May 2023	58	–	–
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renewal of 4th floor	From March 2023 to March 2023	50 (Note)	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Merchandising work in common areas	From May 2023 to May 2023	50	–	–
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Beautification of lavatory	From June 2023 to November 2023	50	–	–
A-PLACE Aoyama (Minato, Tokyo)	Installation of LED lighting	From June 2022 to November 2022	49	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Compartmentalization (Construction A) for compartment B on the 1st and 2nd floor	From September 2022 to November 2022	42	–	–
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Fourth period)	From April 2022 to August 2022	28 (Note)	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renewal of multistory parking space (renewal of lift chains)	From June 2022 to November 2022	19	–	–
Shiodome Building (Minato, Tokyo)	Restoration work on 21st floor	From September 2022 to November 2022	19 (Note)	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of T-1 receiving water tank	From July 2022 to November 2022	18	–	–
Q plaza SHINSAIBASHI (Osaka, Osaka)	Repair of light wall lamp in north building	From March 2022 to November 2022	16	–	–
Meguro Tokyu Building (Shinagawa, Tokyo)	Installation of LED lightning in private rooms	From March 2023 to May 2023	16	–	–
A-PLACE Gotanda (Shinagawa, Tokyo)	Installation of LED lightning in private areas	From July 2022 to November 2022	15	–	–
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation of barrier-free access in Compartment A on the 1st floor	From July 2022 to July 2022	14 (Note)	–	–
Umeda Gate Tower (Osaka, Osaka)	Repair of air conditioning outdoor units on 7th, 13th, 14th, 18th and 20th floors	From June 2022 to November 2022	10	–	–

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

b. Capital expenditure during the fiscal period

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

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

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

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 21st fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 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 May 31, 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 <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,362.46	200	161	December 31, 2026
		TLC Ebisu Building	6,054.73	512	429	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	609	583	May 31, 2025
		Luogo Shiodome	4,108.26	312	294	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	3,994.42	261	222	May 31, 2025
		A-PLACE Gotanda	4,028.69	388	358	May 31, 2025
		A-PLACE Shinagawa	2,580.94	236	226	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	225	September 30, 2025
		A-PLACE Gotanda Ekimae	4,333.64	400	340	June 30, 2026
		A-PLACE Shinagawa Higashi	13,956.02	1,092	996	March 31, 2027
		Ebisu Prime Square (Note 6)	14,271.04	1,294	1,146	January 31, 2030
		A-PLACE Tamachi East	4,288.88	330	314	October 31, 2031
		A-PLACE Shibuya Nampeidai	4,373.54	378	343	September 30, 2031
		A-PLACE Kanayama	9,314.90	541	446	May 31, 2025
		Osaka Nakanoshima Building	20,125.63	1,010	714	November 30, 2024
		Umeda Gate Tower	12,634.87	930	715	April 30, 2028
		A-PLACE Bashamichi	9,710.91	355	261	October 31, 2026
		Commercial Mall Hakata	8,683.91	308	154	March 31, 2027
		Total	160,807.42	-	-	-

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	485	475	June 30, 2022
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	19,265.71	1,235	1,407	August 31, 2023
		A-FLAG SAPPORO	20,392.03	691	100	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
		A-FLAG KITA SHINSAIBASHI	2,540.93	188	146	June 30, 2027
		DECKS Tokyo Beach (Note 6)	15,642.84	542	421	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,278.26	300	236	January 31, 2029
		Q plaza Shinjuku-3chome	4,528.01	827	570	September 30, 2031
		icot Nakamozu	28,098.02	620	430	June 30, 2022
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2022
		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		170,759.58	-	-

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of May 31, 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 May 31, 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 May 31, 2022, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 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 May 31, 2022 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 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 Ebisu Prime Square, DECKS Tokyo Beach and Q plaza HARAJUKU, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (51%, 49% and 60%, respectively).

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

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of May 31, 2022.

End-tenants	Property name	Total leased area (m <sup>2</sup> ) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Sumitomo Mitsui Trust Bank, Limited (Note 3)	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
NTT Communications Corporation	Shiodome Building	10,336.62	June 30, 2022 (Note 5)	Fixed-term building lease agreement
Swing Corporation	A-PLACE Shinagawa Higashi	6,488.78	August 15, 2022 (Note 6)	Ordinary building lease agreement
MUFG Bank, Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609.11	–	–

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2022. As for Tokyu Plaza Ginza (Land) and Shiodome Building, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (jun kyōyū-mochibun) as of May 31, 2022 (30% and 35%, 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 May 31, 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) NTT Communications Corporation vacated upon expiration of contract on June 30, 2022.

(Note 6) Swing Corporation will terminate the agreement and vacate the property on August 15, 2022.

(Note 7) 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

21st fiscal period (From December 1, 2021 to May 31, 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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	946,201	271,253	(Note 2)	722,432	450,474
Leasing business revenue	897,211	242,944	(Note 2)	666,472	399,868
Other leasing business revenue	48,989	28,309	(Note 2)	55,960	50,606
b. Expenses related to leasing business	242,449	61,356	44,265	189,886	221,063
Management operation expenses	85,637	16,344	3,608	79,971	100,762
Utilities expenses	25,199	25,014	–	49,036	76,356
Tax and public dues	68,941	8,928	38,893	48,073	24,702
Insurance	253	101	211	892	852
Repair and maintenance expenses	10,692	452	543	6,010	13,027
Other expenses related to leasing business	51,725	10,515	1,008	5,901	5,362
c. NOI (a – b)	703,751	209,896	(Note 2)	532,546	229,410
d. Depreciation, etc. (Note 3)	52,446	18,439	16,032	124,086	78,044
Profit (loss) from leasing business (c – d)	651,304	191,457	(Note 2)	408,459	151,366

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	218,669	349,017	105,140	122,349	(Note 2)
Leasing business revenue	209,911	336,227	100,299	116,214	(Note 2)
Other leasing business revenue	8,757	12,789	4,841	6,134	(Note 2)
b. Expenses related to leasing business	41,325	45,127	33,019	32,691	28,215
Management operation expenses	12,312	9,857	8,259	3,846	7,810
Utilities expenses	7,919	10,668	5,572	5,897	402
Tax and public dues	11,425	16,837	13,946	2,120	14,424
Insurance	70	89	99	49	82
Repair and maintenance expenses	7,598	3,085	3,300	410	3,233
Other expenses related to leasing business	1,999	4,590	1,840	20,367	2,262
c. NOI (a – b)	177,344	303,890	72,120	89,658	(Note 2)
d. Depreciation, etc. (Note 3)	11,812	14,614	4,359	7,207	5,369
Profit (loss) from leasing business (c – d)	165,532	289,275	67,761	82,450	(Note 2)

(Unit: Thousands of yen)

Property number	UR-14	UR-15	UR-16	UR-17	TO-1
Property name	A-FLAG KITA SHINSAIBASHI	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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	90,792	472,065	581,063	200,455	271,613
Leasing business revenue	78,313	367,799	581,063	186,996	260,217
Other leasing business revenue	12,478	104,266	–	13,458	11,396
b. Expenses related to leasing business	26,646	331,223	105,511	72,850	105,970
Management operation expenses	8,162	108,678	–	19,741	33,579
Utilities expenses	7,494	86,898	–	12,376	13,091
Tax and public dues	6,656	56,345	105,203	36,891	17,616
Insurance	59	614	–	105	264
Repair and maintenance expenses	1,973	29,903	–	453	28,306
Other expenses related to leasing business	2,300	48,782	307	3,282	13,112
c. NOI (a – b)	64,146	140,841	475,552	127,604	165,643
d. Depreciation, etc. (Note 3)	5,958	30,053	0	6,791	45,172
Profit (loss) from leasing business (c – d)	58,188	110,788	475,552	120,812	120,471

(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	TAMACHI SQUARE (Land)
Number of business days in the 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	430,804	137,872	330,376	122,916	62,502
Leasing business revenue	411,558	132,345	313,860	115,294	62,502
Other leasing business revenue	19,246	5,526	16,516	7,621	–
b. Expenses related to leasing business	108,854	30,673	68,345	49,395	9,383
Management operation expenses	36,838	10,504	19,358	18,171	–
Utilities expenses	23,047	7,174	19,328	7,848	–
Tax and public dues	33,411	10,700	23,585	20,388	9,130
Insurance	337	114	248	213	–
Repair and maintenance expenses	7,847	1,305	1,800	766	–
Other expenses related to leasing business	7,372	873	4,023	2,008	252
c. NOI (a – b)	321,949	107,199	262,031	73,520	53,118
d. Depreciation, etc. (Note 3)	36,893	16,074	23,588	33,404	0
Profit (loss) from leasing business (c – d)	285,056	91,124	238,443	40,116	53,118

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	(Note 2)	185,315	193,141	141,876	351,133
Leasing business revenue	(Note 2)	174,957	172,201	135,125	339,933
Other leasing business revenue	(Note 2)	10,358	20,940	6,751	11,199
b. Expenses related to leasing business	33,954	74,995	48,143	31,663	93,123
Management operation expenses	10,535	19,932	18,295	10,033	58,078
Utilities expenses	9,738	10,258	9,083	5,908	9,286
Tax and public dues	10,769	15,653	14,114	11,672	23,516
Insurance	112	189	152	104	445
Repair and maintenance expenses	1,854	23,280	2,441	1,371	–
Other expenses related to leasing business	944	5,681	4,055	2,573	1,795
c. NOI (a – b)	(Note 2)	110,319	144,998	110,213	258,010
d. Depreciation, etc. (Note 3)	21,014	23,417	26,755	9,312	48,246
Profit (loss) from leasing business (c – d)	(Note 2)	86,902	118,243	100,900	209,763

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	1,535,391	190,112	150,245	210,051	589,885
Leasing business revenue	1,466,847	181,532	145,368	201,514	558,233
Other leasing business revenue	68,543	8,579	4,876	8,537	31,651
b. Expenses related to leasing business	384,375	42,189	35,429	54,376	144,024
Management operation expenses	103,400	12,539	12,597	15,115	46,838
Utilities expenses	63,470	7,923	5,646	10,522	28,589
Tax and public dues	124,934	14,033	9,688	18,300	49,426
Insurance	895	138	106	158	627
Repair and maintenance expenses	22,346	5,223	3,587	4,611	3,097
Other expenses related to leasing business	69,328	2,330	3,802	5,667	15,445
c. NOI (a – b)	1,151,015	147,922	114,816	155,675	445,861
d. Depreciation, etc. (Note 3)	155,534	23,461	13,099	14,879	31,355
Profit (loss) from leasing business (c – d)	995,480	124,461	101,716	140,796	414,506

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	797,170	175,555	320,245	441,669	205,375
Leasing business revenue	708,415	166,824	301,325	331,874	195,605
Other leasing business revenue	88,754	8,731	18,920	109,794	9,769
b. Expenses related to leasing business	281,053	27,522	47,890	34,160	41,711
Management operation expenses	65,815	13,424	24,391	11,548	14,921
Utilities expenses	102,879	8,568	16,007	19,817	9,822
Tax and public dues	72,368	177	–	131	105
Insurance	856	190	256	187	191
Repair and maintenance expenses	26,414	2,934	4,380	–	12,585
Other expenses related to leasing business	12,719	2,227	2,855	2,476	4,085
c. NOI (a – b)	516,116	148,033	272,354	407,508	163,663
d. Depreciation, etc. (Note 3)	44,428	8,091	15,006	5,950	3,987
Profit (loss) from leasing business (c – d)	471,688	139,941	257,348	401,557	159,676

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	356,784	311,031	(Note 2)	141,835	303,793
Leasing business revenue	356,784	311,001	(Note 2)	131,490	283,001
Other leasing business revenue	–	30	(Note 2)	10,344	20,792
b. Expenses related to leasing business	56,417	39,569	13,542	53,287	99,725
Management operation expenses	–	5,603	2,261	17,427	25,160
Utilities expenses	–	30	–	11,313	20,972
Tax and public dues	56,159	30,121	9,949	11,706	27,510
Insurance	–	306	133	216	341
Repair and maintenance expenses	–	2,502	–	10,977	23,168
Other expenses related to leasing business	257	1,005	1,198	1,646	2,571
c. NOI (a – b)	300,367	271,461	(Note 2)	88,547	204,068
d. Depreciation, etc. (Note 3)	–	37,032	8,426	19,044	52,738
Profit (loss) from leasing business (c – d)	300,367	234,429	(Note 2)	69,503	151,330

(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 21st fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	554,073	229,171	(Note 2)	466,699	200,777
Leasing business revenue	530,536	202,800	(Note 2)	436,705	185,061
Other leasing business revenue	23,536	26,371	(Note 2)	29,994	15,715
b. Expenses related to leasing business	166,473	50,671	38,440	139,383	67,847
Management operation expenses	54,699	8,855	16,060	36,646	19,586
Utilities expenses	42,196	26,725	5,470	29,791	21,018
Tax and public dues	54,119	12,393	13,528	35,157	17,075
Insurance	1,018	143	179	501	400
Repair and maintenance expenses	8,515	1,413	577	31,336	4,720
Other expenses related to leasing business	5,923	1,139	2,623	5,948	5,045
c. NOI (a – b)	387,599	178,500	(Note 2)	327,316	132,930
d. Depreciation, etc. (Note 3)	92,859	18,518	23,528	67,972	32,135
Profit (loss) from leasing business (c – d)	294,739	159,981	(Note 2)	259,344	100,794

(Unit: Thousands of yen)

Property number	AA-12	AA-13
Property name	Commercial Mall Hakata	EDGE Shinsaibashi
Number of business days in the 21st fiscal period	182	182
a. Real estate leasing business revenues	186,352	562,981
Leasing business revenue	156,888	527,741
Other leasing business revenue	29,464	35,240
b. Expenses related to leasing business	75,445	165,937
Management operation expenses	23,253	38,874
Utilities expenses	22,954	36,974
Tax and public dues	12,296	60,610
Insurance	165	614
Repair and maintenance expenses	7,855	20,269
Other expenses related to leasing business	8,920	8,593
c. NOI (a – b)	110,907	397,043
d. Depreciation, etc. (Note 3)	17,399	23,850
Profit (loss) from leasing business (c – d)	93,507	373,192

(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.