

## Financial Report for the Fiscal Period Ended May 31, 2019 (December 1, 2018 – May 31, 2019)

### Activia Properties Inc.

Listing: Tokyo Stock Exchange  
 Securities code: 3279  
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Scheduled date to file Securities Report: August 29, 2019  
 Scheduled date to start distribution payments: August 13, 2019  
 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, 2019 (December 1, 2018 – May 31, 2019)

#### (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, 2019	14,843	7.4	8,599	14.0	7,726	15.4	7,725	15.4
Fiscal period ended November 30, 2018	13,815	3.7	7,546	1.0	6,697	1.3	6,696	1.3

	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, 2019	10,118	3.2	1.6	52.1
Fiscal period ended November 30, 2018	9,584	3.0	1.5	48.5

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (698,704 units and 763,508 units for the fiscal period ended November 30, 2018, and the fiscal period ended May 31, 2019, respectively).

## (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, 2019	10,003	7,714	14	10	10,017	7,725
Fiscal period ended November 30, 2018	9,584	6,696	–	–	9,584	6,696

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2019	99.9	3.1
Fiscal period ended November 30, 2018	100.0	3.0

(Note 1) The ¥14 in cash distributions in excess of earnings per unit for the fiscal period ended May 31, 2019 comprises ¥14 in allowance for temporary difference adjustments. There are no distributions on reduction of unitholders' capital for tax purposes.

(Note 2) Because new investment units were issued during the fiscal period ended May 31, 2019, the payout ratio for that period is obtained by the following formula with figures rounded to the first decimal place: Payout ratio = total distributions (excluding excess of earnings) / profit × 100

## (3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2019	514,359	256,085	49.8	332,050
As of November 30, 2018	445,464	223,842	50.2	320,368

(Reference) Unitholders' equity

As of May 31, 2019: ¥256,085 million

As of November 30, 2018: ¥223,842 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, 2019	10,426	(69,832)	59,116	12,800
Fiscal period ended November 30, 2018	8,708	(1,471)	(6,762)	13,090

## 2. Forecasts of results for the fiscal period from June 1, 2019 to November 30, 2019 and the fiscal period from December 1, 2019 to May 31, 2020

(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, 2019	15,536	4.7	8,694	1.1	7,727	0.0	7,726	0.0	10,018	–
Fiscal period ending May 31, 2020	14,883	(4.2)	8,478	(2.5)	7,482	(3.2)	7,481	(3.2)	9,700	–

(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, 2019: ¥10,018  
for the fiscal period ending May 31, 2020: ¥9,700

### \* 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 units)

As of May 31, 2019	771,224 units
As of November 30, 2018	698,704 units
- b. Number of treasury units at end of period

As of May 31, 2019	– units
As of November 30, 2018	– units

(Note) Please refer to “Per Unit Information” on page 31 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 16th Fiscal Period from June 1, 2019 to November 30, 2019 and the 17th Fiscal Period from December 1, 2019 to May 31, 2020” on pages 11 through 12 for information on assumptions for the forecasts.

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

Index

- 1. Asset Management Status ..... 5
  - (1) Asset Management Status ..... 5
- 2. Financial Statements ..... 13
  - (1) Balance Sheet..... 13
  - (2) Statement of Income ..... 15
  - (3) Statement of Unitholders' Equity ..... 16
  - (4) Statement of Cash Distributions ..... 17
  - (5) Statement of Cash Flows ..... 19
  - (6) Notes on Assumption of Going Concern ..... 20
  - (7) Notes on Important Accounting Policies ..... 20
  - (8) Notes to Financial Statements..... 22
  - (9) Changes in Total Number of Investment Units Issued and Outstanding ..... 32
- 3. Reference Information ..... 34
  - (1) Composition of Invested Assets..... 34
  - (2) Investment Assets ..... 35

## 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 December 19, 2018, the Investment Corporation carried out a publicly offered capital increase for the sixth consecutive year, and on January 7, 2019, it carried out a third-party allotment.

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

In the fiscal period under review, which ended on May 31, 2019, the Investment Corporation took steps to reshuffle its asset portfolio which involved using proceeds from a publicly offered capital increase to acquire three properties including Tokyu Plaza Ginza (land) (30% co-ownership interest), which belongs in the focused investment properties category of “Urban Retail Properties,” and transferring A-FLAG AKASAKA (50% co-ownership interest). Consequently, the Investment Corporation held 45 properties (with the total acquisition price of ¥500,485 million) at the end of the fiscal period under review.

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

In the fiscal period under review, the Japanese economy continued on a trend of gradual recovery on the whole against an ongoing backdrop of robust employment and income environments, but signs of weakness in exports and capital investment also emerged due to a slowing global economy.

With respect to the environment surrounding retail properties, personal consumption has been mounting a modest recovery yet consumer sentiment has been weak according to the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan. Moreover, according to the Consumption Trend Survey for Foreigners Visiting Japan released by the Japan Tourism Agency, the Ministry of Land, Infrastructure, Transport and Tourism, the number of foreign overseas visitors to Japan continued on an upward trajectory during the quarter spanning January to March 2019. As such, demand related to inbound tourism has remained at high levels.

In the rental office market, a favorable environment of supply relative to demand has been persisting. In that regard, according to data published by Miki Shoji Co., Ltd., the average vacancy rate of the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) has been hovering just above the 1% range since November 2018, and rent levels have been encountering their longest upward phase of gains ever with the average rent having been increasing for 65 consecutive months. The market environment has remained favorable also in major cities outside Tokyo as vacancy rates hold to their lowest ever levels along with a persisting moderate upward trend in rent levels.

The J-REIT market has been maintaining an upward trend supported by a situation where respective investment corporations have been implementing initiatives with a focus on improving unitholder value, which is in addition to a favorable external environment marked by a robust real estate market,

long-term interest rates remaining at low levels, etc. Financing activities through publicly offered capital increase and property acquisition have been continuously and actively conducted, and this has led to an ongoing expansion in J-REIT asset sizes.

### (C) Investment Performance

The Investment Corporation acquired beneficiary interests of real estate in trust by publicly offered capital increase in a total of three properties, namely Tokyu Plaza Ginza (Land) (30% co-ownership interest) (with the acquisition price of ¥37,500 million), Q plaza HARAJUKU (60% co-ownership interest) (with the acquisition price of ¥13,200 million) and EDGE Shinsaibashi (with the acquisition price of ¥19,800 million) on January 10, 2019, as trust assets in accordance with the basic asset management policy set forth in the Articles of Incorporation. On March 1, 2019, the Investment Corporation also transferred beneficiary interests of real estate in trust of A-FLAG AKASAKA (50% co-ownership interest) (with the transfer price of ¥1,875 million) as trust assets.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 45 properties (with the total acquisition price of ¥500,485 million) with the total leasable area of 415,167 m<sup>2</sup> (125,586 *tsubo*).

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

	December 31, 2018	January 31, 2019	February 28, 2019	March 31, 2019	April 30, 2019	May 31, 2019
Urban Retail Properties	100.0%	99.9%	99.5%	99.9%	100.0%	100.0%
Tokyo Office Properties	100.0%	100.0%	100.0%	100.0%	99.9%	99.9%
Activia Account Properties	99.8%	98.8%	98.8%	98.4%	98.8%	99.0%
Total	99.9%	99.5%	99.3%	99.3%	99.5%	99.5%

(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. Based on such initiatives, the Investment Corporation’s asset management company TLC REIT Management Inc. established the “Sustainability Policy” in April 2019, clearly stating our approach in contributing to sustainable development of society by addressing social issues such as concerns for the environment and society, and reinforcement of corporate governance. 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. This involves daily effort to achieve our basic objective of cutting unit energy consumption, etc. by an annual average of 1% over the medium to long term. Initiatives carried out in the fiscal period under review include upgrading to LED lighting at some private areas at Umeda Gate Tower, and some common areas of Kobe Kyu Kyoryuchi 25Bankan, A-FLAG KOTTO DORI, A-PLACE Shinbashi, Shiodome Building and A-PLACE Bashamichi. At Umeda Gate Tower, the Investment Corporation has entered into its first-ever green lease contract linked to energy consumption decreases under which tenants are to assume a portion of the costs of achieving lower energy consumption by having upgraded to the aforementioned LED lighting.

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 the seven properties Tokyu Plaza Omotesando Harajuku (S class), Tokyu Plaza Akasaka (S class), OSAKI WIZTOWER (S class), A-PLACE Yoyogi (S class), A-PLACE Ikebukuro (A class), A-PLACE Gotanda (A class), and A-PLACE Kanayama (A class). We have also acquired the BELS

certifications for the two properties Tokyu Plaza Omotesando Harajuku (five stars) and Commercial Mall Hakata (five stars), and re-acquired the DBJ Green Building Certification for the one property Shiodome Building (five stars). As such, a total of 25 of our properties have acquired green building certification, which amounted to 57.8% of our holdings calculated on the basis of gross floor area (as of May 31, 2019).

Furthermore, at Tokyu Plaza Omotesando Harajuku, we continued the “Yasai-no-mori (garden of vegetables) Project,” which entails the property growing vegetables in cooperation with NPOs, sponsor companies, and neighboring nursery schools. We also cooperated in community activities to coexist with nearby businesses, residents and cities as part of initiatives for local society, which included our participation in clean-up campaigns and summer festivals in various areas where our properties are located.

The Investment Corporation will contribute to achieving a sustainable society by engaging in such initiatives geared to the environment and society.

#### (E) Overview of Financing

In the fiscal period under review, in order to cover a part of the acquisition costs for beneficiary interests of real estate in trust to the above three properties and related costs, the Investment Corporation additionally issued investment units (67,320 units) through a public offering on December 19, 2018, issued new investment units (5,200 units) by a third-party allotment on January 7, 2019, and borrowed funds of ¥35,000 million on January 10, 2019. The Investment Corporation has refinanced borrowings amounting to a total of ¥23,700 million largely in order to cover repayment of borrowings and investment corporation bonds that had come due. Moreover, the Investment Corporation has been working to maintain a stable financial base through ongoing moves that have included reducing interest costs and diversifying repayment dates on interest-bearing debt, which in part involves making use of interest rate swaps in some such cases when arranging such borrowings and refinancing. As of the end of the fiscal period under review, the balance of interest-bearing debt was ¥234,350 million (borrowings of ¥220,350 million and investment corporation bonds of ¥14,000 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 45.6% 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 94.0% and 89.0%, 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 ¥14,843 million, ¥8,599 million, and ¥7,726 million, respectively, for the fiscal period under review, and profit was ¥7,725 million.

In accordance with the distribution policy set forth by the Investment Corporation (Article 35 of the Articles of Incorporation), the decision was made with respect to paying distributions of profits of ¥7,714,553,672, which is the entire amount of the net profit defined in Article 136, Paragraph 1 of the Investment Trust Act, with such amount excluding a fraction of less than ¥1 of distributions per investment unit, with the aim that as greatest as possible distributions of profits would be included in tax deductible expenses under Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions; hereinafter referred to as the “Special Taxation Measures Act”). In addition, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥10,797,136 as distributions related to allowance for temporary difference adjustments, calculated to exclude a fraction of less than ¥1 of distributions in excess of earnings per investment unit, with the amount equivalent to deferred losses on hedges of ¥11,474,393. Consequently, distributions per investment unit resulted in ¥10,017.

## ii) Outlook for the Next Fiscal Period

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

In the Japanese economy going forward, we expect the trend of modest recovery to hold, driven in part by robust employment and income environments, and also by increasing expenditures particularly involving public-sector investment, and despite concerns of weak exports and production for the time being amid global economic slowdown. Meanwhile, we will need to closely monitor risks of global economic slowdown, particularly with respect to developments involving the Sino-American trade war and monetary policy in Europe and the U.S., and the direction being taken regarding the U.K.'s withdrawal from the European Union.

In the rental office market, robust conditions are likely to persist amid a scenario of tightening of supply relative to demand coupled with strong demand particularly due to factors that include continuing office environment improvements along with office expansion and relocation due to workforce increases. With respect to the environment surrounding retail properties, although there are concerns regarding effects of the consumption tax hike, we anticipate robust performance amid hopes that the market will gain support from various economic measures, as well as an ongoing situation of robust employment and income environments along with a still increasing number of foreign overseas visitors to Japan. The J-REIT market is likely to remain firm amid a scenario of consistent J-REIT performance and relatively high dividend yields, in addition ongoing favorable conditions in the external environment, particularly with respect to a robust real estate market and long-term interest rates remaining at low levels in Japan. Amid this environment, the Investment Corporation will continue to promote internal growth by leveraging the competitiveness of its assets under management, while also working to achieve external growth through careful investment decisions, with the aim of improving unitholder value.

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

#### a. Basic Policy

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

#### b. External Growth Strategy

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

To acquire these competitive assets on an ongoing basis, the Investment Corporation will work to maintain and improve the quality of its portfolio by carefully 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 five 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 the 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 stable financial base with solid bank formation. In addition, with the aim of diversifying means of raising funds, the Investment Corporation will issue investment corporation bonds while paying close attention to trends in financial markets. Concerning the issuance of new investment units, moreover, the Investment Corporation will prudently and flexibly carry out such issuance while paying appropriate attention to various environmental factors with the aim of achieving long-term and stable growth.

(C) Significant Subsequent Events

Issuance of Investment Corporation Bonds

Based on a comprehensive resolution on the issuance of investment corporation bonds at the board of directors meeting held on May 28, 2019, the Investment Corporation issued investment corporation bonds on July 9, 2019 as described below.

Name	The Investment Corporation 10th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) (“the Investment Corporation Bonds”)
Total issue amount	¥5.0 billion
Interest rate	0.220% per annum
Collateral	Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds.
Redemption method and date	The total amount of the Investment Corporation Bonds will be redeemed on July 9, 2024. Redemption by purchase of the Investment Corporation Bonds by the Investment Corporation will be available any time on and after the following day of the payment date, unless otherwise determined by the Japan Securities Depository Center, Incorporated.
Credit rating	AA (Japan Credit Rating Agency)
Use of proceeds	The proceeds have been allocated for all, or a portion of, funds for early repayment of existing borrowings.

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2019 (16th fiscal period: June 1, 2019 to November 30, 2019), 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 16th Fiscal Period from June 1, 2019 to November 30, 2019 and the 17th Fiscal Period from December 1, 2019 to May 31, 2020” on pages 11 through 12.

Operating revenue	¥15,536 million
Operating profit	¥8,694 million
Ordinary profit	¥7,727 million
Profit	¥7,726 million
Cash distributions per unit	¥10,018
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 16th Fiscal Period from June 1, 2019 to November 30, 2019 and the 17th Fiscal Period from December 1, 2019 to May 31, 2020” on pages 11 through 12, the outlook of investment performance for the fiscal period ending May 31, 2020 (17th fiscal period: December 1, 2019 to May 31, 2020) is estimated as follows.

Operating revenue	¥14,883 million
Operating profit	¥8,478 million
Ordinary profit	¥7,482 million
Profit	¥7,481 million
Cash distributions per unit	¥9,700
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 16th Fiscal Period from June 1, 2019 to November 30, 2019 and the 17th Fiscal Period from December 1, 2019 to May 31, 2020**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>• 16th fiscal period (June 1, 2019 to November 30, 2019) (183 days)</li> <li>• 17th fiscal period (December 1, 2019 to May 31, 2020) (183 days)</li> </ul>
Investment portfolio	<ul style="list-style-type: none"> <li>• Our forecasts of investment performance assume that there will be no material changes to the composition of our investment portfolio, including acquisition of properties or disposition of properties, associated with the 44 properties (the “Assets Currently Held”) for which we hold the trust beneficiary interests as of today, before the end of the 17th fiscal period (May 31, 2020). Note that in the fiscal period ending November 30, 2019 (16th fiscal period), we transferred A-FLAG AKASAKA (50% co-ownership interest) (the “Transferred Asset”) on June 3, 2019.</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>• We expect to record gains on sales of the Transferred Asset amounting to ¥343 million in the fiscal period ending November 30, 2019 (16th fiscal period).</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors.</li> <li>• In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥1,087 million and ¥1,083 million for the Assets Currently Held and the Transferred Asset will be expensed in the fiscal period ending November 30, 2019 (16th fiscal period) and in the fiscal period ending May 31, 2020 (17th 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 ¥1,303 million and ¥1,323 million for the 16th fiscal period ending November 30, 2019 and the 17th fiscal period ending May 31, 2020, respectively.</li> </ul>

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> <li>We expect interest and other borrowing-related expenses of ¥966 million and ¥996 million for the 16th fiscal period ending November 30, 2019 and the 17th fiscal period ending May 31, 2020, respectively.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>As of today, we have a balance of ¥239,350 million in interest-bearing debt (borrowings of ¥220,350 million and investment corporation bonds of ¥19,000 million). However, we assume that a balance of interest-bearing debt will be ¥234,350 million (borrowings of ¥215,350 million and investment corporation bonds of ¥19,000 million) after the early repayment of a portion of the borrowings on July 18, 2019. Thereafter, we assume that there will be no change to the balance of interest-bearing debt before the end of the 17th fiscal period (May 31, 2020).</li> <li>We assume that there will be refinancing of interest-bearing debt coming due before the end of the 16th fiscal period (November 30, 2019) and the 17th fiscal period (May 31, 2020) (16th fiscal period: long-term borrowings of ¥3,000 million, 17th fiscal period: short-term borrowings of ¥5,000 million, long-term borrowings of ¥7,300 million and investment corporation bonds of ¥6,000 million).</li> <li>We assume the LTV ratios as of November 30, 2019 and May 31, 2020 are both to be approximately mid-45%.</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 771,224 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 17th fiscal period (May 31, 2020).</li> <li>The cash distributions per unit for the 16th fiscal period ending November 30, 2019 and the 17th fiscal period ending May 31, 2020 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 are 771,224 units.</li> </ul>
Cash distributions per unit	<ul style="list-style-type: none"> <li>Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>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 16th fiscal period ending November 30, 2019 or the 17th fiscal period ending May 31, 2020.</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, 2018	As of May 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	10,023,157	9,257,380
Cash and deposits in trust	3,067,204	3,542,901
Operating accounts receivable	848,825	866,251
Prepaid expenses	294,817	507,244
Other	3,066	7,987
Total current assets	14,237,072	14,181,766
Non-current assets		
Property, plant and equipment		
Buildings in trust	83,354,620	84,710,063
Accumulated depreciation	(10,879,394)	(12,065,901)
Buildings in trust, net	72,475,226	72,644,162
Structures in trust	696,585	698,826
Accumulated depreciation	(168,417)	(185,296)
Structures in trust, net	528,167	513,529
Machinery and equipment in trust	1,390,538	1,406,968
Accumulated depreciation	(330,343)	(359,497)
Machinery and equipment in trust, net	1,060,195	1,047,471
Tools, furniture and fixtures in trust	193,307	222,204
Accumulated depreciation	(98,107)	(113,714)
Tools, furniture and fixtures in trust, net	95,200	108,489
Land in trust	346,689,270	415,408,426
Construction in progress in trust	6,708	5,928
Total property, plant and equipment	420,854,767	489,728,007
Intangible assets		
Land leasehold interests in trust	9,130,097	9,092,591
Other	2,118	1,695
Total intangible assets	9,132,216	9,094,287
Investments and other assets		
Long-term prepaid expenses	1,080,595	1,258,702
Derivatives	54,245	—
Deferred tax assets	18	24
Other	38,322	38,322
Total investments and other assets	1,173,181	1,297,049
Total non-current assets	431,160,166	500,119,344
Deferred assets		
Investment corporation bond issuance costs	67,645	58,103
Total deferred assets	67,645	58,103
Total assets	445,464,883	514,359,213

(Unit: Thousands of yen)

	As of November 30, 2018	As of May 31, 2019
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	913,616	614,988
Short-term borrowings	9,100,000	14,000,000
Current portion of investment corporation bonds	4,000,000	6,000,000
Current portion of long-term borrowings	19,600,000	20,400,000
Accounts payable - other	73,949	375,773
Accrued expenses	902,125	929,635
Income taxes payable	976	1,099
Accrued consumption taxes	457,386	165,430
Advances received	428,888	574,299
Deposits received	566	11,019
Other	–	0
Total current liabilities	35,477,509	43,072,245
Non-current liabilities		
Investment corporation bonds	14,000,000	8,000,000
Long-term borrowings	152,650,000	185,950,000
Leasehold and guarantee deposits received in trust	19,494,916	21,239,977
Derivatives liabilities	–	11,474
Other	2	–
Total non-current liabilities	186,144,918	215,201,452
Total liabilities	221,622,427	258,273,697
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	217,091,520	248,370,846
Surplus		
Unappropriated retained earnings (undisposed loss)	6,696,690	7,726,143
Total surplus	6,696,690	7,726,143
Total unitholders' equity	223,788,210	256,096,990
Valuation and translation adjustments		
Deferred gains or losses on hedges	54,245	(11,474)
Total valuation and translation adjustments	54,245	(11,474)
Total net assets	*2 223,842,455	*2 256,085,515
Total liabilities and net assets	445,464,883	514,359,213

## (2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2018 to November 30, 2018)		Current fiscal period (From December 1, 2018 to May 31, 2019)	
<b>Operating revenue</b>				
Leasing business revenue	*1	12,673,479	*1	13,472,375
Other leasing business revenue	*1	1,141,921	*1	1,030,063
Gain on sales of real estate properties		–	*2	341,051
<b>Total operating revenue</b>		<b>13,815,400</b>		<b>14,843,490</b>
<b>Operating expenses</b>				
Expenses related to leasing business	*1	5,076,357	*1	4,973,578
Asset management fee		1,077,918		1,127,058
Asset custody fee		12,638		14,021
Administrative service fees		32,248		35,168
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		66,403		90,830
<b>Total operating expenses</b>		<b>6,268,867</b>		<b>6,243,957</b>
<b>Operating profit</b>		<b>7,546,533</b>		<b>8,599,533</b>
<b>Non-operating income</b>				
Interest income		55		73
Reversal of distributions payable		830		913
Interest on tax refund		409		–
Insurance claim income		149		–
<b>Total non-operating income</b>		<b>1,443</b>		<b>986</b>
<b>Non-operating expenses</b>				
Interest expenses		595,522		634,549
Interest expenses on investment corporation bonds		37,928		36,262
Amortization of investment corporation bond issuance costs		9,938		9,542
Investment unit issuance expenses		54,545		25,013
Borrowing related expenses		151,997		167,716
Other		500		500
<b>Total non-operating expenses</b>		<b>850,432</b>		<b>873,583</b>
<b>Ordinary profit</b>		<b>6,697,544</b>		<b>7,726,936</b>
<b>Profit before income taxes</b>		<b>6,697,544</b>		<b>7,726,936</b>
Income taxes - current		984		1,110
Income taxes - deferred		(12)		(6)
<b>Total income taxes</b>		<b>971</b>		<b>1,104</b>
<b>Profit</b>		<b>6,696,573</b>		<b>7,725,832</b>
Retained earnings brought forward		117		311
Unappropriated retained earnings (undisposed loss)		6,696,690		7,726,143

### (3) Statement of Unitholders' Equity

Previous fiscal period (From June 1, 2018 to November 30, 2018)

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	217,091,520	6,611,254	6,611,254	223,702,774	74,904	74,904	223,777,679
Changes in items during period							
Dividends of surplus		(6,611,137)	(6,611,137)	(6,611,137)			(6,611,137)
Profit		6,696,573	6,696,573	6,696,573			6,696,573
Net changes in items other than unitholders' equity					(20,659)	(20,659)	(20,659)
Total changes in items during period	–	85,435	85,435	85,435	(20,659)	(20,659)	64,776
Balance at end of period	*1 217,091,520	6,696,690	6,696,690	223,788,210	54,245	54,245	223,842,455

Current fiscal period (From December 1, 2018 to May 31, 2019)

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	217,091,520	6,696,690	6,696,690	223,788,210	54,245	54,245	223,842,455
Changes in items during period							
Issuance of new investment units	31,279,326			31,279,326			31,279,326
Dividends of surplus		(6,696,379)	(6,696,379)	(6,696,379)			(6,696,379)
Profit		7,725,832	7,725,832	7,725,832			7,725,832
Net changes in items other than unitholders' equity					(65,719)	(65,719)	(65,719)
Total changes in items during period	31,279,326	1,029,453	1,029,453	32,308,779	(65,719)	(65,719)	32,243,059
Balance at end of period	*1 248,370,846	7,726,143	7,726,143	256,096,990	(11,474)	(11,474)	256,085,515



## (4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
	Amount	Amount
I Unappropriated retained earnings	¥6,696,690,398	¥7,726,143,417
II Additional amount of cash distributions in excess of earnings	–	¥10,797,136
Of which, allowance for temporary difference adjustments	–	¥10,797,136
III Distributions	¥6,696,379,136	¥7,725,350,808
[Cash distributions per unit]	[¥9,584]	[¥10,017]
Of which, distributions of profits	¥6,696,379,136	¥7,714,553,672
[Of which, distributions of profits per unit]	[¥9,584]	[¥10,003]
Of which, allowance for temporary difference adjustments	–	¥10,797,136
[Of which, cash distributions in excess of earnings per unit (Related to allowance for temporary difference adjustments)]	[–]	[¥14]
IV Earnings carried forward	¥311,262	¥11,589,745

<p>Calculation method for distributions</p>	<p>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, we will pay distributions at the total amount of ¥6,696,379,136, which is the amount that does not exceed the unappropriated retained earnings and is the greatest value among integral multiples of 698,704, which is the total number of investment units issued; provided, however, that we will not pay the portion of amount that exceeds the net profit defined in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation.</p>	<p>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, we will pay distributions of profits of ¥7,714,553,672, which is almost the entire amount of the net profit defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations.</p> <p>Based on the policy on distribution of cash exceeding net profit set forth in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥10,797,136 as distributions related to allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations), calculated to exclude a fraction of less than ¥1 of distributions in excess of earnings per investment unit, with the amount equivalent to deferred losses on hedges of ¥11,474,393. As a result, distributions are to amount to ¥7,725,350,808 for the fiscal period under review.</p>
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## (5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,697,544	7,726,936
Depreciation	1,267,428	1,295,168
Loss on retirement of non-current assets	–	3,793
Amortization of investment corporation bond issuance costs	9,938	9,542
Interest income and interest on securities	(55)	(73)
Interest expenses	633,450	670,811
Investment unit issuance expenses	54,545	25,013
Borrowing related expenses	151,997	167,716
Decrease (increase) in operating accounts receivable	(202,992)	(17,425)
Decrease (increase) in consumption taxes refund receivable	47,699	–
Increase (decrease) in accrued consumption taxes	457,386	(291,956)
Decrease (increase) in prepaid expenses	166,083	(172,582)
Decrease in property, plant and equipment in trust due to sale	–	1,495,081
Decrease in intangible assets in trust due to sale	–	37,505
Increase (decrease) in operating accounts payable	11,232	(75,397)
Increase (decrease) in accounts payable - other	(78,334)	–
Increase (decrease) in accrued expenses	9,346	72,335
Increase (decrease) in advances received	114,615	145,410
Decrease (increase) in long-term prepaid expenses	(12,281)	9,113
Other, net	(18,142)	(5,940)
Subtotal	9,309,462	11,095,053
Interest received	55	73
Interest paid	(600,021)	(668,083)
Income taxes paid	(717)	(987)
Net cash provided by (used in) operating activities	8,708,779	10,426,056
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(354,286)	(71,588,974)
Refund of leasehold and guarantee deposits received in trust	(1,879,200)	(326,192)
Proceeds from leasehold and guarantee deposits received in trust	786,882	2,082,892
Other, net	(24,459)	–
Net cash provided by (used in) investing activities	(1,471,063)	(69,832,274)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	4,997,750	18,095,107
Repayments of short-term borrowings	(5,000,000)	(13,200,000)
Proceeds from long-term borrowings	11,878,013	40,234,648
Repayments of long-term borrowings	(12,000,000)	(6,500,000)
Redemption of investment corporation bonds	–	(4,000,000)
Proceeds from issuance of investment units	–	31,199,767
Distributions paid	(6,609,955)	(6,695,537)
Other, net	(28,233)	(17,847)
Net cash provided by (used in) financing activities	(6,762,426)	59,116,138
Net increase (decrease) in cash and cash equivalents	475,289	(290,079)
Cash and cash equivalents at beginning of period	12,615,072	13,090,361
Cash and cash equivalents at end of period	*1 13,090,361	*1 12,800,282

(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>Property-related taxes</p> <p>For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business.</p> <p>The settlement money for property tax that is paid to the transferor for acquisition of real properties (so-called “amount equivalent to property tax”) is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥366,528 thousand.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings</p> <p>(3) Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation.</p> <p>(4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>								

5. Scope of cash (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.
6. Other important matters related to the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interest with real estate, etc. as trust asset</p> <p>With regard to trust beneficiary interest 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.</p> <p>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</p> <p>Consumption tax and local consumption tax are accounted for by the tax-exclusion method. 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, 2018 to November 30, 2018)

Not applicable.

Current fiscal period (From December 1, 2018 to May 31, 2019)

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

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Deferred gains or losses on hedges	Recognition of loss on valuation of interest rate swaps	10,797

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, 2018	As of May 31, 2019
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	–	–
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, 2018	As of May 31, 2019
	¥50,000 thousand	¥50,000 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, 2018 to November 30, 2018)		Current fiscal period (From December 1, 2018 to May 31, 2019)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	11,463,285		12,235,271	
Common service fees	810,382		836,999	
Parking lot fees	285,449		291,993	
Other rent revenue	114,361	12,673,479	108,110	13,472,375
Other leasing business revenue		1,141,921		1,030,063
Total real estate leasing business revenues		13,815,400		14,502,439
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,236,276		1,235,835	
Utilities expenses	1,001,848		940,529	
Tax and public dues	988,148		998,158	
Insurance	8,875		9,402	
Repair and maintenance expenses	281,326		189,963	
Depreciation	1,267,174		1,294,914	
Loss on retirement of non-current assets	-		3,793	
Other expenses related to leasing business	292,707	5,076,357	300,981	4,973,578
Total real estate leasing business expenses		5,076,357		4,973,578
C. Profit (loss) from real estate leasing business (A – B)		8,739,043		9,528,861

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

Previous fiscal period (From June 1, 2018 to November 30, 2018)

Not applicable.

Current fiscal period (From December 1, 2018 to May 31, 2019)

(Unit: Thousands of yen)

A-FLAG AKASAKA (50% co-ownership interest)

Income from sales of real estate properties	1,875,000	
Costs of sales of real estate properties	1,532,587	
Other costs of sales	1,361	
Gain on sales of real estate properties		341,051

**Notes to Statement of Unitholders' Equity**

	Previous fiscal period (From June 1, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
*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	698,704 units	771,224 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, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
Cash and deposits	¥10,023,157 thousand	¥9,257,380 thousand
Cash and deposits in trust	¥3,067,204 thousand	¥3,542,901 thousand
Cash and cash equivalents	¥13,090,361 thousand	¥12,800,282 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

The fair value of financial instruments is based on market prices or reasonably calculated value if it has no market price. As certain assumptions are made in calculating these values, if different assumptions, etc. are used, these values could vary.

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

Carrying amounts, fair values, and the differences between the two values as of November 30, 2018, are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in this table (please refer to (Note 2)).

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	10,023,157	10,023,157	—
(2) Cash and deposits in trust	3,067,204	3,067,204	—
Total assets	13,090,361	13,090,361	—
(1) Short-term borrowings	9,100,000	9,100,000	—
(2) Current portion of investment corporation bonds	4,000,000	4,006,417	6,417
(3) Current portion of long-term borrowings	19,600,000	19,663,090	63,090
(4) Investment corporation bonds	14,000,000	14,199,701	199,701
(5) Long-term borrowings	152,650,000	154,031,795	1,381,795
Total liabilities	199,350,000	201,001,005	1,651,005
Derivative transactions	54,245	54,245	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2019, are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in this table (please refer to (Note 2)).

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	9,257,380	9,257,380	–
(2) Cash and deposits in trust	3,542,901	3,542,901	–
Total assets	12,800,282	12,800,282	–
(1) Short-term borrowings	14,000,000	14,000,000	–
(2) Current portion of investment corporation bonds	6,000,000	6,003,546	3,546
(3) Current portion of long-term borrowings	20,400,000	20,446,855	46,855
(4) Investment corporation bonds	8,000,000	8,327,254	327,254
(5) Long-term borrowings	185,950,000	188,220,631	2,270,631
Total liabilities	234,350,000	236,998,287	2,648,287
Derivative transactions	(11,474)	(11,474)	–

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

Assets

(1) Cash and deposits, (2) Cash and deposits in trust

The book value is used as the fair value of these assets, given that the fair value is almost the same as the book value, as it is settled in a short time.

Liabilities

(1) Short-term borrowings

The book value is used as the fair value of these liabilities, given that the fair value is almost the same as the book value, as it is settled in a short time.

(2) Current portion of investment corporation bonds, (4) 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.

(3) Current portion of long-term borrowings, (5) 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 28 and 29.

(Note 2) Carrying Amounts of Financial Instruments Whose Fair Value Is Considered to Be Extremely Difficult to Determine

(Unit: Thousands of yen)

Category	As of November 30, 2018	As of May 31, 2019
Leasehold and guarantee deposits received in trust *	19,494,916	21,239,977

\* As there are no market prices for leasehold and guarantee deposits received in trust from tenants for leasehold properties and the actual period of deposit from move-in of the tenant to move-out is difficult to determine, it is extremely difficult to reasonably estimate the cash flow. Therefore, the fair value for leasehold and guarantee deposits received in trust is not subject to the disclosure of fair value.

(Note 3) Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (November 30, 2018)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Deposits	10,023,157	–	–	–	–	–
Deposits in trust	3,067,204	–	–	–	–	–
Total	13,090,361	–	–	–	–	–

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (May 31, 2019)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Deposits	9,257,380	–	–	–	–	–
Deposits in trust	3,542,901	–	–	–	–	–
Total	12,800,282	–	–	–	–	–

(Note 4) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 2018)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Short-term borrowings	9,100,000	–	–	–	–	–
Investment corporation bonds	4,000,000	6,000,000	–	1,000,000	–	7,000,000
Long-term borrowings	19,600,000	7,300,000	12,500,000	21,100,000	25,250,000	86,500,000
Total	32,700,000	13,300,000	12,500,000	22,100,000	25,250,000	93,500,000

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2019)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Short-term borrowings	14,000,000	–	–	–	–	–
Investment corporation bonds	6,000,000	–	–	1,000,000	–	7,000,000
Long-term borrowings	20,400,000	12,500,000	22,850,000	26,500,000	25,750,000	98,350,000
Total	40,400,000	12,500,000	22,850,000	27,500,000	25,750,000	105,350,000

**Notes on Derivative Transactions**

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2018)

Not applicable.

(As of May 31, 2019)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 2018)

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	14,400,000	12,000,000	54,245	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	5,000,000	5,000,000	*	–

(As of May 31, 2019)

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	14,400,000	12,000,000	(11,474)	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	*	—

\* 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 (5)” on page 26.)

### Notes on Tax Effect Accounting

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

	As of November 30, 2018	As of May 31, 2019
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥18 thousand	¥24 thousand
Total deferred tax assets	¥18 thousand	¥24 thousand
Net deferred tax assets	¥18 thousand	¥24 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, 2018	As of May 31, 2019
Effective statutory tax rate	31.51%	31.51%
Adjustments		
Distributions paid included in deductibles	(31.50)%	(31.50)%
Other	0.00%	0.00%
Effective income tax rate after application of tax effect accounting	0.01%	0.01%

## Notes on Transactions with Related Parties

Previous fiscal period (From June 1, 2018 to November 30, 2018)

Not applicable.

Current fiscal period (From December 1, 2018 to May 31, 2019)

Not applicable.

## 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, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	172,148,067	151,044,711
	Changes during period	(21,103,355)	49,479,865
	Balance at end of period	151,044,711	200,524,577
	Fair value at end of period	189,637,000	242,147,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	175,402,564	195,900,898
	Changes during period	20,498,333	(344,767)
	Balance at end of period	195,900,898	195,556,130
	Fair value at end of period	223,770,000	228,760,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	83,348,268	83,038,644
	Changes during period	(309,624)	19,701,246
	Balance at end of period	83,038,644	102,739,890
	Fair value at end of period	98,280,000	119,660,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	430,898,900	429,984,254
	Changes during period	(914,646)	68,836,344
	Balance at end of period	429,984,254	498,820,598
	Fair value at end of period	511,687,000	590,567,000

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

(Note 2) The main reason for the increase in the current fiscal period is the acquisition of three properties (Tokyu Plaza Ginza (Land), Q plaza HARAJUKU and EDGE Shinsaibashi) worth ¥71,254,331 thousand. The decrease is mainly due to the transfer of A-FLAG AKASAKA worth ¥1,532,587 thousand and the provision of depreciation worth ¥1,294,914 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser.

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

### Per Unit Information

	Previous fiscal period (From June 1, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
Net assets per unit	¥320,368	¥332,050
Basic earnings per unit	¥9,584	¥10,118

(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 698,704 units; current fiscal period 763,508 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, 2018 to November 30, 2018)	Current fiscal period (From December 1, 2018 to May 31, 2019)
Profit (Thousands of yen)	6,696,573	7,725,832
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	6,696,573	7,725,832
Average number of investment units for the period (Units)	698,704	763,508

### 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

The Investment Corporation carried out issuances of new investment units on December 19, 2018, and January 7, 2019 (67,320 units in a capital increase through public offering and 5,200 units in a third-party allotment), thus procuring funds of ¥31,279 million. Changes in total investments and the number of investment units issued up to the current fiscal period are as follows:

Date	Summary	Total investments (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)



- (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.

### 3. Reference Information

#### (1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of November 30, 2018)		Current fiscal period (As of May 31, 2019)	
		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	151,044	33.9	200,524	39.0
	Tokyo Office Properties	195,900	44.0	195,556	38.0
	Activia Account Properties	83,038	18.6	102,739	20.0
	By location				
	The five central wards of Tokyo (Note 3)	266,900	59.9	316,270	61.5
	Wards of Tokyo other than the five central wards	33,220	7.5	33,095	6.4
	Three major metropolitan areas (Note 4)	118,802	26.7	138,395	26.9
	Other locations	11,060	2.5	11,059	2.2
	Subtotal	429,984	96.5	498,820	97.0
Total real estate assets		429,984	96.5	498,820	97.0
Deposits and other assets		15,480	3.5	15,538	3.0
Total assets (Note 5)		445,464	100.0	514,359	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)	221,622	49.8	258,273	50.2
Total net assets (Note 5)	223,842	50.2	256,085	49.8

(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 beneficiary interests of real estate in 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 15th fiscal period. Figures shown in the table are as of May 31, 2019 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2019)

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	44,754	62,475	63,225	2.7	61,650	2.4	2.8	9.0
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,711	15,500	15,700	4.0	15,400	4.1	4.2	2.3
	UR-3	Q plaza EBISU (Note 7)	8,430	8,233	11,900	12,000	3.2	11,800	3.4/3.3	3.4	1.7
	UR-5	Kyoto Karasuma Parking Building	8,860	8,720	11,000	11,100	4.9	11,000	4.9	5.1	1.8
	UR-6	A-FLAG AKASAKA (Notes 6, 8)	1,500	1,531	1,875	1,905	3.5	1,840	3.3	3.7	0.3
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	20,645	27,300	27,700	3.9	26,900	3.7	4.1	4.3
	UR-8	A-FLAG SAPPORO	4,410	4,735	7,150	7,160	5.5	7,150	5.3	5.7	0.9
	UR-9	A-FLAG SHIBUYA	6,370	6,351	8,120	8,150	3.9	8,100	3.7	4.1	1.3
	UR-10	Q plaza SHINSAIBASHI	13,350	13,427	14,700	14,600	3.6	14,700	3.4	3.8	2.7
	UR-11	A-FLAG KOTTO DORI	4,370	4,397	4,890	4,940	3.5	4,870	3.2	3.6	0.9
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,716	4,920	5,010	3.6	4,830	3.4	3.8	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,343	2,350	2,390	3.9	2,310	3.7	4.1	0.5
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	4,842	4,780	4,890	3.9	4,660	3.6	4.0	0.9
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,884	12,887	13,083	4.0	12,642	3.8	4.2	2.5
	UR-16	Tokyu Plaza Ginza (Land) (Note 6, 9)	37,500	37,895	39,000	38,400	2.6	39,000	2.5	–	7.5
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,334	13,300	13,440	3.0	13,140	2.7	3.1	2.6
			Subtotal	200,215	200,524	242,147	243,693	–	239,992	–	–

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	7,246	11,400	11,600	3.6	11,300	3.7	3.8	1.5
	TO-2	A-PLACE Ebisu Minami	9,640	9,382	15,000	15,100	3.5	15,000	3.6	3.7	1.9
	TO-3	A-PLACE Yoyogi	4,070	3,892	4,860	4,930	3.9	4,790	3.7	4.1	0.8
	TO-4	A-PLACE Aoyama	8,790	8,595	10,100	10,100	4.0	10,100	3.8	4.2	1.8
	TO-5	Luogo Shiodome	4,540	4,231	6,220	6,280	3.6	6,200	3.4	3.8	0.9
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	2,920	3,050	3.5	2,860	3.9	3.7	0.5
	TO-7	A-PLACE Ikebukuro	3,990	3,737	5,230	5,320	4.0	5,140	3.8	4.2	0.8
	TO-8	A-PLACE Shinbashi	5,650	5,828	7,250	7,300	3.8	7,190	3.5	3.9	1.1
	TO-9	A-PLACE Gotanda	5,730	5,502	7,400	7,470	3.6	7,330	3.4	3.8	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,782	5,120	5,220	3.5	5,010	3.3	3.7	0.8
	TO-11	OSAKI WIZTOWER	10,690	10,664	14,600	14,600	3.5	14,600	3.1	3.5	2.1
	TO-12	Shiodome Building (Note 6)	71,600	71,017	77,700	82,250	3.3	75,950	3.1	3.5	14.3
	TO-13	A-PLACE Ebisu Higashi	7,072	7,088	7,700	7,870	3.7	7,530	3.5	3.9	1.4
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,958	5,350	5,420	3.6	5,270	3.3	3.7	1.0
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,534	7,710	7,810	3.8	7,610	3.5	3.9	1.5
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,858	20,000	20,400	3.9	19,600	3.7	4.1	3.8
	TO-17	A-PLACE Shinbashi Ekimae	20,500	20,872	20,200	20,700	3.6	20,000	3.3	3.7	4.1
	Subtotal	196,700	195,556	228,760	235,420	-	225,480	-	-	39.3	
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	12,000	12,113	13,900	14,000	4.3	13,700	4.0	4.5	2.4
	AA-2	icot Nakamozu (Note 10)	8,500	8,103	10,700	10,900	4.9	10,600	4.8 /4.9 /5.0	5.1	1.7
	AA-4	icot Mizonokuchi	2,710	2,621	3,190	3,260	5.5	3,110	5.3	5.9	0.5
	AA-5	icot Tama Center	2,840	2,627	3,950	3,960	5.1	3,940	4.7	5.3	0.6
	AA-6	A-PLACE Kanayama	6,980	6,327	8,820	8,970	5.1	8,660	4.9	5.3	1.4
	AA-7	Osaka Nakanoshima Building	11,100	10,910	15,000	15,200	3.9	14,700	3.7	4.1	2.2
	AA-8	icot Omori	5,790	5,656	6,870	6,940	4.4	6,800	4.2	4.6	1.2
	AA-9	Market Square Sagamihara	4,820	4,685	5,020	5,040	5.3	5,000	5.1	5.5	1.0
	AA-10	Umeda Gate Tower	19,000	19,368	21,400	21,900	3.7	21,200	3.4	3.8	3.8
	AA-11	A-PLACE Bashamichi	3,930	3,995	4,520	4,600	4.9	4,430	4.6	5.1	0.8
	AA-12	Commercial Mall Hakata	6,100	6,324	6,290	6,310	4.8	6,260	4.5	4.9	1.2
	AA-13	EDGE Shinsaibashi	19,800	20,006	20,000	20,100	3.8	19,800	3.5	3.9	4.0
		Subtotal	103,570	102,739	119,660	121,180	-	118,200	-	-	20.7
	Total	500,485	498,820	590,567	600,293	-	583,672	-	-	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 beneficiary interests in trust stipulated in each beneficiary interest 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, 2019, 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, 2019.

- (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, Tokyu Plaza Akasaka, A-FLAG AKASAKA, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 50%, 49%, 30%, 60% and 35%, respectively).
- (Note 7) The discount rates of Q plaza EBISU represent 3.4% from the first year to the fourth year and 3.3% in and after the fifth year.
- (Note 8) Co-ownership interests of 50% in A-FLAG AKASAKA have been transferred as of March 1, 2019 (15th fiscal period), and again in June 3, 2019 (16th fiscal period); the same shall apply hereinafter.
- (Note 9) 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 10) The discount rates of icot Nakamozu represent 4.8% from the first year to the third year, 4.9% from the fourth year to the eighth year and 5.0% in and after the ninth year.

b. Overview of assets held (2)

(As of May 31, 2019)

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	35	2,062	1,699	4,918.44	4,918.44	100.0
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	98	960	400	16,609.75	16,609.75	100.0
	UR-3	Q plaza EBISU	Shibuya, Tokyo	August 20, 2008	4	485	475	4,024.88	4,024.88	100.0
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	July 24, 2006	2	(Note 9)	(Note 9)	21,616.04	21,616.04	100.0
	UR-6	A-FLAG AKASAKA (Note 8)	Minato, Tokyo	February 18, 2008	8	87	71	1,140.11	1,140.11	100.0
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	January 31, 2010	7	1,254	1,431	19,653.90	19,653.90	100.0
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	17	626	131	21,229.16	21,229.16	100.0
	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	671	433	2,820.23	2,820.23	100.0
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	January 22, 1992	7	234	181	2,656.53	2,656.53	100.0
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 1, 1998	4	239	241	1,994.65	1,994.65	100.0
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	April 21, 1992	1	(Note 9)	(Note 9)	2,579.08	2,579.08	100.0
	UR-14	A-FLAG KITA SHINSAIBASHI	Osaka, Osaka	March 25, 2008	5	196	125	2,536.75	2,536.75	100.0
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	85	663	504	16,125.56	16,119.47	100.0
	UR-16	Tokyu Plaza Ginza (Land) (Note 8)	Chuo, Tokyo	–	1	1,143	572	1,130.04	1,130.04	100.0
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	16	457	340	3,378.49	3,378.49	100.0
	Subtotal				–	298	–	–	125,816.68	125,810.59

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	12	613	530	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	11	726	595	7,950.49	7,950.49	100.0
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	3	241	221	3,106.17	3,106.17	100.0
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	554	520	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	7	330	291	4,476.35	4,476.35	100.0
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	-	1	125	-	1,287.96	1,287.96	100.0
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	October 13, 2011	1	(Note 9)	(Note 9)	3,409.73	3,409.73	100.0
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	March 4, 1999	9	364	307	5,052.14	4,987.58	98.7
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	350	314	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	7	213	194	2,986.36	2,986.36	100.0
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	5	650	650	7,193.28	7,193.28	100.0
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	39	3,231	2,668	28,136.05	28,136.05	100.0
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	8	325	228	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	215	149	2,995.72	2,995.72	100.0
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	10	341	294	4,316.89	4,316.89	100.0
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	9	938	843	14,658.98	14,658.98	100.0
	TO-17	A-PLACE Shinbashi Ekimae	Minato, Tokyo	April 25, 2008	6	781	600	6,484.57	6,484.57	100.0
	Subtotal			-	151	-	-	114,740.36	114,675.80	99.9
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	619	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	9	240	237	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	20	512	409	9,314.90	9,314.90	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	40	965	688	20,226.77	20,197.61	99.9
	AA-8	icot Omori	Ota, Tokyo	March 6, 2007	8	388	359	6,209.79 (Note 10)	6,209.79 (Note 10)	100.0
	AA-9	Market Square Sagamihara	Sagamihara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0
	AA-10	Umeda Gate Tower	Osaka, Osaka	January 15, 2010	15	849	586	13,624.49	13,624.49	100.0
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	34	323	203	9,775.50	9,775.50	100.0
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	18	342	156	9,612.88	9,327.53	97.0
	AA-13	EDGE Shinsaibashi	Osaka, Osaka	April 22, 1986	19	837	637	15,916.34	14,431.18	90.7
		Subtotal			-	170	-	-	174,610.18	172,810.51
	Total			-	619	-	-	415,167.22	413,296.90	99.5



- (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, 2019 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, 2019), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2019, as indicated in the lease agreements in relation to buildings as of May 31, 2019 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, 2019, 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 and rent holidays as of May 31, 2019), 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, 2019 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2019), 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, 2019 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, 2019 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, 2019. 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, 2019, 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, Tokyu Plaza Akasaka, A-FLAG AKASAKA, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 50%, 49%, 30%, 60% and 35%, 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, 2019, 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 15th fiscal period as of May 31, 2019. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Osaka Nakanoshima Building (Osaka, Osaka)	Complete replacement of elevator machinery and equipment	From June 2019 to October 2019	107	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of emergency power generators	From April 2019 to September 2019	89	–	–
icot Omori (Ota, Tokyo)	Large-scale repair work	From June 2019 to November 2019	87	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of escalators	From October 2019 to October 2019	41	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing	From August 2019 to November 2019	34	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of power control board (Second period)	From August 2019 to November 2019	30	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of air conditioning units of main building	From October 2019 to November 2019	27	–	–
Shiodome Building (Minato, Tokyo)	Thorough inspection and maintenance of emergency power generation equipment and replacement of its worn out parts	From September 2019 to October 2019	23 (Note)	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renovation of multilevel car park system (Computers for system operations, etc.)	From October 2019 to November 2019	22	–	–
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Installation of LED lighting	From July 2019 to November 2019	20	–	–
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Replacement of humidifier drain extraction pipes	From August 2019 to October 2019	18	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of package air conditioning units	From October 2019 to November 2019	15 (Note)	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Repair of pipeline system for collecting waste	From October 2019 to November 2019	14 (Note)	–	–

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 Ebisu Minami (Shibuya, Tokyo)	Maintenance of air conditioning units (replacement of sensors, and motors for electronic expansion valves) (First period)	From September 2019 to November 2019	12	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Sign and environment-related improvement work	From October 2019 to November 2019	12 (Note)	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Repairs involving waterproofing and top-coating application work for structures on rooftop	From May 2019 to August 2019	12	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of DC power supply on new annex	From October 2019 to October 2019	11	–	–
Shiodome Building (Minato, Tokyo)	Replacement of humidifying element	From July 2019 to November 2019	10 (Note)	–	–

(Note) The shown estimated 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 interests of real estate trust beneficiary (49% and 35%, respectively).

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 15th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2019 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2019 amounted to ¥413 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2019 came to ¥189 million. On aggregate, construction work of ¥603 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-PLACE Shinbashi (Minato, Tokyo)	Large-scale renovation work	From July 2018 to April 2019	146
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renewal works	From February 2019 to March 2019	39 (Note)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of power control board	From June 2018 to April 2019	29
A-FLAG SAPPORO (Sapporo, Hokkaido)	Work to replace hotel card locks	From January 2019 to March 2019	22
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of hot water main pipe and horizontal rainwater pipe for upper floors (First period)	From January 2019 to April 2019	22
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Renewal of air conditioning equipment	From December 2018 to January 2019	12
Shiodome Building (Minato, Tokyo)	Renewal of ITV camera surveillance system	From January 2019 to February 2019	10 (Note)
Other			130
Total			413

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

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 15th 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, 2019. 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, 2019. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,656.53	234	181	December 31, 2026
		TLC Ebisu Building	7,342.60	613	530	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	726	595	May 31, 2025
		A-PLACE Yoyogi	3,106.17	241	221	May 31, 2025
		A-PLACE Aoyama	7,303.69	554	520	May 31, 2025
		Luogo Shiodome	4,476.35	330	291	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	4,987.58	364	307	May 31, 2025
		A-PLACE Gotanda	4,028.69	350	314	May 31, 2025
		A-PLACE Shinagawa	2,986.36	213	194	May 31, 2025
		OSAKI WIZTOWER	7,193.28	650	650	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	325	228	May 31, 2025
		A-PLACE Shibuya Konnoh	2,995.72	215	149	September 30, 2025
		A-PLACE Gotanda Ekimae	4,316.89	341	294	June 30, 2026
		A-PLACE Shinagawa Higashi	14,658.98	938	843	March 31, 2027
		A-PLACE Shinbashi Ekimae	6,484.57	781	600	May 31, 2028
		A-PLACE Kanayama	9,314.90	512	409	May 31, 2025
		Osaka Nakanoshima Building	20,197.61	965	688	November 30, 2024
		Umeda Gate Tower	13,624.49	849	586	April 30, 2028
		A-PLACE Bashamichi	9,775.50	323	203	October 31, 2026
		Commercial Mall Hakata	9,327.53	342	156	March 31, 2027
		Total	150,148.35	—	—	—

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
		A-FLAG AKASAKA (Note 6)	1,140.11	87	71	August 31, 2023
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,254	1,431	August 31, 2023
		A-FLAG SAPPORO	21,229.16	626	131	December 31, 2023
		A-FLAG SHIBUYA	3,403.07	420	179	December 31, 2023
		Q plaza SHINSAIBASHI	2,820.23	671	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	2,536.75	196	125	June 30, 2027
		DECKS Tokyo Beach (Note 6)	16,119.47	663	504	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,378.49	457	340	January 31, 2029
		icot Nakamozu	28,098.02	619	430	June 30, 2022
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2022
		icot Tama Center	5,181.58	240	237	November 30, 2024
		icot Omori	6,209.79	388	359	December 31, 2023
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
		Total	169,169.69	-	-	-

(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, 2019 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, 2019), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2019, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2019 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, 2019 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2019), 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 A-FLAG AKASAKA, 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*) (50%, 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, 2019.

End-tenants	Property name	Total leased area (m <sup>2</sup> ) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka A-FLAG SAPPORO	30,182.69	October 31, 2021	Fixed-term building lease agreement
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
Plan'Do·See Inc.	Kobe Kyu Kyoryuchi 25Bankan	14,195.42	–	–
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	–	–
YANMAR Co., Ltd.	Umeda Gate Tower	7,870.86	–	–
Swing Corporation	A-PLACE Shinagawa Higashi	6,100.88	April 30, 2020	Ordinary building lease agreement

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2019. As for Tokyu Plaza Akasaka, 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, 2019 (50%, 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, 2019.

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

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

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

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

15th fiscal period (From December 1, 2018 to May 31, 2019)

(Unit: Thousands of yen)

Property number	UR-1	UR-2	UR-3	UR-5	UR-6
Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Kyoto Karasuma Parking Building	A-FLAG AKASAKA (Note 2)
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	1,081,530	613,632	271,722	(Note 3)	79,559
Leasing business revenue	1,035,000	510,536	242,794	(Note 3)	66,740
Other leasing business revenue	46,529	103,096	28,928	(Note 3)	12,818
b. Expenses related to leasing business	260,449	246,753	61,970	38,594	24,531
Management operation expenses	97,455	79,568	16,428	3,720	6,204
Utilities expenses	27,600	74,613	24,275	–	9,293
Tax and public dues	59,311	69,487	8,688	33,643	7,644
Insurance	190	409	75	158	26
Repair and maintenance expenses	9,551	11,122	2,633	345	–
Other expenses related to leasing business	66,340	11,551	9,868	727	1,362
c. NOI (a – b)	821,080	366,879	209,751	(Note 3)	55,027
d. Depreciation, etc. (Note 4)	51,827	39,503	18,301	15,810	6,706
Profit (loss) from leasing business (c – d)	769,252	327,375	191,449	(Note 3)	48,321

(Unit: Thousands of yen)

Property number	UR-7	UR-8	UR-9	UR-10	UR-11
Property name	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI	A-FLAG KOTTO DORI
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	805,383	448,991	217,481	353,208	122,203
Leasing business revenue	738,461	366,310	209,911	335,429	116,821
Other leasing business revenue	66,922	82,681	7,569	17,778	5,381
b. Expenses related to leasing business	201,851	246,501	51,058	44,694	31,387
Management operation expenses	82,244	107,857	12,819	8,023	8,754
Utilities expenses	55,105	87,146	6,672	14,524	6,028
Tax and public dues	46,632	24,609	11,105	14,347	13,182
Insurance	616	590	53	64	72
Repair and maintenance expenses	13,037	7,660	18,543	1,596	1,510
Other expenses related to leasing business	4,214	18,637	1,863	6,138	1,838
c. NOI (a – b)	603,532	202,489	166,422	308,514	90,815
d. Depreciation, etc. (Note 4)	121,373	67,220	8,303	16,707	4,933
Profit (loss) from leasing business (c – d)	482,158	135,268	158,119	291,806	85,882



(Unit: Thousands of yen)

Property number	UR-12	UR-13	UR-14	UR-15	UR-16
Property name	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST	A-FLAG KITA SHINSAIBASHI	DECKS Tokyo Beach (Note 1)	Tokyu Plaza Ginza (Land) (Notes 1, 5)
Number of business days in the 15th fiscal period	182	182	182	182	142
a. Real estate leasing business revenues	124,811	(Note 3)	106,644	583,811	448,596
Leasing business revenue	117,289	(Note 3)	98,322	466,376	448,596
Other leasing business revenue	7,522	(Note 3)	8,322	117,435	–
b. Expenses related to leasing business	32,491	30,427	22,590	273,075	235
Management operation expenses	3,363	12,134	5,648	112,485	–
Utilities expenses	7,341	300	8,509	103,376	–
Tax and public dues	2,190	13,167	5,969	1,533	–
Insurance	36	58	70	604	–
Repair and maintenance expenses	1,717	2,340	673	11,858	–
Other expenses related to leasing business	17,842	2,426	1,719	43,217	235
c. NOI (a – b)	92,320	(Note 3)	84,053	310,735	448,361
d. Depreciation, etc. (Note 4)	6,491	2,665	4,671	22,035	–
Profit (loss) from leasing business (c – d)	85,828	(Note 3)	79,381	288,700	448,361

(Unit: Thousands of yen)

Property number	UR-17	TO-1	TO-2	TO-3	TO-4
Property name	Q plaza HARAJUKU (Notes 1, 5)	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama
Number of business days in the 15th fiscal period	142	182	182	182	182
a. Real estate leasing business revenues	184,813	343,327	374,943	130,674	303,306
Leasing business revenue	172,584	307,768	360,896	123,811	286,318
Other leasing business revenue	12,228	35,558	14,047	6,863	16,988
b. Expenses related to leasing business	31,448	85,890	91,314	31,728	67,995
Management operation expenses	16,964	36,373	29,311	10,817	19,076
Utilities expenses	11,939	18,956	20,588	9,126	19,571
Tax and public dues	3	17,229	32,375	10,377	21,857
Insurance	69	192	245	83	180
Repair and maintenance expenses	396	2,346	4,726	291	2,865
Other expenses related to leasing business	2,074	10,792	4,065	1,030	4,443
c. NOI (a – b)	153,365	257,436	283,629	98,946	235,311
d. Depreciation, etc. (Note 4)	5,353	44,082	32,980	15,429	23,614
Profit (loss) from leasing business (c – d)	148,011	213,354	250,648	83,516	211,697

(Unit: Thousands of yen)

Property number	TO-5	TO-6	TO-7	TO-8	TO-9
Property name	Luogo Shiodome	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	179,809	62,502	(Note 3)	199,698	182,820
Leasing business revenue	167,931	62,502	(Note 3)	186,328	172,357
Other leasing business revenue	11,878	–	(Note 3)	13,369	10,463
b. Expenses related to leasing business	47,927	8,955	34,605	53,747	44,573
Management operation expenses	12,263	–	10,693	16,922	14,306
Utilities expenses	13,006	–	9,127	12,825	10,527
Tax and public dues	18,683	8,700	10,713	15,623	14,409
Insurance	157	–	83	132	106
Repair and maintenance expenses	2,053	–	2,947	2,910	3,071
Other expenses related to leasing business	1,762	255	1,038	5,333	2,152
c. NOI (a – b)	131,881	53,546	(Note 3)	145,951	138,247
d. Depreciation, etc. (Note 4)	27,379	–	20,685	21,931	26,844
Profit (loss) from leasing business (c – d)	104,502	53,546	(Note 3)	124,020	111,402

(Unit: Thousands of yen)

Property number	TO-10	TO-11	TO-12	TO-13	TO-14
Property name	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	116,662	337,640	1,524,068	175,004	115,433
Leasing business revenue	109,854	325,837	1,446,125	165,129	109,653
Other leasing business revenue	6,808	11,802	77,943	9,874	5,779
b. Expenses related to leasing business	30,137	91,007	346,984	37,469	30,131
Management operation expenses	9,200	58,231	104,352	11,637	11,388
Utilities expenses	7,025	8,808	78,439	9,154	6,616
Tax and public dues	10,989	21,821	116,090	14,022	9,696
Insurance	71	302	911	100	76
Repair and maintenance expenses	853	–	22,792	567	593
Other expenses related to leasing business	1,996	1,843	24,398	1,986	1,760
c. NOI (a – b)	86,525	246,633	1,177,083	137,535	85,302
d. Depreciation, etc. (Note 4)	8,930	48,275	149,973	23,742	13,034
Profit (loss) from leasing business (c – d)	77,595	198,357	1,027,110	113,792	72,268

(Unit: Thousands of yen)

Property number	TO-15	TO-16	TO-17	AA-1	AA-2
Property name	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi	A-PLACE Shinbashi Ekimae	Amagasaki Q's MALL (Land)	icot Nakamozu
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	185,621	518,513	399,332	356,759	311,321
Leasing business revenue	176,404	479,612	380,509	356,759	310,491
Other leasing business revenue	9,216	38,901	18,823	–	830
b. Expenses related to leasing business	51,337	140,396	81,603	56,389	39,756
Management operation expenses	13,289	46,968	19,210	–	5,661
Utilities expenses	11,691	36,406	18,768	–	30
Tax and public dues	18,306	48,479	34,574	56,134	30,423
Insurance	116	460	155	–	234
Repair and maintenance expenses	1,744	4,163	4,406	–	2,504
Other expenses related to leasing business	6,189	3,917	4,488	255	903
c. NOI (a – b)	134,283	378,117	317,729	300,369	271,564
d. Depreciation, etc. (Note 4)	12,371	30,553	52,325	–	34,767
Profit (loss) from leasing business (c – d)	121,912	347,564	265,404	300,369	236,797

(Unit: Thousands of yen)

Property number	AA-4	AA-5	AA-6	AA-7	AA-8
Property name	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori
Number of business days in the 15th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	(Note 3)	146,957	287,942	535,365	233,223
Leasing business revenue	(Note 3)	135,589	267,940	505,556	202,775
Other leasing business revenue	(Note 3)	11,367	20,002	29,808	30,448
b. Expenses related to leasing business	15,254	46,343	78,817	178,686	53,233
Management operation expenses	2,340	18,777	24,451	57,230	8,821
Utilities expenses	–	13,527	23,285	42,219	30,202
Tax and public dues	10,073	11,753	25,802	51,131	12,520
Insurance	100	144	251	745	93
Repair and maintenance expenses	1,980	1,072	2,789	22,774	674
Other expenses related to leasing business	760	1,069	2,237	4,586	921
c. NOI (a – b)	(Note 3)	100,613	209,125	356,678	179,990
d. Depreciation, etc. (Note 4)	8,424	18,944	51,767	72,220	17,553
Profit (loss) from leasing business (c – d)	(Note 3)	81,668	157,357	284,457	162,437

(Unit: Thousands of yen)

Property number	AA-9	AA-10	AA-11	AA-12	AA-13
Property name	Market Square Sagamihara	Umeda Gate Tower	A-PLACE Bashamichi	Commercial Mall Hakata	EDGE Shinsaibashi (Note 5)
Number of business days in the 15th fiscal period	182	182	182	182	142
a. Real estate leasing business revenues	(Note 3)	464,740	184,747	210,449	351,179
Leasing business revenue	(Note 3)	430,721	168,938	176,908	317,792
Other leasing business revenue	(Note 3)	34,018	15,809	33,540	33,387
b. Expenses related to leasing business	37,263	103,074	68,632	55,592	67,958
Management operation expenses	15,913	31,725	19,903	20,767	32,524
Utilities expenses	5,186	28,205	21,878	24,305	24,325
Tax and public dues	13,784	34,134	16,917	–	15
Insurance	132	363	291	173	397
Repair and maintenance expenses	–	5,889	3,769	4,040	5,146
Other expenses related to leasing business	2,247	2,755	5,872	6,305	5,548
c. NOI (a – b)	(Note 3)	361,666	116,115	154,857	283,221
d. Depreciation, etc. (Note 4)	23,863	69,084	29,914	14,948	13,157
Profit (loss) from leasing business (c – d)	(Note 3)	292,581	86,200	139,908	270,063

(Note 1) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60% and 35%, respectively).

(Note 2) Co-ownership interests of 50% in A-FLAG AKASAKA have been transferred as of March 1, 2019. Therefore, figures after the transfer date are presented in proportion to the pro rata share of our remaining 50% trust beneficiary co-ownership interests (*jun kyōyū-mochibun*).

(Note 3) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.

(Note 4) “Depreciation, etc.” includes loss on retirement of non-current assets.

(Note 5) Tokyu Plaza Ginza (Land), Q plaza HARAJUKU and EDGE Shinsaibashi were acquired on January 10, 2019. Therefore, figures after the acquisition date are presented.