



Semi-Annual Report

for the Period ended November 30, 2023
(the 24th Period)

From June 1, 2023 to November 30, 2023

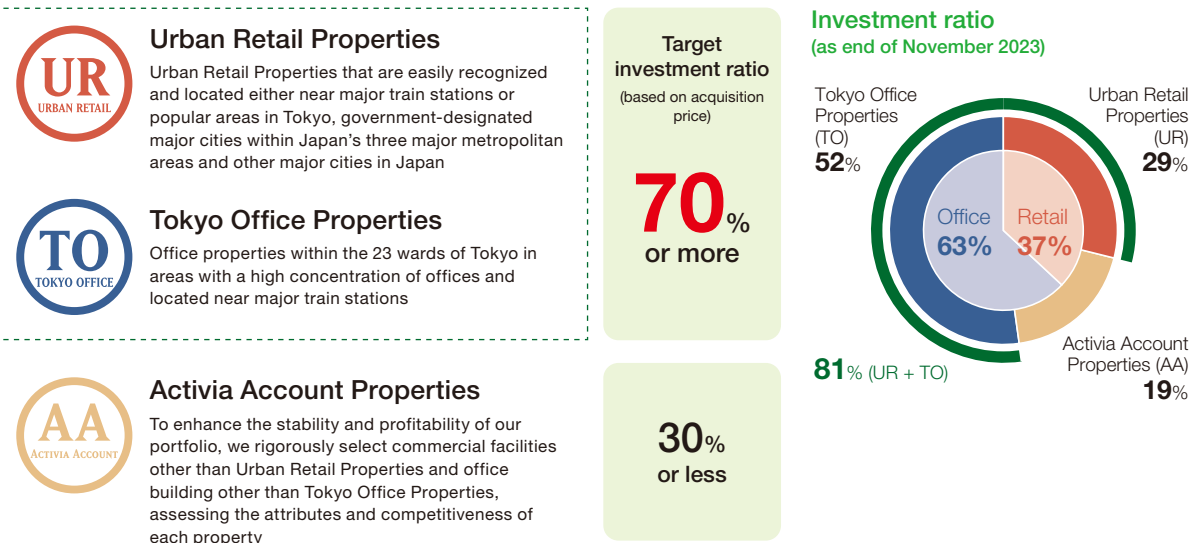
24th

3279

Activia Properties Inc. aims at **proactive management** through selecting **assets that appeal to retail customers and office tenants** as urban centers and hubs for business activity, in order to maximize unitholder value over the medium- to long-term. API also takes initiatives to improve its asset management.

Basic Policy of Activia Properties Inc.

1 Focused investment in Urban Retail Properties and Tokyo Office Properties



2 Utilization of the comprehensive support and capabilities of the Tokyu Fudosan Holdings Group's value chain

- We will acquire competitive properties and will expand our asset size (achieve external growth) by leveraging the Tokyu Fudosan Holdings Group's value chain through the Group's comprehensive support. At the same time, we aim to improve the profitability of our properties (achieve internal growth) through operation and management activities that will maximize the competitiveness of our assets under management.



3 Strong governance structure aimed at maximizing unitholder value

- We consider the co-ownership of properties with the sponsor should enable us to better manage the operation of each property by aligning the interests of our unitholders with those of the Sponsor.

Co-ownership of certain properties with the sponsor



We Enhance Unitholder Value through Measures that Increase Revenue as well as Our External Growth Strategy

Nobuhide Kashiwagi
Executive Director
Activia Properties Inc.



Thank you very much for your continued support of Activia Properties Inc (API).

Recently we closed all accounts for the period from June 1, 2023 to November 30, 2023. We owe this achievement to your understanding and continued support for which we wish to extend our deep appreciation.

In terms of management performance during the fiscal period under review, leasing progressed steadily for rental office space, and stable occupancy is now expected. In retail properties, tenants' appetite to open new stores improved driven by the recovery of the market, and progress was made in filling vacancies. In hotels, occupancy rates and average room rates continued to recover due to increased accommodation demand from both Japanese and overseas visitors.

In addition, we have announced the disposition of assets based on our asset replacement strategy to improve the profitability and quality of our portfolio, which is scheduled to be implemented in the 25th period ending May 2024, and the repurchase of our own investment units as a measure to increase unitholders' value.

Eleven years have passed since our listing, and we intend to continue to manage our properties with the aim of achieving medium- to long-term growth.

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

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1 Financial Highlights for FP24 ended November 2023

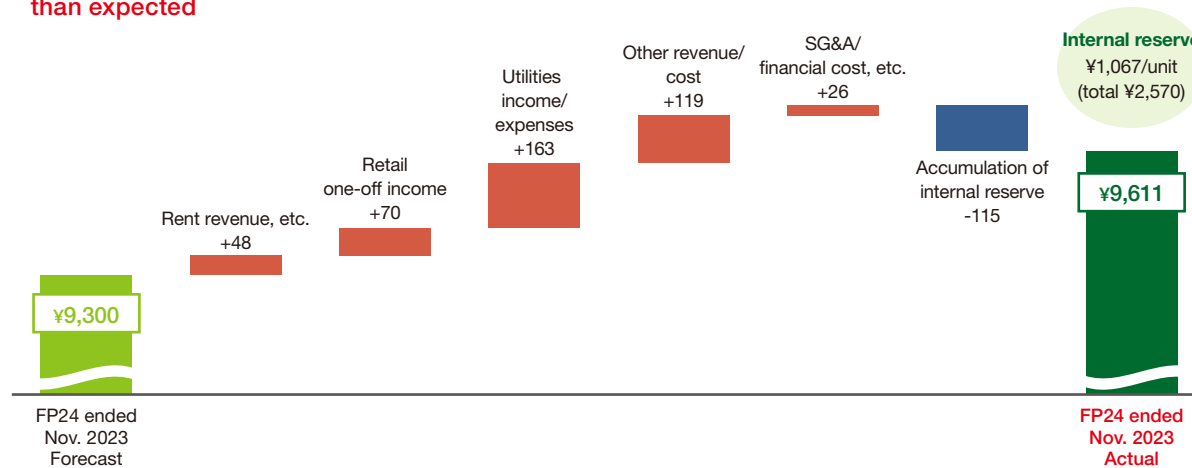
	FP23 ended May 31, 2023	FP24 ended November 30, 2023
Operating revenue (Gain on sale of real estate properties)	¥17,482 million (¥2,388 million)	¥17,344 million (¥2,261 million)
Operating profit	¥9,826 million	¥9,588 million
Profit	¥8,843 million	¥8,621 million

DPU

FP24 ended Nov. 2023 actual	FP25 ending May 2024 forecast	FP26 ending Nov. 2024 forecast
¥9,611	¥9,300	¥9,300
AUM	Net Asset Value per unit	Occupancy rate (End of Nov. 2023)
¥546.1 billion	¥456,924	98.8%

DPU summary for FP24 ended November 2023 vs. forecast

- DPU was higher than previous forecast mainly due to **higher rent revenue and lower expenses than expected**



Measures to enhance unitholder value

- Decided disposition of an asset as part of **asset replacement strategy**
- Decided a third round of **buyback /cancellation of own investment units with aim to increase EPU** given weak unit price



UR-11 A-FLAG KOTTO DORI

Date of delivery (plan)	May 31, 2024
Planned disposition price	¥5,000 million
Book value	¥4,385 million



Unit buyback Max. ¥6.0 bn
(assumed 1.8% of the total number of outstanding investment units)

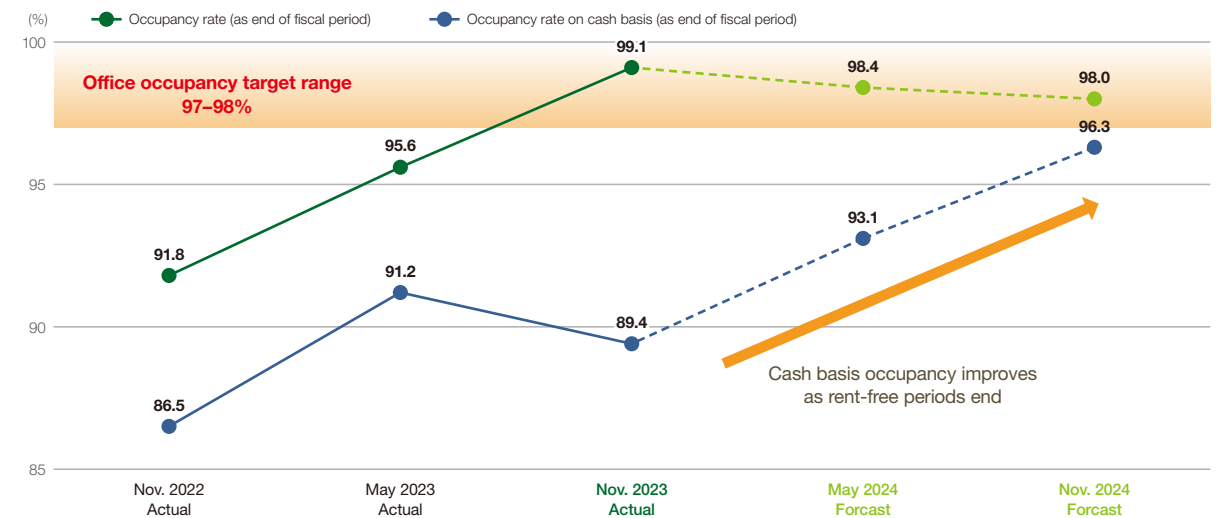
Repurchase period From January 18, 2024 to May 17, 2024

2 FP24 Operational Results

Office properties

- Leasing progressed and the occupancy rate at the end of FP24 ended Nov. 2023 was **higher than forecast** at 99.1%

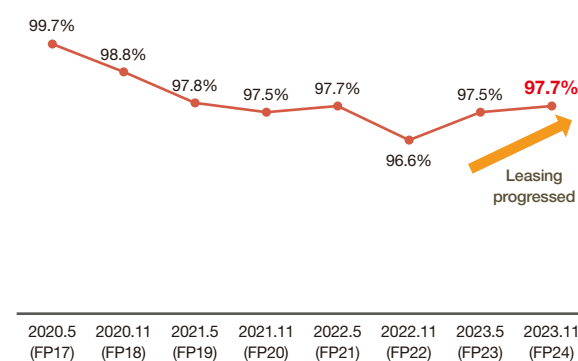
- Cash basis occupancy** as end of November 2024 will recover to 96.3%



Retail properties

- Occupancy of API's retail properties bottomed out** following retailers' improved appetite to open stores as market recovering

Occupancy rate in UR properties



Leasing results

UR-17 Q plaza HARAJUKU



A vintage apparel store moved in on 1st-2nd floors

To be leased up at end of May 2023

285 tsubo

Leased up 0 tsubo

UR-8 A-FLAG SAPPORO



Vacant areas in restaurant floors were filled up

To be leased up at end of May 2023

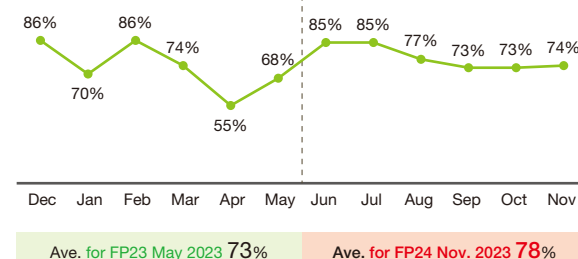
231 tsubo

Leased up 0 tsubo

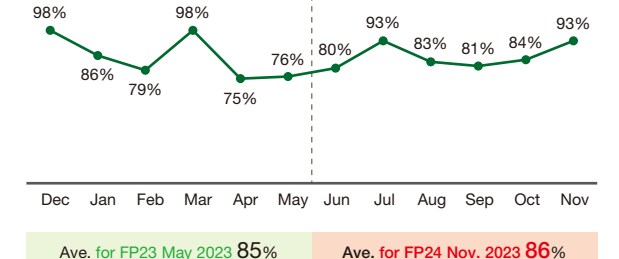
Hotels

- Hotels **continued to recover** with uptrend in room rates

Room occupancy



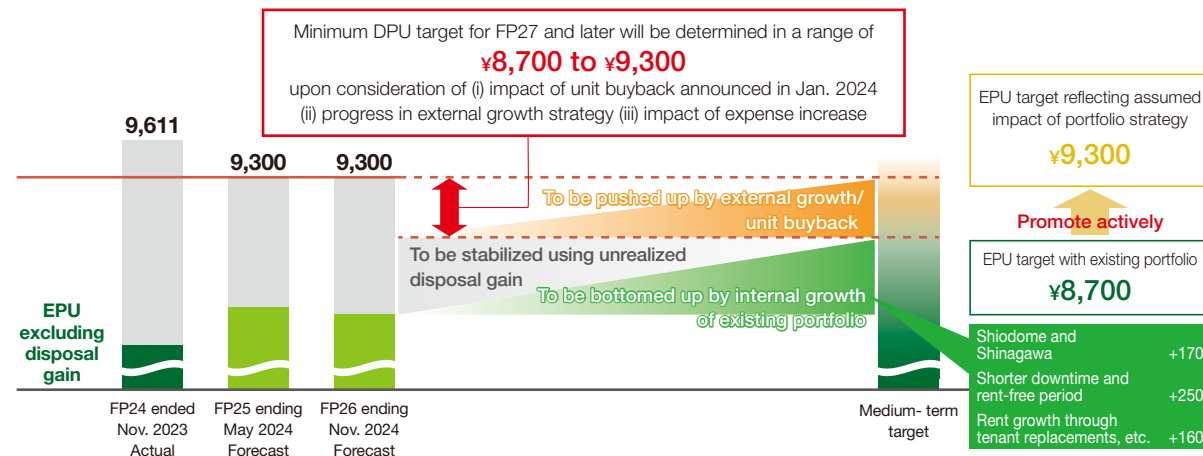
RevPAR (vs. 2019)



3 Future Strategy

DPU policy

- We maintain our **DPU target of ¥9,300 by actively promoting external growth** along with new EPU target of ¥8,700 with existing properties
- For minimum DPU target for FP27 and later, **we will determine** upon close consideration of measures and expenses **in a range of ¥8,700 to ¥9,300**



Acquisition/Disposition Policy

- For acquisitions, we will focus on both **stability** and **growth potential** in the medium to long term with an objective to improve portfolio's profitability
- Assets to be disposed will be selected based on the following three criteria;
1) Profitability, 2) Building age, 3) Competitiveness



4 ESG Initiatives

- API continues its efforts to achieve sustainable targets in cooperation with the Asset Manager

1. Environmental KPIs and progress

	Renewable energy procurement	Greener portfolio	Sustainable financing
KPI	<ul style="list-style-type: none"> Transition to renewable electricity in all portfolio properties by the end of FY2025 (Note 1) 100% reduction of CO₂ generated by electricity by the end of FY2025, relative to FY2015 baseline (Note 1) 	<ul style="list-style-type: none"> 70% or more green-certified assets by 2030 Promote green leases for 100% of new contracts 	<ul style="list-style-type: none"> 100% of new issuances of investment corporation bonds to be green bonds (Note 2) Consider diversification of sustainable financing methods
Progress	Renewable electricity utilization rate in portfolio (Note) Estimated based on FY2022 electricity consumption 31% Number of properties using renewable energy at end of May 2023 13	GFA 74% Green lease ratio (FP24 ended Nov. 2023) 100%	Green bond ratio in bond issuance after KPI setting 100% Issuance capacity ¥96.3bn

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

2. Green certifications



GRESB Real Estate Assessment 2023

Recognized as **Regional Sector Leader Asia** and **Global Listed Sector Leader in Diversified Assets (Office/Retail) category**

Global rating
5 stars for six consecutive years

Disclosure
Highest A level for six consecutive years

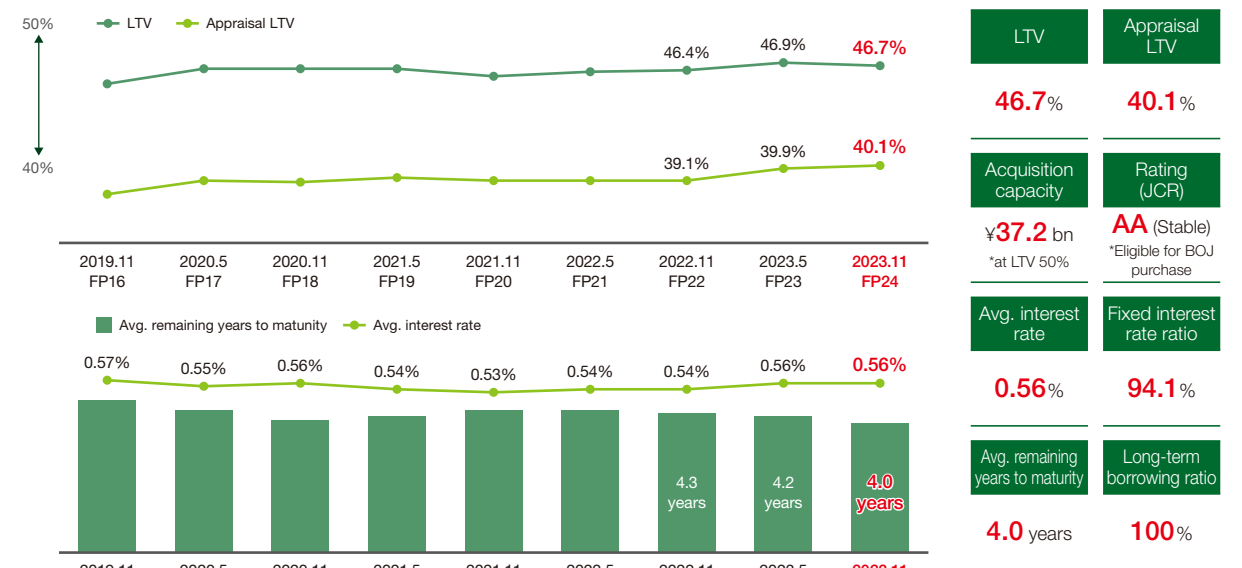
Sustainability page in API's website

Please take a look the sustainability pages on our website where we communicate various ESG initiatives by API and TRM.

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

5 Status of Financial Management

- LTV at the end of FP24 ended Nov. 2023 was **46.7%** (appraisal LTV was 40.1%), **being controlled** within the guidance range of 40% to 50%
- While maintaining the current level of remaining years to maturity and interest rate**, we will continue to prepare for borrowing cost increase



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

in our commercial facilities and hotels.



UR-1

Tokyu Plaza Omotesando Harajuku

This property is located on the corner of Omotesando Street and Meiji Street (Jingumae Crossing), a center of fashion and culture in Japan that is often featured in media. A variety of tenants open their flagship stores and new concept stores here, expecting significant branding effects from the location and the visibility of the building.

The property's striking entrance, reminiscent of a kaleidoscope, also serves as an advertisement.

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



Retail

5F

LOCUL

LOCUL is a "shared retail community," a completely new commercial model planned and operated by Realgate Inc. On the fifth floor of the property, approximately 1,000 square meters is occupied by pop-up shops, offices, cafes, and galleries. The space is designed to make it easy to open a store, including a gallery that rents as little as a single wall space, and a wide variety of brands are lined up in a mixed setting. Why don't you experience a new commercial facility that can only be found in Harajuku, the trend-setting center of the city?

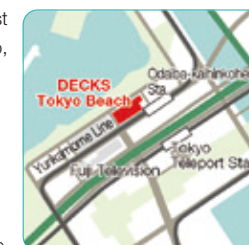


UR-15

Decks Tokyo Beach



Located in Odaiba, one of the most popular sightseeing areas in Tokyo, Decks Tokyo Beach is a two-minute walk from Odaiba Kaihin Koen Station on the Yurikamome Line, and a five-minute walk from Tokyo Teleport Station on the Rinkai Line. Included are a variety of amusement facilities such as the Legoland Discovery Center Tokyo; Tokyo Joypolis; Madame Tussauds Tokyo; Daiba 1-chome Shopping Street, a theme product sales, Odaiba Takoyaki Museum, as well as approx. 80 shops and restaurants/bars.



Restaurant

Seaside Mall 5F

FARMS' KITCHEN MIKIKE TOKYO ODAIBA

At this second branch of FARMS' KITCHEN MIKIKE, which has its main store in Hyogo Prefecture, there are French dishes using carefully selected fresh ingredients in an extraordinary space with a spectacular view. Please come for a variety of occasions such as a wedding party, girls' night out, or a weekend getaway.



UR-8

A-FLAG SAPPORO

A-FLAG SAPPORO is an urban retail complex developed, managed, and operated by Tokyu Land Corporation, located at a two-minute walking distance from Susukino Station on the Sapporo Namboku Line. This property is a highly visible landmark building, facing Tsukisamu Street, one of the major trunk roads in Sapporo City. The key tenant, Sapporo Tokyu REI Hotel, one of the largest hotels in Sapporo, opened in 1980, and has 575 guestrooms. Restaurant Plaza Sapporo, a specialty restaurant area on the property, features more than 10 restaurants and hosts a variety of Hokkaido's finest eateries.



COCONO SUSUKINO opened in November 2023

Under the concept of "Sapporo's amusement area" in the city: Susukino to transform as a town that never sleeps, even during the daytime. 85 stores, including a lifestyle hotel, a full-fledged multiplex cinema complex, and a variety of stores, some familiar to local residents and others new to Hokkaido, will offer a variety of ways to enjoy yourself throughout the day. This property also has various plazas for relaxation and liveliness, making it a "playground" where all visitors, whether alone or with others, can enjoy themselves in their own way.



Restaurant

B1F

CAIRN / CAIRN ANNEX

CAIRN is a well-established cheese fondue restaurant. The fondue with 100% Swiss Gruel cheese aged for 24 months is exceptionally delicious!

Steakhouse CAIRN ANNEX offers excellent steaks at reasonable prices. Enjoy our Japanese black beef or Japanese beef fillet at luxurious Teppanyaki-style with the chef's performance and the dynamic flames spreading in front of your eyes!

Restaurant


B1F

Kaiyoutei

We offer a wide variety of natural seafood from Hokkaido and the surrounding seas, such as sashimi, crab, salmon roe, sea urchin and other fresh and local products at reasonable prices. Kaiyotei is the originator of the famous squid *odorizukuri* (prepared from live seafood, arranged in its original shape). Please enjoy the squid directly shipped from Hakodate every morning!




Central Tokyo




UR-1

Tokyu Plaza
Omotesando Harajuku




UR-3

Q plaza EBISU




UR-9

A-FLAG
SHIBUYA




UR-11

A-FLAG
KOTTO DORI (Note)




UR-12

A-FLAG
BIJUTSUKAN DORI




UR-13

A-FLAG
DAIKANYAMA WEST




UR-15

DECKS Tokyo
Beach




UR-17

Q plaza
HARAJUKU




TO-1

TLC Ebisu
Building




TO-2

A-PLACE
Ebisu Minami




TO-3

A-PLACE Yoyogi




TO-4

A-PLACE
Aoyama




TO-6

TAMACHI
SQUARE (Land)




TO-7

A-PLACE
Ikebukuro




TO-8

A-PLACE
Shinbashi



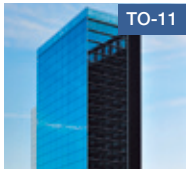
TO-9

A-PLACE
Gotanda




TO-10

A-PLACE
Shinagawa




TO-11

OSAKI
WIZTOWER




TO-12

Shiodome
Building




TO-13

A-PLACE
Ebisu Higashi




TO-14

A-PLACE
Shibuya Konnoh



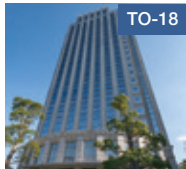
TO-15

A-PLACE
Gotanda Ekimae




TO-16

A-PLACE
Shinagawa Higashi




TO-18

Ebisu Prime Square




TO-19

A-PLACE
Tamachi East




TO-20

Meguro Tokyu Building




TO-21

Q plaza Shinjuku-3chome



TO-22

A-PLACE
Shibuya Nampoedai



TO-23

Kasumigaseki Tokyu Building

UR

URBAN RETAIL

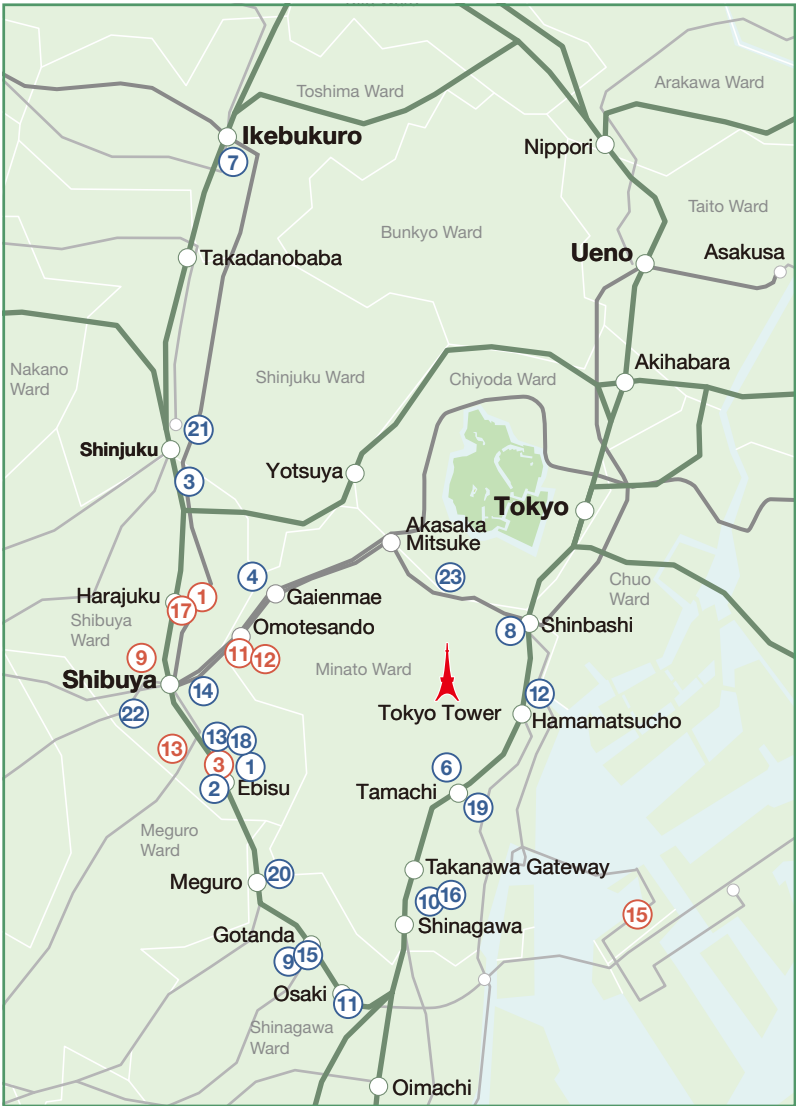
TO

TOKYO OFFICE

AA

ACTIVIA ACCOUNT

(Note) A-FLAG KOTTO DORI is scheduled to be disposed as of May 31, 2024.



Greater Tokyo Area



AA-4

icot Mizonokuchi



AA-5

icot Tama Center



AA-8

icot Omori



AA-9

Market Square
Sagami-hara



AA-11

A-PLACE
Bashamichi



Hyogo/Osaka/Kyoto



UR-5

Kyoto Karasuma
Parking Building



UR-18

A-FLAG NISHI
SHINSAIBASHI



AA-7

Osaka Nakanoshima
Building



UR-7

Kobe Kyu Kyoryuchi
25Bankan



AA-1

Amagasaki Q's
MALL (Land)



AA-10

Umeda Gate
Tower



UR-10

Q plaza
SHINSAIBASHI



AA-2

icot Nakamozu



AA-13

A-PLACE
Shinsaibashi



UR-8

A-FLAG SAPPORO



AA-6

A-PLACE
Kanayama



AA-12

Commercial Mall
Hakata

10

11

Asset Management Report for the 24th Fiscal Period (Semi-Annual Report)

From June 1, 2023 to November 30, 2023

I.	Asset Management Report
II.	Balance Sheets
III.	Statements of Income
IV.	Statements of Changes in Unitholders' Equity
V.	Statements of Cash Distributions
VI.	Statements of Cash Flows
VII.	Notes to Financial Statements
VIII.	Schedule of Financial Statements
	Independent Auditor's Report

Activia Properties Inc.
21-1 Dogenzaka 1-chome,
Shibuya-ku, Tokyo

I. Asset Management Report

1. Review of Asset Management

(1) Investment Performance of the Investment Corporation

Fiscal period		20th period	21st period	22nd period	23rd period	24th period
Business period		From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022	From June 1, 2022 to November 30, 2022	From December 1, 2022 to May 31, 2023	From June 1, 2023 to November 30, 2023
Operating revenue	(millions of yen)	15,646	15,512	16,178	17,482	17,344
[Lease business revenue]	(millions of yen)	[14,283]	[14,490]	[13,693]	[13,969]	[13,951]
Operating expenses	(millions of yen)	6,887	6,887	7,257	7,656	7,755
[Expenses related to rent business]	(millions of yen)	[5,551]	[5,558]	[5,896]	[6,197]	[6,359]
Operating profit	(millions of yen)	8,758	8,624	8,920	9,826	9,588
Ordinary profit	(millions of yen)	7,781	7,734	7,997	8,859	8,622
Profit	(millions of yen)	7,753	7,731	7,844	8,843	8,621
Net assets	(millions of yen)	278,716	274,768	274,906	274,155	274,803
[Change from the previous period]	(%)	[9.1]	[-1.4]	[0.1]	[-0.3]	[0.2]
Total assets	(millions of yen)	566,257	562,272	561,682	567,177	568,922
[Change from the previous period]	(%)	[7.8]	[-0.7]	[-0.1]	[1.0]	[0.3]
Unitholders' capital, net (Note4)	(millions of yen)	270,963	266,963	266,963	264,963	264,963
Number of units issued and outstanding	(units)	822,754	812,564	812,564	807,446	807,446
Net assets per unit	(yen)	338,760	338,149	338,319	339,534	340,336
Total distributions	(millions of yen)	7,700	7,727	7,556	7,973	7,760
Basic earnings per unit (Note1)	(yen)	9,754	9,453	9,653	10,904	10,678
Cash distributions per unit	(yen)	9,360	9,510	9,300	9,875	9,611
[Earnings distributions per unit]	(yen)	[9,360]	[9,510]	[9,300]	[9,875]	9,611
[Distributions per unit in excess of earnings]	(yen)	[-]	[-]	[-]	[-]	[-]
Ordinary profit to total assets (Note2)	(%)	1.4	1.4	1.4	1.6	1.5
Return on unitholders' equity (Note2)	(%)	2.9	2.8	2.9	3.2	3.1
Unitholders' equity to total assets (Note2)	(%)	49.2	48.9	48.9	48.3	48.3
[Change from the previous period]	(%)	[0.6]	[-0.3]	[-]	[-0.6]	[-]
Payout ratio (Note2)	(%)	99.3	99.9	96.3	90.2	90.0
[Other reference]						
Number of properties	(properties)	47	47	46	47	46
Total leasable area (Note3)	(m ²)	429,067.46	428,911.58	425,476.30	448,841.77	446,508.06
Occupancy rate	(%)	97.5	97.8	95.2	97.0	98.8
Depreciation	(millions of yen)	1,374	1,367	1,376	1,454	1,486
Capital expenditure	(millions of yen)	810	645	1,046	1,187	1,813
NOI (Note2)	(millions of yen)	11,224	11,323	10,690	10,369	10,238

(Note1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units (794,871 units, 817,847 units, 812,564 units, 810,997 units, 807,446 units for the 20th, 21st, 22nd, 23rd, 24th fiscal periods, respectively).

(Note2) The indicators are calculated as follows:
Ordinary profit to total assets: Ordinary profit ÷ Average total assets × 100
Return on unitholders' equity: Profit ÷ Average net assets × 100
Unitholders' equity to total assets: Net assets at end of period ÷ Total assets at end of period × 100
Payout ratio: Total distribution amount (excluding distributions in excess of earnings) ÷ Profit × 100 (rounded down to the first decimal place)
NOI: Rental operating income (Lease business revenue + Other lease business revenue - Expenses related to rental business) + Depreciation + Loss on retirement of non-current assets

(Note3) The total leasable area is equal to the gross floor area of leasable space in each property excluding properties for which we acquire land only, based on the lease agreements for building or floor plans as of the end of each fiscal period. Total leasable area for properties for which only land is acquired is based on the lease agreement for land or land plans as of the end of each fiscal period. As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Shiodome Building, Q plaza HARAJUKU, Tokyu Plaza Ginza (Land) and Ebisu Prime Square, the figures are in proportion to a pro rata share of co-ownership interests of each property (75%, 49%, 35%, 60%, 30% and 51% respectively).

(Note4) The amount of unitholders' capital less deduction from unitholders' capital. The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

(2) Asset Management during the Fiscal Period under Review

1) Transition of Investment Corporation

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) was established on September 7, 2011, with unitholders’ capital of ¥200 million (400 units), and with TLC Township Inc. acting as organizer in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions; hereinafter referred to as the “Investment Trust Act”). The Investment Corporation completed its registration in the Kanto Local Finance Bureau on September 20, 2011 (Director-General of the Kanto Local Finance Bureau No. 73). Note that on April 1, 2017, an absorption-type merger took place with what is now TLC REIT Management Inc. (hereinafter referred to as the “Asset Manager”) as the surviving company and TLC Activia Investment Management Inc. (its trade name was changed from TLC Township Inc. on April 1, 2012) as the absorbed company.

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

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

In the fiscal period under review, which ended on November 30, 2023, the Investment Corporation transferred Luogo Shiodome (51% co-ownership interest) on June 1, 2023. Consequently, the Investment Corporation held 46 properties (with the total acquisition price of ¥546,170 million) at the end of the fiscal period under review.

2) Investment Environment and Investment Performance

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

The environment for retail properties saw improvement in the willingness of tenants to open stores accompanying the stabilization of consumer behavior and the rapid recovery in inbound tourism due to the reclassification of COVID-19 as a Class 5 infectious disease.

In the rental office market, while newly constructed buildings have large-scale vacancies, the recent demand for office space has been strong and the vacancy rate is on a downward trend. Meanwhile, the average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of November 30, 2023, according to data published by Miki Shoji Co., Ltd., was 6.03%, a decrease of 0.13 percentage points from May 31, 2023. Of these, the vacancy rate in Shibuya-ku remained at a low level compared to the other areas at 4.24%. The average rent per tsubo (about 3.3 square meters) in the five central wards of Tokyo as of November 30, 2023, was ¥19,726.

In the J-REIT market, despite signs of the Tokyo Stock Exchange REIT index recovering to 1,900 points in the first half of the fiscal period under review, there was limited movement in REIT prices in the second half as interest rates rose due to policy revisions by the Bank of Japan and as the stock market rebounded due to the sharp drop in long-term interest rates in November.

The Investment Corporation transferred Luogo Shiodome (51% co-ownership interest) (with the transfer price of ¥4,646 million) on June 1, 2023 in accordance with the basic asset management policy set forth in the Articles of Incorporation.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 46 properties (with the total acquisition price of ¥546,170 million) with the total leasable area of 446,508.06 m² (135,066 *tsubo*).

3) Initiatives Regarding Sustainability

In order to build a portfolio consisting of “real estate capable of sustaining customer demand” with the aim of maximizing medium- and long-term unitholder value, the Investment Corporation has been promoting various initiatives with its sights set on lowering environmental loads and contributing to our nearby surroundings and local communities, thereby extending beyond considerations such as location, use, size and qualities. In July 2019, as material issues that the Investment Corporation needs to address, we released quantitative targets encompassing a wider range of performance benchmarks from an environmental standpoint, and also clearly stated practical management policy to such ends. In addition, we are striving daily to achieve our basic objective of cutting unit energy consumption, etc. by an annual average of 1% over the medium to long term.

In terms of work to reduce environmental impacts during the fiscal period under review, we repaired toilets at (1) A-PLACE Shibuya Konnoh and (2) A-PLACE Bashamichi. The use of environmentally friendly products that conform to the Green Procurement Standards of TLC REIT Management Inc., the Asset Manager, and the replacement of toilets and other sanitary equipment with water-saving types are expected to reduce cleaning water volume by 58% at (1) and 75% at (2) compared to the current levels. In addition, at A-FLAG SAPPORO, we repaired hotel guest room windows. We expect that improving the thermal insulation performance of guest room windows will have the effect of reducing the amount of energy consumption for operating the air conditioning in guest rooms.

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 Kasumigaseki Tokyu Building (S class). As such, a total of 35 of our properties have acquired green building certification, which amounted to 74.2% of our holdings calculated on the basis of gross floor area (as of November 30, 2023).

Furthermore, at Tokyu Plaza Omotesando Harajuku, we held a 100 My Licca “My Closet Exhibition” to display 1/6 doll-sized outfits that were upcycled from clothes that evoked fond memories but could no longer be worn. Through this exhibition, we were able to contribute to an initiative that respects people’s important memories.

In addition, at Q plaza SHINSAIBASHI, we converted the entrance space in the common area into a space that can be used for holding exhibitions and other events. While supporting the sales of tenants, we also expect that this will contribute to supporting the community by creating a lively environment.

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

4) Overview of Financing

During the fiscal period under review, the Investment Corporation borrowed ¥16,750 million largely in order to cover repayment of borrowings that had come due, and worked to otherwise maintain a stable financial base through ongoing moves that have included diversifying repayment dates. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥265,850 million (borrowings of ¥238,150 million and investment corporation bonds of ¥27,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.7% as of the end of the fiscal period under review. The long-term debt ratio and the ratio of fixed-interest debt to total interest-bearing debt were 100.0% and 94.1%, respectively.

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

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

5) Overview of Financial Results and Distributions

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥17,344 million, ¥9,588 million, and ¥8,622 million, respectively, for the fiscal period under review, and profit was ¥8,621 million.

As for distributions for the fiscal period under review, the decision has been made to pay distributions of profit of ¥7,760,363,506, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation. Consequently, distributions per investment unit resulted in ¥9,611.

(3) Capital Increase, etc.

A summary of capital increases until the fiscal period under review is as follows:

Date	Summary	Number of total investment units issued		Total unitholders' capital, net (millions of yen)		Remarks
		Increase	Total	Increase	Total	
September 7, 2011	Establishment through private placement	400	400	200	200	(Note 1)
June 12, 2012	Capital increase through public offering	204,100	204,500	90,834	91,034	(Note 2)
July 10, 2012	Capital increase through third-party allotment	762	205,262	339	91,373	(Note 3)
December 16, 2013	Capital increase through public offering	43,100	248,362	32,636	124,010	(Note 4)
January 15, 2014	Capital increase through third-party allotment	2,700	251,062	2,044	126,054	(Note 5)
December 17, 2014	Capital increase through public offering	24,050	275,112	22,800	148,855	(Note 6)
January 8, 2015	Capital increase through third-party allotment	2,020	277,132	1,915	150,770	(Note 7)
October 1, 2015	Investment unit split	277,132	554,264	—	150,770	(Note 8)
December 15, 2015	Capital increase through public offering	41,870	596,134	19,152	169,922	(Note 9)
January 6, 2016	Capital increase through third-party allotment	3,520	599,654	1,610	171,532	(Note 10)
December 1, 2016	Capital increase through public offering	61,040	660,694	28,583	200,116	(Note 11)
December 15, 2016	Capital increase through third-party allotment	4,520	665,214	2,116	202,233	(Note 12)
December 13, 2017	Capital increase through public offering	31,090	696,304	13,793	216,026	(Note 13)
December 26, 2017	Capital increase through third-party allotment	2,400	698,704	1,064	217,091	(Note 14)
December 19, 2018	Capital increase through public offering	67,320	766,024	29,036	246,127	(Note 15)
January 7, 2019	Capital increase through third-party allotment	5,200	771,224	2,242	248,370	(Note 16)
September 7, 2021	Capital increase through public offering	49,030	820,254	21,496	269,867	(Note 17)
September 28, 2021	Capital increase through third-party allotment	2,500	822,754	1,096	270,963	(Note 18)
May 13, 2022	Cancellation	(10,190)	812,564	(3,999)	266,963	(Note 19)
May 12, 2023	Cancellation	(5,118)	807,446	(1,999)	264,963	(Note 20)

(Note 1) The Investment Corporation was established through an investment of Tokyu Land Corporation, which underwrote the investment units with an offer price per unit of ¥500,000.

(Note 2) API issued new investment units through a public offering at a price of ¥460,000 per unit (issue price of ¥445,050 per unit) to raise funds for the acquisition of new properties, etc.

(Note 3) Following the public offering on June 12, 2012, API issued new investment units through a third-party allotment at a price of ¥445,050 per unit.

(Note 4) API issued new investment units through a public offering at a price of ¥782,925 per unit (issue price of ¥757,229 per unit) to raise funds for the acquisition of new properties, etc.

(Note 5) Following the public offering on December 16, 2013, API issued new investment units through a third-party allotment at a price of ¥757,229 per unit.

(Note 6) API issued new investment units through a public offering at a price of ¥979,020 per unit (issue price of ¥948,051 per unit) to raise funds for the acquisition of new properties.

(Note 7) Following the public offering on December 17, 2014, API issued new investment units through a third-party allotment at a price of ¥948,051 per unit.

(Note 8) A 2-for-1 investment unit split was implemented with September 30, 2015 as the record date and October 1, 2015 as the effective date.

(Note 9) API issued new investment units through a public offering at a price of ¥472,360 per unit (issue price of ¥457,418 per unit) to raise funds for the acquisition of new properties, etc.

(Note 10) Following the public offering on December 15, 2015, API issued new investment units through a third-party allotment at a price of ¥457,418 per unit.

(Note 11) API issued new investment units through a public offering at a price of ¥483,326 per unit (issue price of ¥468,283 per unit) to raise funds for the acquisition of new properties.

(Note 12) Following the public offering on December 1, 2016, API issued new investment units through a third-party allotment at a price of ¥468,283 per unit.

(Note 13) API issued new investment units through a public offering at a price of ¥458,150 per unit (issue price of ¥443,657 per unit) to raise funds for the acquisition of new properties.

(Note 14) Following the public offering on December 13, 2017, API issued new investment units through a third-party allotment at a price of ¥443,657 per unit.

(Note 15) API issued new investment units through a public offering at a price of ¥445,410 per unit (issue price of ¥431,320 per unit) to raise funds for the acquisition of new properties.

(Note 16) Following the public offering on December 19, 2018, API issued new investment units through a third-party allotment at a price of ¥431,320 per unit.

(Note 17) API issued new investment units through a public offering at a price of ¥452,760 per unit (issue price of ¥438,438 per unit) to raise funds for the acquisition of new properties.

(Note 18) Following the public offering on September 7, 2021, API issued new investment units through a third-party allotment at a price of ¥438,438 per unit.

(Note 19) From February 18, 2022, to March 15, 2022, the Investment Corporation acquired its treasury investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement with a securities company. All of the acquired treasury investment units (10,190 units) were canceled on May 13, 2022, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2022.

(Note 20) From March 29, 2023, to April 11, 2023, the Investment Corporation acquired its treasury investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement with a securities company. All of the acquired treasury investment units (5,118 units) were canceled on May 12, 2023, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2023.

(Note 21) The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

Fluctuation in Market Price of the Investment Securities

Changes in prices of the investment units listed on the Tokyo Stock Exchange REIT Market are as follows.

(yen)

Fiscal period	20th period	21st period	22nd period	23rd period	24th period
Business period	From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022	From June 1, 2022 to November 30, 2022	From December 1, 2022 to May 31, 2023	From June 1, 2023 to November 30, 2023
Highest	531,000	443,000	449,000	427,500	424,000
Lowest	425,500	364,500	392,000	361,500	396,000

(4) Distributions, etc.

As for distributions for the fiscal period under review, the decision has been made to pay distributions of profit of ¥7,760,363,506, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation. Consequently, distributions per investment unit resulted in ¥9,611.

Fiscal period	20th period	21st period	22nd period	23rd period	24th period
Business period	From June 1, 2021 to November 30, 2021	From December 1, 2021 to May 31, 2022	From June 1, 2022 to November 30, 2022	From December 1, 2022 to May 31, 2023	From June 1, 2023 to November 30, 2023
Unappropriated retained earnings	¥7,793,594 thousand	¥7,784,892 thousand	¥7,900,936 thousand	¥9,187,516 thousand	¥8,994,370 thousand
Retained earnings	¥53,379 thousand	¥56,542 thousand	¥344,091 thousand	¥1,213,987 thousand	¥1,234,006 thousand
Total distributions	¥7,700,977 thousand	¥7,727,483 thousand	¥7,556,845 thousand	¥7,973,529 thousand	¥7,760,363 thousand
[Distributions per unit]	[¥9,360]	[¥9,510]	[¥9,300]	[¥9,875]	[¥9,611]
Of which, total distributions of profits	¥7,700,977 thousand	¥7,727,483 thousand	¥7,556,845 thousand	¥7,973,529 thousand	¥7,760,363 thousand
[Distributions of profits per unit]	[¥9,360]	[¥9,510]	[¥9,300]	[¥9,875]	[¥9,611]
Of which, total return on unitholders' capital	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Return on unitholders' capital per unit]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]
Of the total return on unitholders' capital, the total distribution payments from the allowance for temporary difference adjustment	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Of the return on unitholders' capital per unit, the distribution payment from the allowance for temporary difference adjustment per unit]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]
Of the total return on unitholders' capital, the total distribution payments from investments and other decreased distribution under tax laws	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Of the return on unitholders' capital per unit, the distribution payments from investments and other decreased distribution under tax laws]	[¥—]	[¥—]	[¥—]	[¥—]	[¥—]

(5) Future Investment Policy and Issues to Address

The Japanese economy is expected to continue to recover gradually due to the emergence of pent-up demand, as well as due to the accommodative financial environment and the government's economic measures, despite the downward pressure from the slowing pace of recovery in overseas economies. On the other hand, close attention must be paid to the risk concerning the uncertainty of the delayed impact from rapid interest rate hikes amid the ongoing high levels of inflation overseas, and to the risk of increases in prices of resources and grains due to geopolitical factors involving Ukraine, the Middle East, etc.

In the environment for retail properties, despite the recovery in the number of overseas visitors to Japan following the easing of entry restrictions and the depreciation of the yen and despite the rapid recovery recently in consumption from inbound tourists, attention must be paid to the impact on consumer sentiment from the decline in real income due to the increase in prices. In the rental office market, although there are concerns over weakening in demand-supply conditions due to new supply in certain areas, we believe that there will continue to be positive relocation demand, such as for upgrading and improving sites. Given the lingering uncertainty concerning the external environment, including monetary policies and real estate leasing market conditions, we expect a firm performance from the J-REIT market due to the relative stability of J-REIT revenue and its relatively high yields.

Amid this environment, the Investment Corporation will fulfill its social responsibility through further promoting sustainability initiatives, etc. while preparing a foundation for future distribution growth through property replacement with the aim of continuing to improve portfolio competitiveness and through the purchase and cancellation of treasury investment units. For the time being, the Investment Corporation will effectively leverage gains on sales acquired through property replacement, while at the same time, continue measures for internal growth and external growth, and work to continuously enhance unitholder value.

1) Basic Policy

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

2) External Growth Strategy

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

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

3) Internal Growth Strategy

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

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

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

4) Financial Strategy

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

issuance of new investment units, moreover, the Investment Corporation will prudently and flexibly carry out such issuance while paying appropriate attention to various environmental factors with the aim of achieving long-term and stable growth.

(6) Significant Matters after Book Closing

At the meeting of the board of directors held on January 17, 2024, the Investment Corporation made a decision on matters concerning purchase of treasury investment units as follows in accordance with the provisions of Article 80-2 of the Investment Trust Act as applied by replacing terms and phrases pursuant to the provisions of Article 80-5, Paragraph 2 of the said act.

The Investment Corporation plans to cancel all the purchased investment units in the fiscal period ending May 31, 2024 (25th fiscal period).

a. Reason for the Purchase of Treasury Investment Units

As a result of a comprehensive consideration of the investment unit price of the Investment Corporation, the status of cash on hand, its financial conditions, the market environment, and other factors, the Investment Corporation has judged that improving capital efficiency and providing unitholder returns through the purchase and cancellation of treasury investment units will lead to increased unitholder value in the medium to long term.

b. Details of Matters Concerning the Purchase

Total number of investment units that can be purchased: 19,900 units (maximum)

Total amount of purchase price of investment units: ¥6,000 million (maximum)

Purchase method: Market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement pertaining to the purchase of treasury investment units with a securities company

Purchase period: From January 18, 2024 to May 17, 2024

< Reference Information >

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

(UR-11) A-FLAG KOTTO DORI

Type of assets	Beneficial interests in trust
Transfer price	¥5,000 million
Delivery date	May 31, 2024
Location	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo
Use	Retail, office and parking
Land area	776.78 m ²
Gross floor area	3,358.28 m ²
Structure	Reinforced concrete / 5 floors above and 2 floors underground
Month and year of completion	January 1992, September 2005 (extended)
Ownership	Owned

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

2. Overview of the Investment Corporation

(1) Unitholders’ Capital

	20th period As of November 30, 2021	21st period As of May 31, 2021	22nd period As of November 30, 2022	23rd period As of May 31, 2023	24th period As of November 30, 2023
Total number of authorized investment units (units)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued (units)	822,754	812,564	812,564	807,446	807,446
Unitholders’ capital, net (Note) (millions of yen)	¥270,963	¥266,963	¥266,963	¥264,963	¥264,963
Number of unitholders (persons)	8,164	8,547	8,547	8,805	8,707

(Note) The amount of unitholders' capital less deduction from unitholders' capital. The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

(2) Matters Relating to Investment Units

The top 10 unitholders as of the end of the fiscal period under review are as follows:

Name	Number of units owned	Percentage of total units issued (%) (Note)
Custody Bank of Japan, Ltd. (Trust accounts)	217,815	26.97
The Master Trust Bank of Japan, Ltd. (Trust accounts)	129,610	16.05
Tokyu Land Corporation	89,365	11.06
The Nomura Trust and Banking Co., Ltd.(Investment accounts)	39,232	4.85
SMBC Nikko Securities Inc.	24,868	3.07
STATE STREET BANK AND TRUST COMPANY 505103	10,826	1.34
STATE STREET BANK WEST CLIENT - TREATY 505234	10,342	1.28
The Shinkumi Federation Bank	8,425	1.04
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	8,295	1.02
SSBTC CLIENT OMNIBUS ACCOUNT	8,218	1.01
Total	546,996	67.74

(Note) The percentage of total units issued is calculated by rounding down to the second decimal place.

(3) Matters Relating to Officers, etc.

1) Executive Director, Supervisory Directors, and Independent Auditor

Title	Name of officer, etc.	Major concurrent post, etc.	Total amount of compensation for each position during the business period under review (thousands of yen)
Executive Director (Note1)	Nobuhide Kashiwagi	TLC REIT Management Inc., Chief Division Officer of Activia Management Division	—
Supervisory Directors (Note1)	Yonosuke Yamada (Note2)	Yamada, Goya and Suzuki Law Office Managing Partner	3,750
	Yoshinori Ariga	Ariga Yoshinori Accounting Office Managing Partner	
	Kazuhiko Takamatsu (Note3)	Yamada, Goya and Suzuki Law Office Partner	
Independent Auditor	Ernst & Young ShinNihon LLC	—	11,600

(Note1) Executive director or supervisory directors do not hold any investment units of the Investment Corporation under their or another person’s name. Supervisory directors may serve as directors of companies other than those mentioned above, but there are no mutual business interests whatsoever between such companies and the Investment Corporation.

(Note2) Yonosuke Yamada resigned on September 7th, 2023.

(Note3) Kazuhiko Takamatsu took office on September 8th, 2023.

2) Policy Regarding the Dismissal of or Refusal to Reappoint the Accounting Auditor

The Investment Corporation will dismiss the accounting auditor in conformity with the provisions of the Investment Trust Act and determine not to reappoint the accounting auditor through a resolution of a general meeting of unitholders while comprehensively considering various factors.

(4) Asset Manager, Custodian Company, and Administrative Agent

Consignment classification	Name
Asset manager	TLC REIT Management Inc.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
General administrator (unitholder registry administration, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrator (accounting service, etc.)	Sumitomo Mitsui Trust Bank, Limited
General administrator (administrative service)	Sumitomo Mitsui Trust Bank, Limited
General administrator (investment corporation bond service)	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited

3. Assets of the Investment Corporation

(1) Composition of Assets of the Investment Corporation

Type of assets	Category	23rd period As of May 31, 2023		24th period As of November 30, 2023	
		Total amount of assets (millions of yen) (Note 1)	Ratio to total assets (%)	Total amount of assets (millions of yen) (Note 1)	Ratio to total assets (%)
Real estate in trust	Urban Retail Properties	158,242	27.9	158,347	27.8
	Tokyo Office Properties	282,766	49.9	280,486	49.3
	Activia Account Properties	101,509	17.9	101,739	17.9
	Subtotal	542,518	95.7	540,572	95.0
Total real estate, etc.		542,518	95.7	540,572	95.0
Deposits and other assets		24,659	4.3	28,349	5.0
Total assets (Note 2)		567,177 (542,518)	100.0 (95.7)	568,922 (540,572)	100.0 (95.0)

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

(Note 2) Total assets represent the amounts recorded on the balance sheets as of the end of each fiscal period. The figures in parentheses represent portions that practically correspond to real estate in the object assets.

(2) Major Assets Owned

Major assets (the 10 largest properties by book value) as of the end of the fiscal period under review are as follows:

Property name	Book value (millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Major use
Shiodome Building (Note 4)	69,926	28,136.05	27,173.90	96.6	7.5	Office
Tokyu Plaza Omotesando Harajuku (Note 4)	44,337	5,154.14	5,154.14	100.0	6.7	Retail
Ebisu Prime Square (Note 4)	31,044	18,059.66	17,477.49	96.8	5.6	Office
Kasumigaseki Tokyu Building	30,808	12,023.76	12,023.76	100.0	4.2	Office
A-PLACE Shinsaibashi	19,947	15,892.28	15,892.28	100.0	3.9	Office
Kobe Kyu Kyoryuchi 25Bankan	19,668	19,618.98	18,012.77	91.8	3.8	Retail
Umeda Gate Tower	18,832	13,513.73	13,513.73	100.0	3.7	Office
A-PLACE Shinagawa Higashi	18,702	14,517.11	14,517.11	100.0	2.5	Office
Q plaza Shinjuku-3chome	18,502	4,528.01	4,528.01	100.0	2.7	Office
Meguro Tokyu Building	16,337	6,993.70	6,993.70	100.0	2.1	Office
Total	288,108	138,437.42	135,286.89	97.7	42.7	

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of November 30, 2023 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 2023.

(Note 2) Leased area refers to the leased area of each property based on lease agreements as of November 30, 2023. For properties with master lease agreements, leased area refers to leased areas of each property and is actually leased based on sublease agreements with end-tenants.

(Note 3) Occupancy rate refers to the percentage of total leased area for each property to total leasable area for each property as of November 30, 2023, rounding down to the first decimal place.

(Note 4) As for Shiodome Building, Tokyu Plaza Omotesando Harajuku and Ebisu Prime Square, the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (35%, 75% and 51% , respectively).

(3) Details of Assets, such as Real Estate, Incorporated into the Portfolio

A summary of properties as of the end of the fiscal period under review is as follows:

Property name		Location	Asset type	Total leasable area (m ²) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Urban Retail Properties	Tokyu Plaza Omotesando Harajuku (Note 4)	30-3 Jingu-mae 4-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	5,154.14	60,675	44,337
	Q plaza EBISU	8-12 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,024.88	11,500	8,090
	Kyoto Karasuma Parking Building	678 Motohononjicho, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficiary interests	21,616.04	10,400	8,588
	Kobe Kyu Kyoryuchi 25Bankan	25 Kyomachi, Chuo-ku, Kobe City, Hyogo	Trust beneficiary interests	19,618.98	26,200	19,668
	A-FLAG SAPPORO	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	21,229.16	7,370	5,856
	A-FLAG SHIBUYA	32-13, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	3,403.07	7,920	6,385
	Q plaza SHINSAIBASHI	1-10 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	2,820.23	14,000	13,350
	A-FLAG KOTTO DORI	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,656.53	4,780	4,373
	A-FLAG BIJUTSUKAN DORI	3-16, Minami-Aoyama 6-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,994.65	4,340	4,747
	A-FLAG DAIKANYAMA WEST	11-6, Sarugakucho, Shibuya-ku, Tokyo	Trust beneficiary interests	2,579.08	2,210	2,427
	DECKS Tokyo Beach (Note 4)	6-1, Daiba 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	16,119.47	10,976	12,883
	Q plaza HARAJUKU (Note 4)	28-6, Jingu-mae 6-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,378.49	11,800	13,283
	A-FLAG NISHI SHINSAIBASHI	2-4, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	13,680.84	15,100	14,352
	Subtotal			118,275.56	187,271	158,347
Tokyo Office Properties	TLC Ebisu Building	18-18 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,342.60	12,300	7,157
	A-PLACE Ebisu Minami	15-1 Ebisu-minami 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,950.49	16,600	9,506
	A-PLACE Yoyogi	23-15 Sendagaya 5-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,106.17	5,070	3,784
	A-PLACE Aoyama	11-3 Kita-Aoyama 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	7,303.69	11,000	8,471
	TAMACHI SQUARE (Land)	26-24 Shiba 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,287.96	2,980	2,362
	A-PLACE Ikebukuro	16-22 Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficiary interests	3,409.73	5,690	3,585
	A-PLACE Shinbashi	11-1 Shinbashi 4-chome, Minato-ku, Tokyo	Trust beneficiary interests	5,054.18	7,160	5,704
	A-PLACE Gotanda	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,028.69	8,020	5,295
	A-PLACE Shinagawa	8-40, Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,986.36	6,560	3,789
	OSAKI WIZTOWER	11-1 Osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	7,193.28	14,700	10,231
	Shiodome Building (Note 4)	2-20 Kaigan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	28,136.05	73,500	69,926
	A-PLACE Ebisu Higashi	13-11 Higashi 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,010.69	7,780	6,906
	A-PLACE Shibuya Konnoh	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,010.53	5,880	4,918
	A-PLACE Gotanda Ekimae	5-1 Nishigotanda 1-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,333.64	7,890	7,575
	A-PLACE Shinagawa Higashi	7-18 Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	14,517.11	17,900	18,702
	Ebisu Prime Square (Note 4)	1-7,39,40 Hiroo 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	18,059.66	32,600	31,044
	A-PLACE Tamachi East	2-16, Shibaura 3-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,288.88	7,250	6,996
	Meguro Tokyu Building	13-17, Kami-osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,993.70	16,300	16,337
	Q plaza Shinjuku-3chome	5-6 Shinjuku 3-chome, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,528.01	19,000	18,502
	A-PLACE Shibuya Nampedai	2-17 Nampedai-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	4,373.54	9,120	8,875
	Kasumigaseki Tokyu Building	7-1 Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	Trust beneficiary interests	12,023.76	31,200	30,808
	Subtotal			153,938.72	318,500	280,486

Property name		Location	Asset type	Total leasable area (m ²) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Activia Account Properties	Amagasaki Q's MALL (Land)	3-1 Shioe 1-chome, Amagasaki City, Hyogo (main building) 2-3 Shioe 1-chome, Amagasaki City, Hyogo (sports club)	Trust beneficiary interests	27,465.44	14,600	12,113
	icot Nakamozu	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Trust beneficiary interests	28,098.02	10,600	8,028
	icot Mizonokuchi	11-1 Mizonokuchi 6-chome, Takatsu-ku, Kawasaki City, Kanagawa	Trust beneficiary interests	14,032.05	4,600	2,730
	icot Tama Center	35 Ochiai 1-chome, Tama City, Tokyo	Trust beneficiary interests	5,181.58	4,180	2,528
	A-PLACE Kanayama	14-18 Kanayama 1-chome, Naka-ku, Nagoya City, Aichi	Trust beneficiary interests	9,314.90	8,730	5,920
	Osaka Nakanoshima Building	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	20,109.79	19,100	11,244
	icot Omori	8-2, Omorikita 1-chome, Ota-ku, Tokyo	Trust beneficiary interests	6,209.78 (注 5)	7,370	5,606
	Market Square Sagami-hara	777-2 Shimokuzawa, Chuo-ku, Sagami-hara City, Kanagawa	Trust beneficiary interests	15,152.42	5,000	4,473
	Umeda Gate Tower	1-9, Tsurunochi, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	13,513.73	22,000	18,832
	A-PLACE Bashamichi	43 Honcho 4-chome, Naka-ku, Yokohama City, Kanagawa	Trust beneficiary interests	9,710.91	5,080	4,074
	Commercial Mall Hakata	6-40, Tokojimachi 2-chome, Hakata-ku, Fukuoka city, Fukuoka	Trust beneficiary interests	9,612.88	5,780	6,237
	A-PLACE Shinsaibashi	2-3, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	15,892.28	21,900	19,947
	Subtotal			174,293.78	128,940	101,739
	Total			446,508.06	634,711	540,572

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of November 30, 2023 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 2023.

(Note 2) The appraisal of each property is commissioned to the Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sogo Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Mori Valuation & Advisory K.K.. Assessed value at end of period stands for the appraised value described in each real estate appraisal report, with November 30, 2023 taken as the point of evaluation.

(Note 3) Book value at end of period stands for the book value minus depreciation as of November 30, 2023, rounded down to the nearest ¥ million.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 49%, 60%, 35%, and 51%, respectively).

(Note 5) The calculation of total leasable area for icot Omori includes part of an external bicycle parking lot (approximately 21 m²) and part of a common area on the second floor (approximately 28 m²).

Changes in key figures in rental business

		23rd period				24th period			
		(From December 1, 2022 to May 31, 2023)				(From June 1, 2023 to November 30, 2023)			
		Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Urban Retail Properties	Tokyu Plaza Omotesando Harajuku (Note 4)	23	100.0	990	6.6	23	100.0	1,008	6.7
	Q plaza EBISU	4	100.0	271	1.8	4	100.0	244	1.6
	Kyoto Karasuma Parking Building	2	100.0	(Note 5)	(Note 5)	2	100.0	(注 5)	(注 5)
	Kobe Kyu Kyoryuchi 25Bankan	5	91.6	645	4.3	5	91.8	577	3.8
	A-FLAG SAPPORO	14	96.4	493	3.3	14	99.1	486	3.2
	A-FLAG SHIBUYA	2	100.0	219	1.5	2	100.0	225	1.5
	Q plaza SHINSAIBASHI	6	100.0	217	1.4	6	100.0	276	1.8
	A-FLAG KOTTO DORI	8	100.0	117	0.8	8	100.0	122	0.8
	A-FLAG BIJUTSUKAN DORI	4	100.0	126	0.8	4	100.0	118	0.8
	A-FLAG DAIKANYAMA WEST	1	100.0	(Note 5)	(Note 5)	1	100.0	(注 5)	(注 5)
	DECKS Tokyo Beach (Note 4)	78	97.5	562	3.7	78	98.1	595	3.9
	Tokyu Plaza Ginza (Land) (Note 4)	—	—	407	2.7	—	—	—	—
	Q plaza HARAJUKU (Note 4)	15	95.2	164	1.1	15	83.2	160	1.1
	A-FLAG NISHI SHINSAIBASHI	1	100.0	255	1.7	1	100.0	332	2.2
	Subtotal	163	97.5	—	—	163	97.7	—	—
Tokyo Office Properties	TLC Ebisu Building	13	100.0	326	2.2	13	100.0	336	2.2
	A-PLACE Ebisu Minami	8	97.1	444	2.9	8	100.0	441	2.9
	A-PLACE Yoyogi	5	100.0	140	0.9	5	100.0	136	0.9
	A-PLACE Aoyama	8	100.0	328	2.2	8	100.0	328	2.2
	Luogo Shiodome (Note 4)	7	79.1	115	0.8	—	—	—	—
	TAMACHI SQUARE (Land)	1	100.0	62	0.4	1	100.0	62	0.4
	A-PLACE Ikebukuro	1	100.0	(Note 5)	(Note 5)	1	100.0	(注 5)	(注 5)
	A-PLACE Shinbashi	13	100.0	144	1.0	13	100.0	159	1.1
	A-PLACE Gotanda	14	100.0	198	1.3	14	100.0	201	1.3
	A-PLACE Shinagawa	8	100.0	136	0.9	8	100.0	143	1.0
	OSAKI WIZTOWER	6	100.0	352	2.3	6	100.0	355	2.4
	Shiodome Building (Note 4)	45	75.2	1,025	6.8	48	96.6	1,126	7.5
	A-PLACE Ebisu Higashi	7	100.0	186	1.2	8	100.0	174	1.2
	A-PLACE Shibuya Konnoh	4	96.2	148	1.0	5	100.0	140	0.9
	A-PLACE Gotanda Ekimae	10	100.0	213	1.4	10	88.6	191	1.3
	A-PLACE Shinagawa Higashi	10	98.2	359	2.4	11	100.0	381	2.5
	Ebisu Prime Square(Note 4)	116	97.4	849	5.6	115	96.8	841	5.6
	A-PLACE Tamachi East	24	100.0	180	1.2	24	100.0	165	1.1
	Meguro Tokyu Building	9	100.0	326	2.2	9	100.0	322	2.1
	Q plaza Shinjuku-3chome	4	100.0	448	3.0	4	100.0	412	2.7
	A-PLACE Shibuya Nampoedai	11	100.0	195	1.3	11	100.0	212	1.4
	Kasumigaseki Tokyu Building	26	100.0	233	1.5	26	100.0	631	4.2
	Subtotal	350	94.6	—	—	348	98.7	—	—

		23rd period				24th period			
		(From December 1, 2022 to May 31, 2023)				(From June 1, 2023 to November 30, 2023)			
		Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Activia Account Properties	Amagasaki Q's MALL (Land)	1	100.0	359	2.4	1	100.0	360	2.4
	icot Nakamozu	2	100.0	311	2.1	2	100.0	311	2.1
	icot Mizonokuchi	1	100.0	(Note 5)	(Note 5)	1	100.0	(注 5)	(注 5)
	icot Tama Center	10	100.0	145	1.0	10	100.0	144	1.0
	A-PLACE Kanayama	21	100.0	306	2.0	20	100.0	303	2.0
	Osaka Nakanoshima Building	38	99.1	549	3.6	39	100.0	502	3.3
	icot Omori	8	100.0	233	1.5	8	100.0	233	1.5
	Market Square Sagamiara	3	100.0	(Note 5)	(Note 5)	3	100.0	(注 5)	(注 5)
	Umeda Gate Tower	20	99.2	530	3.5	21	100.0	557	3.7
	A-PLACE Bashamichi	36	94.7	193	1.3	37	100.0	191	1.3
	Commercial Mall Hakata	16	89.3	185	1.2	17	94.3	211	1.4
	A-PLACE Shinsaibashi	20	100.0	563	3.7	20	100.0	585	3.9
	Subtotal	176	98.9	—	—	179	99.7	—	—
	Total	689	97.0	15,094	100.0	690	98.8	15,082	100.0

(Note 1) The number of tenants refers to the total number of tenants for each property at the end of each fiscal period, based on each lease agreement. In the case where a master lease agreement is in place, the number of end tenants is counted. In the case of a property for which only land is acquired, the total number of tenants on the land is counted.

(Note 2) Occupancy rate refers to the percentage of leased area to leasable area for each property as of the end of each fiscal period, rounding down to the first decimal place.

(Note 3) Rental revenue includes other rental revenue.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu plaza Ginza (Land), Q plaza HARAJUKU, Luogo Shiodome, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 49%, 30%, 60%,51%, 35% and 51%, respectively). Co-ownership interests of 20% ,29% ,51% in Luogo Shiodome has been transferred as of November 30,2022 , May 31, 2023 and June 1, 2023.

(Note 5) Rental revenue and the ratio of rental revenue to total rental revenues are not disclosed, as consent from tenants has not been obtained.

(4) Details of Specified Transaction

The outstanding contract amount and fair value of specified transactions as of the end of the fiscal period under review are as follows:

		(Thousands of yen)	
Classification	Transaction	Notional contract amount (Note 1)	
		Over 1 year	Fair value (Note 2) (Note 3)
Over-the-counter	Interest rate swaps	25,140,000	19,140,000
	(Receive floating pay fixed)		
Total		25,140,000	19,140,000
			3,595

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

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

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

(5) Other Assets

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

(6) Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan.

4. Capital Expenditure for Assets under Management

(1) Scheduled Capital Expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held at the end of the 24th fiscal period as of November 30, 2023. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	450	—	9
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	425	—	9
A-FLAG SAPPORO (Sapporo, Hokkaido)	Repair of parking equipment No. 2 and No. 3	From July 2025 to November 2025	338	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Fourth period)	From December 2024 to May 2025	224	—	4
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase II	From October 2024 to May 2025	194	—	—
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From April 2024 to November 2024	192	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Installation of signage monitors on outer wall	From January 2024 to March 2024	179 (Note)	—	—
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of controls for elevators No. 1 to No. 5 Phase I	From June 2025 to November 2025	141	—	—
A-PLACE Shibuya Nampeidai (Shibuya, Tokyo)	Installation of additional air conditioning units in north building	From June 2024 to November 2024	134	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of central monitoring panel	From March 2025 to November 2025	122	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generators	From February 2024 to May 2024	111	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (3 floors)	From June 2025 to November 2025	100 (Note)	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (12th, 13th floor and 17th floor Zone E)	From June 2025 to July 2025	92	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (8th, 9th floor and 17th floor Zone B)	From May 2024 to July 2024	91	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (10th, 11th floor and 17th floor Zone C)	From January 2025 to February 2025	91	—	—
A-PLACE Aoyama (Minato, Tokyo)	Large-scale repair work	From January 2025 to May 2025	90	—	—
A-PLACE Yoyogi (Shibuya, Tokyo)	Large-scale repair work	From January 2025 to May 2025	74	—	—

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From February 2024 to May 2025	67 (Note)	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2024 to November 2024	65 (Note)	—	—
A-PLACE Aoyama (Minato, Tokyo)	Renewal of elevator controls	From October 2024 to May 2025	65	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From February 2024 to May 2024	64 (Note)	—	—
Shiodome Building (Minato, Tokyo)	Replacement of central monitoring equipment Phase I	From May 2024 to March 2025	63 (Note)	—	—
A-PLACE Tamachi East (Minato, Tokyo)	Renewal of entrance hall and elevator hall	From June 2025 to November 2025	60	—	—
A-PLACE Ebisu Higashi (Shibuya, Tokyo)	Renewal of elevator controls	From June 2025 to November 2025	53	—	—
A-PLACE Kanayama (Nagoya, Aichi)	Installation of LED lighting in common areas	From May 2024 to May 2024	42	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Renewal of FCU	From December 2023 to May 2024	38 (Note)	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Installation of LED lighting in private areas (3 floors)	From April 2024 to May 2024	35	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting Phase VII	From October 2023 to February 2024	30 (Note)	—	—
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Renovation of toilets and kitchenettes on 5F, 6F, 7F and 9F	From September 2023 to May 2024	30	—	—

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

(2) Capital Expenditure during the Period

For assets held by the Investment Corporation at the end of the 24th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2023 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2023 amounted to ¥1,813 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2023 came to ¥527 million. On aggregate, construction work of ¥2,340 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renovation of main building/new building	From March 2023 to November 2023	447
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (First period)	From November 2022 to November 2023	326
icot Mizonokuchi (Kawasaki, Kanagawa)	Large-scale repair work	From June 2023 to October 2023	177
A-PLACE Tamachi East (Minato, Tokyo)	Replacement of air conditioning	From February 2023 to November 2023	142
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning units (second half of 2023) (2 floors)	From August 2023 to November 2023	62 (Note)
A-PLACE Bashamichi (Yokohama, Kanagawa)	Installation of LED lighting in private and common areas	From September 2023 to November 2023	39
A-PLACE Shinagawa (Minato, Tokyo)	Replacement of elevators	From October 2023 to November 2023	32
Osaka Nakanoshima Building (Osaka, Osaka)	OA floor replacement on 5F and 6F	From May 2023 to June 2023	31
Other			551
Total			1,813

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

(3) Money Accumulated for Long-Term Repair Plan

Not applicable

5. Expenses and Liabilities

(1) Details of Expenses Related to Asset Management, etc.

Item	(Thousands of yen)	
	23rd period (From December 1, 2022 to May 31, 2023)	24th period (From June 1, 2023 to November 30, 2023)
(a) Asset management fees (Note)	1,211,643	1,197,952
(b) Asset custody fees	16,223	15,937
(c) Administrative service fees	40,499	41,618
(d) Directors’ compensation	3,300	3,750
(e) Other operating expenses	187,612	137,313
Total	1,459,278	1,396,571

(Note) Asset management fees contain acquisition fees that were included in the book value of acquired properties (23rd fiscal period:¥224,500 thousand). Asset management fees that were deducted from the gain on sale of disposed properties (23rd fiscal period:¥13,210 thousand 24th fiscal period:¥23,230 thousand)

(2) Borrowings

(Unit: Thousands of yen)

Category		Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	—	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		625,000	—	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	—	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,500,000	—				
	Mizuho Bank, Ltd.		1,250,000	—				
	Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	600,000	—	0.17544%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		600,000	—				
	MUFG Bank, Ltd.		300,000	—				
	Taiyo Life Insurance Company	March 31, 2017	500,000	—	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited		500,000	—				
	Resona Bank, Limited.	March 31, 2020	1,500,000	—	0.16125%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	—	0.20125%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed

Category		Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 12, 2016	1,400,000	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,400,000	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,400,000	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		700,000	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	1,420,000	0.34459%	January 12, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	1,420,000				
	MUFG Bank, Ltd.		720,000	720,000				
	Sumitomo Mitsui Banking Corporation		720,000	720,000				
	Development Bank of Japan Inc.	March 31, 2017	720,000	720,000	0.41380%	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co., LTD.		2,000,000	2,000,000				
	Resona Bank, Limited.		1,500,000	1,500,000				
	The Bank of Fukuoka, Ltd.		1,000,000	1,000,000				
	Shinkin Central Bank		500,000	500,000				
	The Norinchukin Bank		500,000	500,000				
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2015	1,200,000	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,200,000	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,200,000	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,200,000	1,200,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		600,000	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.	June 13, 2016	600,000	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	1,500,000	0.33150% (Note 5)	June 17, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2016	1,500,000	1,500,000	0.36900% (Note 5)	December 13, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	1,200,000	1,200,000	0.54094%	March 21, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,400,000	2,400,000				
	Mizuho Bank, Ltd.		1,200,000	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	600,000				
	Development Bank of Japan Inc.	March 30, 2023	600,000	600,000	0.19046%	March 30, 2025	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,560,000	1,560,000				
	Mizuho Bank, Ltd.		1,560,000	1,560,000				
	MUFG Bank, Ltd.	March 31, 2021	1,560,000	1,560,000	0.25000%	March 31, 2025	(Note 4)	Unsecured, non-guaranteed
	Nippon Life Insurance Company		500,000	500,000				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2023	—	1,400	0.18492%	June 15, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,400				
	MUFG Bank, Ltd.		—	1,400				
	Sumitomo Mitsui Trust Bank, Limited	September 11, 2023	—	600	0.18742%	September 11, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	600				
	MUFG Bank, Ltd.		—	300				

	Category		Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender								
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	March 16, 2017	1,800,000	1,800,000	0.70169%	September 16, 2025	(Note 3)	Unsecured, non-guaranteed	
	MUFG Bank, Ltd.		3,600,000	3,600,000					
	Mizuho Bank, Ltd.		1,800,000	1,800,000					
	Sumitomo Mitsui Banking Corporation		900,000	900,000					
	Development Bank of Japan Inc.		900,000	900,000					
	Mizuho Trust & Banking Co.,LTD.	March 16, 2018	440,000	440,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed	
	Resona Bank, Limited.		440,000	440,000					
	The Bank of Fukuoka, Ltd.		440,000	440,000					
	Shinkin Central Bank		440,000	440,000					
	The Norinchukin Bank		440,000	440,000					
	THE NISHI-NIPPON CITY BANK, LTD.	March 30, 2018	500,000	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed	
	The Bank of Kyoto,Ltd.		300,000	300,000					
	Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
	Mizuho Bank, Ltd.		500,000	500,000					
	MUFG Bank, Ltd.		500,000	500,000					
	Sumitomo Mitsui Banking Corporation	August 29, 2019	250,000	250,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed	
	Development Bank of Japan Inc.		250,000	250,000					
	Mizuho Trust & Banking Co.,LTD.	September 21, 2016	1,500,000	1,500,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed	
	Shinkin Central Bank		1,500,000	1,500,000					
	Sumitomo Mitsui Trust Bank, Limited		2,100,000	2,100,000					
	MUFG Bank, Ltd.		4,200,000	4,200,000					
	Mizuho Bank, Ltd.		2,100,000	2,100,000					
	Sumitomo Mitsui Banking Corporation	March 30, 2023	1,050,000	1,050,000	0.20046%	March 30, 2026	(Note 4)	Unsecured, non-guaranteed	
	Development Bank of Japan Inc.		1,050,000	1,050,000					
	Sumitomo Mitsui Trust Bank, Limited		750,000	750,000					
	Mizuho Bank, Ltd.		750,000	750,000					
	MUFG Bank, Ltd.		750,000	750,000					
	Sumitomo Mitsui Trust Bank, Limited	December 13, 2016	1,070,000	1,070,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed	
	Sumitomo Mitsui Banking Corporation		6,000,000	6,000,000					
	Mizuho Trust & Banking Co.,LTD.		1,100,000	1,100,000					
	Resona Bank, Limited.		1,100,000	1,100,000					
	The Bank of Fukuoka, Ltd.		1,100,000	1,100,000					
	The Norinchukin Bank	March 7, 2019	1,100,000	1,100,000	0.35765%	September 7,2026	(Note 4)	Unsecured, non-guaranteed	
	The 77 Bank, Ltd.		600,000	600,000					
	Sumitomo Mitsui Trust Bank, Limited		1,750,000	1,750,000					
	MUFG Bank, Ltd.		3,500,000	3,500,000					
	Mizuho Bank, Ltd.		1,750,000	1,750,000					
	Mizuho Trust & Banking Co.,LTD.	June 13, 2017	1,200,000	1,200,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed	
	The Norinchukin Bank		1,200,000	1,200,000					

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2018	780,000	780,000	0.70698%	January 9, 2027	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,560,000	1,560,000				
	Mizuho Bank, Ltd.		780,000	780,000				
	Sumitomo Mitsui Banking Corporation		390,000	390,000				
	Development Bank of Japan Inc.		390,000	390,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		950,000	950,000				
	MUFG Bank, Ltd.		950,000	950,000				
	Sumitomo Mitsui Banking Corporation		475,000	475,000				
	Development Bank of Japan Inc.		475,000	475,000				
	Resona Bank, Limited.	September 29, 2023	—	1,500	0.17710%	March 29, 2027	(Note 4)	Unsecured, non-guaranteed
	Yamagata Bank,Ltd.		—	500				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2022	400,000	400,000	0.43309%	March 31, 2027	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	2,200,000	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,200,000	2,200,000				
	MUFG Bank, Ltd.		2,200,000	2,200,000				
	Sumitomo Mitsui Banking Corporation		200,000	200,000				
	Development Bank of Japan Inc.		200,000	200,000				
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	640,000				
	Mizuho Bank, Ltd.		320,000	320,000				
	Sumitomo Mitsui Banking Corporation		160,000	160,000				
	Development Bank of Japan Inc.		160,000	160,000				
	Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	1,000,000				
	MUFG Bank, Ltd.		1,000,000	1,000,000				
	Sumitomo Mitsui Banking Corporation	April 19, 2019	500,000	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		500,000	500,000				
	The Bank of Fukuoka, Ltd.		500,000	500,000				
	The Norinchukin Bank	March 31, 2020	500,000	500,000	0.28500%	September 30,2027	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,210,000	3,210,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		3,210,000	3,210,000				
	MUFG Bank, Ltd.		1,610,000	1,610,000				
	Sumitomo Mitsui Banking Corporation		1,610,000	1,610,000				
	Development Bank of Japan Inc.	January 10, 2019	1,610,000	1,610,000	0.65264%	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,165,000	1,165,000				
	MUFG Bank, Ltd.		590,000	590,000				
	Sumitomo Mitsui Banking Corporation		590,000	590,000				
	Development Bank of Japan Inc.		590,000	590,000				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2022	1,870,000	1,870,000	0.60750%	June 15, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,870,000	1,870,000				
	MUFG Bank, Ltd.		1,870,000	1,870,000				
	Sumitomo Mitsui Trust Bank, Limited	July 9, 2019	420,000	420,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		420,000	420,000				
	MUFG Bank, Ltd.		420,000	420,000				
	Sumitomo Mitsui Banking Corporation		220,000	220,000				
	Development Bank of Japan Inc.		220,000	220,000				

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note 2)	Mizuho Trust & Banking Co.,LTD.	January 12, 2021	1,500,000	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.		1,500,000	1,500,000				
	The 77 Bank, Ltd.		1,000,000	1,000,000				
	THE NISHI-NIPPON CITY BANK, LTD.		1,000,000	1,000,000				
	Development Bank of Japan Inc.	June 13, 2019	6,000,000	6,000,000	0.56511%	December 13,2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Trust & Banking Co.,LTD.	March 31, 2022	2,000,000	2,000,000	0.56934%	March 31,2029	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		500,000	500,000				
	The 77 Bank, Ltd.		400,000	400,000				
	Sumitomo Mitsui Trust Bank, Limited	April 6,2023	1,000,000	1,000,000	0.74000%	April 6,2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	1,000,000				
	MUFG Bank, Ltd.		1,000,000	1,000,000				
	Development Bank of Japan Inc.		1,000,000	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	1,200,000	1,200,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,200,000	1,200,000				
	MUFG Bank, Ltd.		600,000	600,000				
	Sumitomo Mitsui Banking Corporation		600,000	600,000				
	Development Bank of Japan Inc.	September 10, 2021	600,000	600,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,400,000	1,400,000				
	Mizuho Bank, Ltd.		1,400,000	1,400,000				
	MUFG Bank, Ltd.		700,000	700,000				
	Sumitomo Mitsui Banking Corporation	December 21,2020	700,000	700,000	0.45403%	December 21,2029	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	700,000				
	Sumitomo Mitsui Trust Bank, Limited		1,320,000	1,320,000				
	Mizuho Bank, Ltd.		1,320,000	1,320,000				
	MUFG Bank, Ltd.	January 11, 2022	1,320,000	1,320,000	0.49750%	January 11,2030	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		670,000	670,000				
	Development Bank of Japan Inc.		670,000	670,000				
	Sumitomo Mitsui Trust Bank, Limited		400,000	400,000				
	Mizuho Bank, Ltd.	January 12, 2021	400,000	400,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		400,000	400,000				
	Sumitomo Mitsui Banking Corporation		845,000	845,000				
	Development Bank of Japan Inc.		845,000	845,000				
	Taiyo Life Insurance Company	September 29, 2023	—	500,000	0.88777%	March 29, 2030	(Note 4)	Unsecured, non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited		—	500,000				
	Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	2,720,000	2,720,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,720,000	2,720,000				
	MUFG Bank, Ltd.		1,370,000	1,370,000				
	Sumitomo Mitsui Banking Corporation		1,370,000	1,370,000				
	Development Bank of Japan Inc.	September 10, 2021	1,370,000	1,370,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,400,000	1,400,000				
	Mizuho Bank, Ltd.		1,400,000	1,400,000				
	MUFG Bank, Ltd.		700,000	700,000				
	Sumitomo Mitsui Banking Corporation	January 10, 2023	700,000	700,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	700,000				
	Sumitomo Mitsui Trust Bank, Limited		620,000	620,000				
	Mizuho Bank, Ltd.		620,000	620,000				
	MUFG Bank, Ltd.		620,000	620,000				
	Sumitomo Mitsui Banking Corporation		320,000	320,000				
	Development Bank of Japan Inc.		320,000	320,000				

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender							
Long-term loans (Note2)	Sumitomo Mitsui Trust Bank, Limited	January 11, 2022	2,470,000	2,470,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,470,000	2,470,000				
	MUFG Bank, Ltd.		1,770,000	1,770,000				
	Sumitomo Mitsui Banking Corporation		1,245,000	1,245,000				
	Development Bank of Japan Inc.	June 15, 2022	1,245,000	1,245,000	0.86750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,810,000	1,810,000				
	Mizuho Bank, Ltd.		1,810,000	1,810,000				
	MUFG Bank, Ltd.		1,810,000	1,810,000				
	Sumitomo Mitsui Banking Corporation	June 15, 2023	480,000	480,000	0.89750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		480,000	480,000				
	Sumitomo Mitsui Trust Bank, Limited		—	2,040,000				
	Mizuho Bank, Ltd.		—	2,040,000				
	MUFG Bank, Ltd.	January 13, 2023	—	2,040,000	1.32250%	January 13, 2032	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		—	1,000,000				
	Sumitomo Mitsui Banking Corporation		—	930,000				
	Sumitomo Mitsui Trust Bank, Limited		1,580,000	1,580,000				
	Mizuho Bank, Ltd.		1,580,000	1,580,000				
	MUFG Bank, Ltd.		780,000	780,000				
	Sumitomo Mitsui Banking Corporation		780,000	780,000				
	Development Bank of Japan Inc.		780,000	780,000				
	Total		238,150,000	238,150,000				

(Note 1) Weighted average rate, rounding to the sixth decimal place.
(Note 2) Long-term loans include current portion.
(Note 3) Use of the borrowings is acquisition of the real estate trust beneficiary interests.
(Note 4) Use of the borrowings is appropriated to repayment of outstanding loans payable.
(Note 5) This long-term loans is hedged by interest rate swap contract. The average interest rate reflects the effectiveness of this hedging instrument.
(Note 6) The role of Mitsubishi UFJ Trust and Banking Corporation as a lender has been taken over by MUFG Bank, Ltd. on April 16, 2018.
(Note 7) Use of the borrowings is appropriated to redemption of investment corporation bonds.

Investment Corporation Bonds							
Issue	Issue Date	Beginning balance	Ending balance	Interest Rate	Redemption Date	Use of funds	Remarks
3rd unsecured bonds (with pari passu conditions among specified investment corporation bonds)	April 21, 2015	2,000,000	2,000,000	0.726%	April 21, 2025	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
4th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 3, 2016	2,000,000	2,000,000	0.770%	February 3, 2026	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
6th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	1,000,000	0.480%	February 2, 2027	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
7th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	1,000,000	0.810%	February 2, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
9th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	1,000,000	1.050%	February 12, 2038	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
10th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	July 9, 2019	5,000,000	5,000,000	0.220%	July 9, 2024	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
11th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 18, 2019	4,000,000	4,000,000	0.530%	November 16, 2029	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
12th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	October 21, 2020	4,500,000	4,500,000	0.510%	October 21, 2030	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
13th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 9, 2021	1,300,000	1,300,000	0.750%	February 8, 2036	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
14th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 16, 2021	3,900,000	3,900,000	0.400%	November 14, 2031	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
15th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	December 19, 2022	2,000,000	2,000,000	0.820%	December 17, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
Total	—	27,700,000	27,700,000	—	—	—	—

(Note) The Investment Corporation may repurchase and cancel bonds at any time after the date of payment unless otherwise specified by the Japan Securities Depository Center, Inc.

(3) Short-Term Investment Corporation Bonds

Not applicable

(4) Subscription Rights for New Investment Units

Not applicable

6. Buying and Selling during the Period

(1) Buying and Selling, etc., of Real Estate and Asset-Backed Securities, etc., Infrastructure Assets, etc. and Infrastructure-Related Assets

Category	Asset type	Property name	Acquisition		Disposal			
			Acquisition date	Acquisition price (millions of yen)	Disposal date (Note1)	Disposal amount (millions of yen)	Book value (millions of yen)	Gain (loss) on disposal (millions of yen)
Tokyo Office Properties	Trust beneficiary interests	Luogo Shiodome (Note 2) (Note 3)	—	—	June 1,2023	4,646	2,220	2,261
Total			—	—	—	4,646	2,220	2,261

(Note1) The acquisition and disposal amount represent the trading value of trust beneficiary rights stipulated in beneficiary right sale agreement for the asset (excluding consumption tax, local consumption tax, and expenses such as trading commissions).

(Note2) The disposition amount of Luogo Shiodome represents figure equivalent to the percentage of the Investment Corporation’s co-ownership interest (51%).

(Note3) Regarding the disposal of Luogo Shiodome, in addition to the above, there were “Other disposal expenses” of ¥164 million and the gain (loss) on disposal reflects such expenses.

(2) Buying and Selling, etc. of Other Assets

Not applicable. In addition, the Investment Corporation’s assets other than the above-mentioned real estate and asset-backed securities are mostly comprised of direct bank deposits and bank deposits in trust.

(3) Survey of Prices, etc. of Specified Assets

1) Real Estate

Acquisition / Disposal	Property name	Date of acquisition / disposal	Acquisition / Disposal amount (millions of yen) (Note 1)	Appraisal value (millions of yen)	Name of appraiser	Date of appraisal
Disposal	Luogo Shiodome (Note 2)	June 1, 2023	4,646	3,238	DAIWA REAL ESTATE APPRAISAL CO.,LTD	November 30, 2021

(Note 1) The acquisition and disposal amount represent the trading value of trust beneficiary rights stipulated in beneficiary right sale agreement for the asset (excluding consumption tax, local consumption tax, and expenses such as trading commissions).

(Note 2) The disposition amount of Luogo Shiodome represents figure equivalent to the percentage of the Investment Corporation’s co-ownership interest (51%).

(Note 3) The appraisal of the above-mentioned real estate was conducted by applying “Real Estate Appraisal Standard Section 3: Appraisals Regarding Prices of Real Estate for Securitization.”

2) Others

Not applicable

(4) Transactions between Interested Parties

Commissions Paid

Category	Total amount (A) (thousands of yen)	Breakdown of transactions with interested parties		(B) / (A) (%)
		Paid to	Amount (B) (thousands of yen)	
Property management fee	487,494	Tokyu Community Corp.	219,391	45.0
		Tokyu Land SC Management Corporation	164,406	33.7
		Tokyu Land Corporation	71,988	14.8
		Tokyu Housing Leace Corporation	4,076	0.8
Building management fee	774,499	Tokyu Community Corp.	683,701	88.3
Construction management fee	18,663	Tokyu Community Corp.	14,259	76.4
		Tokyu Land SC Management Corporation	3,603	19.3
Other management operation expenses	106,339	Tokyu Community Corp.	8,850	8.3
Brokerage fee	139,380	TOKYU LIVABLE INC	139,380	100.0
Other lease business expenses	386,551	Tokyu Community Corp.	120,464	31.2
		Tokyu Architects & Engineers INC	5,000	1.3
		Tokyu Land SC Management Corporation	521	0.1

(Note 1) The term “Interested parties” refers to interested parties of Asset Management Companies as stipulated by Article 201, Paragraph 1 of the Investment Trust Act, Article 123 of the Enforcement Ordinances of the Act on Investment Trust and Investment Corporation and Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations, issued by The Investment Trusts Association.

(Note 2) Other than commission paid as referred to above, construction works ordered to interested parties are as follows:

Tokyu Community Corp.	¥152,276 thousand
Tokyu Land SC Management Corporation	¥29,926 thousand
Tokyu Re・design Corporation	¥5,231 thousand
Tokyu Land Corporation	¥888 thousand

(5) Transactions between the Asset Manager in Other Businesses of the Asset Manager

No relevant matter exists under this subject as the asset manager (TLC REIT Management Inc.) does not engage in any other business such as the first- or second-type financial instruments businesses under the Financial Instruments and Exchange Act, the building lots and buildings transaction business, or the real estate joint enterprise.

7. Accounting Status

(1) Assets, Liabilities, Principal, and Profit and Loss

Please refer to “II. Balance Sheets,” “III. Statements of Operations,” “IV. Statements of Changes in Unitholders’ Equity,” “V. Statements of Cash Distributions” and “VII. Notes to Financial Statements.”

(2) Changes in the Calculation Method of Depreciation Expenses

Not applicable

(3) Changes in the Evaluation Method of Real Estate, etc. and Infrastructure Assets, etc.

Not applicable

8. Other

(1) Beneficiary Certificates of Investment Trusts, etc. Set Up by the Company

Not applicable

(2) Announcements

Here is an outline of major agreement that the Board of Directors of the Investment Corporation approved to conclude and modify for the fiscal period under review.

Date of approval	Item	Summary
September 26, 2023	Comprehensive approval of issuance of investment corporation bonds and appointment of administrators	The Board of Directors of the Investment Corporation made a comprehensive resolution regarding the issuance of investment corporation bonds (total amount: ¥50 billion or less; issuance period: October 4, 2023 to October 3, 2024); approved the appointment of candidate companies for the entrustment of affairs and administrative works, such as issuing agent, financial agent, and paying agent regarding the placing of investment corporation bonds; and entrusted the decision of other necessary matters to the Executive Director.

(3) Status of Companies Owning Real Estate Overseas

Not applicable

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

Not applicable

(5) Other

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

Financial Statements

II .Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	17,150,438	21,367,770
Cash and deposits in trust	4,200,316	4,180,602
Operating accounts receivable	993,424	889,327
Prepaid expenses	633,114	399,062
Income taxes refund receivable	14	14
Consumption taxes refund receivable	303,074	—
Other	33,305	10,432
Total current assets	23,313,687	26,847,210
Non-current assets		
Property, plant and equipment		
Buildings in trust	94,557,011	95,174,518
Accumulated depreciation	(20,766,367)	(21,888,573)
Buildings in trust, net	73,790,644	73,285,945
Structures in trust	826,479	822,734
Accumulated depreciation	(319,842)	(340,171)
Structures in trust, net	506,637	482,562
Machinery and equipment in trust	1,614,169	1,605,181
Accumulated depreciation	(595,184)	(615,920)
Machinery and equipment in trust, net	1,018,985	989,261
Tools, furniture and fixtures in trust	374,756	408,858
Accumulated depreciation	(228,818)	(245,402)
Tools, furniture and fixtures in trust, net	145,938	163,455
Land in trust	457,941,557	456,559,716
Construction in progress in trust	58,978	35,815
Total property, plant and equipment	533,462,741	531,516,756
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	5,396	4,715
Total intangible assets	9,060,482	9,059,801
Investments and other assets		
Long-term prepaid expenses	1,184,546	1,352,461
Derivatives	4,033	3,595
Other	39,222	39,222
Total investments and other assets	1,227,801	1,395,278
Total non-current assets	543,751,026	541,971,836
Deferred assets		
Investment corporation bond issuance costs	113,181	103,077
Total deferred assets	113,181	103,077
Total assets	567,177,894	568,922,124

(Unit: Thousands of yen)

	As of May 31, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Operating accounts payable	1,291,250	2,348,159
Current portion of investment corporation bonds	—	5,000,000
Current portion of long-term borrowings	34,250,000	29,500,000
Accounts payable - other	183,435	103,368
Accrued expenses	1,077,749	1,021,588
Income taxes payable	605	605
Accrued consumption taxes	—	678,875
Advances received	394,999	369,333
Deposits received	49,941	1,351
Other	19,336	—
Total current liabilities	37,267,318	39,023,282
Non-current liabilities		
Investment corporation bonds	27,700,000	22,700,000
Long-term borrowings	203,900,000	208,650,000
Leasehold and guarantee deposits received in trust	24,154,932	23,745,222
Other	177	145
Total non-current liabilities	255,755,110	255,095,368
Total liabilities	293,022,428	294,118,651
Net assets		
Unitholders' equity		
Unitholders' capital	270,963,556	270,963,556
Deduction from unitholders' capital		
Other deduction from unitholders' capital	*3 (5,999,640)	*3 (5,999,640)
Total deduction from unitholders' capital	(5,999,640)	(5,999,640)
Unitholders' capital, net	264,963,916	264,963,916
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	—	841,591
Total voluntary retained earnings	—	841,591
Unappropriated retained earnings (undisposed loss)	9,187,516	8,994,370
Total surplus	9,187,516	9,835,961
Total unitholders' equity	274,151,432	274,799,878
Valuation and translation adjustments		
Deferred gains or losses on hedges	4,033	3,595
Total valuation and translation adjustments	4,033	3,595
Total net assets	*2 274,155,466	*2 274,803,473
Total liabilities and net assets	567,177,894	568,922,124

III. Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2022 to May 31, 2023)		Current fiscal period (From June 1, 2023 to November 30, 2023)	
Operating revenue				
Leasing business revenue	*1, *3	13,969,224	*1, *3	13,951,092
Other leasing business revenue	*1, *3	1,124,851	*1, *3	1,131,553
Gain on sale of real estate properties	*2	2,388,827	*2	2,261,356
Total operating revenue		17,482,902		17,344,002
Operating expenses				
Expenses related to leasing business	*1	6,197,119	*1	6,359,060
Asset management fees		1,211,643		1,197,952
Asset custody fees		16,223		15,937
Administrative service fees		40,499		41,618
Remuneration for directors (and other officers)		3,300		3,750
Other operating expenses		187,612		137,313
Total operating expenses		7,656,398		7,755,631
Operating profit		9,826,504		9,588,370
Non-operating income				
Interest income		94		96
Reversal of distributions payable		646		655
Interest on tax refund		—		649
Insurance claim income		729		155
Other		—		33
Total non-operating income		1,469		1,589
Non-operating expenses				
Interest expenses		668,933		668,627
Interest expenses on investment corporation bonds		73,997		75,261
Amortization of investment corporation bond issuance costs		10,103		10,103
Financing fees		213,596		212,802
Other		2,024		586
Total non-operating expenses		968,656		967,380
Ordinary profit		8,859,317		8,622,579
Profit before income taxes		8,859,317		8,622,579
Income taxes - current		605		605
Income taxes - deferred		15,287		—
Total income taxes		15,892		605
Profit		8,843,424		8,621,974
Retained earnings brought forward		344,091		372,395
Unappropriated retained earnings (undisposed loss)		9,187,516		8,994,370

IV. Statement of Unitholders' Equity

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

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital				Surplus	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Voluntary retained earnings	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Reserve for tax purpose reduction entry	Total voluntary retained earnings
Balance at beginning of period	270,963,556	(3,999,657)	(3,999,657)	266,963,899	—	—
Changes during period						
Dividends of surplus						
Profit						
Purchase of treasury investment units						
Cancellation of treasury investment units		(1,999,983)	(1,999,983)	(1,999,983)		
Net changes in items other than unitholders' equity						
Total changes during period	—	(1,999,983)	(1,999,983)	(1,999,983)	—	—
Balance at end of period	*1 270,963,556	(5,999,640)	(5,999,640)	264,963,916	—	—

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Surplus		Treasury investment units	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	7,900,936	7,900,936	—	274,864,836	41,581	41,581	274,906,417
Changes during period							
Dividends of surplus	(7,556,845)	(7,556,845)		(7,556,845)			(7,556,845)
Profit	8,843,424	8,843,424		8,843,424			8,843,424
Purchase of treasury investment units			(1,999,983)	(1,999,983)			(1,999,983)
Cancellation of treasury investment units			1,999,983	—			—
Net changes in items other than unitholders' equity					(37,548)	(37,548)	(37,548)
Total changes during period	1,286,579	1,286,579	—	(713,403)	(37,548)	(37,548)	(750,951)
Balance at end of period	9,187,516	9,187,516	—	274,151,432	4,033	4,033	274,155,466

Current fiscal period (From June 1, 2023 to November 30, 2023)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital				Surplus	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Voluntary retained earnings	
		Other deduction from unitholders' capital	Total deduction from unitholders' capital		Reserve for tax purpose reduction entry	Total voluntary retained earnings
Balance at beginning of period	270,963,556	(5,999,640)	(5,999,640)	264,963,916	—	—
Changes during period						
Provision of reserve for tax purpose reduction entry					841,591	841,591
Dividends of surplus						
Profit						
Net changes in items other than unitholders' equity						
Total changes during period	—	—	—	—	841,591	841,591
Balance at end of period	^{*1} 270,963,556	(5,999,640)	(5,999,640)	264,963,916	841,591	841,591

(Unit: Thousands of yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Surplus		Treasury investment units	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	9,187,516	9,187,516	—	274,151,432	4,033	4,033	274,155,466
Changes during period							
Provision of reserve for tax purpose reduction entry	(841,591)						
Dividends of surplus	(7,973,529)	(7,973,529)		(7,973,529)			(7,973,529)
Profit	8,621,974	8,621,974		8,621,974			8,621,974
Net changes in items other than unitholders' equity					(438)	(438)	(438)
Total changes during period	(193,146)	648,445	—	648,445	(438)	(438)	648,007
Balance at end of period	8,994,370	9,835,961	—	274,799,878	3,595	3,595	274,803,473

V. Statement of Cash Distributions

	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
	Amount	Amount
I Unappropriated retained earnings	¥9,187,516,573	¥8,994,370,170
II Distributions	¥7,973,529,250	¥7,760,363,506
[Cash distributions per unit]	[¥9,875]	[¥9,611]
Of which, distributions of profits	¥7,973,529,250	¥7,760,363,506
[Of which, distributions of profits per unit]	[¥9,875]	[¥9,611]
III Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	¥841,591,668	¥862,366,009
IV Earnings carried forward	¥372,395,655	¥371,640,655

Calculation method for distributions	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the decision has been made to pay distributions of profit of ¥7,973,529,250, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation.	Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, the decision has been made to pay distributions of profit of ¥7,760,363,506, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions, and provision of reserve for tax purpose reduction entry as stipulated in Article 65-7 of the Act on Special Measures Concerning Taxation.
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VI. Statement of Cash Flows

	(Unit: Thousands of yen)	
	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Cash flows from operating activities		
Profit before income taxes	8,859,317	8,622,579
Depreciation	1,454,609	1,486,808
Loss on retirement of non-current assets	18,726	29,108
Amortization of investment corporation bond issuance costs	10,103	10,103
Interest income and interest on securities	(94)	(96)
Interest expenses	742,931	743,888
Financing fees	213,596	212,802
Decrease (increase) in operating accounts receivable	(18,292)	104,096
Decrease (increase) in consumption taxes refund receivable	(303,074)	303,074
Increase (decrease) in accrued consumption taxes	(367,653)	678,875
Decrease (increase) in prepaid expenses	(234,167)	229,832
Decrease in property, plant and equipment in trust due to sale	39,157,799	2,220,530
Increase (decrease) in operating accounts payable	(37,392)	255,091
Increase (decrease) in accounts payable - other	8,946	(18,967)
Increase (decrease) in accrued expenses	55,074	(38,896)
Increase (decrease) in advances received	(55,262)	(25,665)
Decrease (increase) in long-term prepaid expenses	4,622	(216,446)
Other, net	48,502	(45,741)
Subtotal	49,558,292	14,550,979
Interest received	94	96
Interest paid	(706,536)	(753,240)
Income taxes paid	(168,119)	(605)
Net cash provided by (used in) operating activities	48,683,730	13,797,230
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(46,808,998)	(1,065,134)
Refund of leasehold and guarantee deposits received in trust	(1,129,870)	(1,079,420)
Proceeds from leasehold and guarantee deposits received in trust	2,668,503	669,711
Other, net	(900)	—
Net cash provided by (used in) investing activities	(45,271,265)	(1,474,843)
Cash flows from financing activities		
Proceeds from short-term borrowings	29,298,425	—
Repayments of short-term borrowings	(30,299,000)	—
Proceeds from long-term borrowings	19,846,439	16,633,660
Repayments of long-term borrowings	(15,500,000)	(16,750,000)
Proceeds from issuance of investment corporation bonds	1,985,315	—
Purchase of treasury investment units	(1,999,983)	—
Distributions paid	(7,555,761)	(7,972,021)
Other, net	(22,883)	(36,407)
Net cash provided by (used in) financing activities	(4,247,448)	(8,124,768)
Net increase (decrease) in cash and cash equivalents	(834,983)	4,197,618
Cash and cash equivalents at beginning of period	22,185,738	21,350,754
Cash and cash equivalents at end of period	*1 21,350,754	*1 25,548,373

VII. Notes to Financial Statements

Notes on Assumption of Going Concern

Not applicable.

Notes on Important Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is used. The useful lives of major property, plant and equipment are listed below.</p> <table> <tr> <td>Buildings</td><td>2 to 70 years</td></tr> <tr> <td>Structures</td><td>2 to 66 years</td></tr> <tr> <td>Machinery and equipment</td><td>2 to 39 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr> </table> <p>(2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 70 years	Structures	2 to 66 years	Machinery and equipment	2 to 39 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 66 years								
Machinery and equipment	2 to 39 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>(1) Accounting for income Details of major performance obligations and typical timing of satisfying the performance obligations (timing when revenue is recognized) with regard to the Investment Corporation's revenue from contracts with customers are as follows.</p> <p>i) Sale of real estate properties For sale of real estate properties, revenue is recorded at the time when the buyer, a customer, obtains control of the real estate property, etc., by fulfilling the delivery obligation set forth in the agreement for the sale of the real estate property.</p> <p>ii) Utilities income For utilities income, revenue is recorded according to supply of electricity, water, etc. to the tenant, a customer, based on the contract for lease of the real estate property, etc. and any accompanying agreement. Of utilities income, for such income for which the Investment Corporation is considered to be an agent, the net amount of the amount received as charges for electricity, gas, etc. supplied by other parties less the amount paid to the other parties is recognized as revenue.</p> <p>(2) Property-related taxes For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business. The settlement money for property tax that is paid to the disposing entity for acquisition of real properties (so-called "amount equivalent to property tax") is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.</p>								

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

Notes to Balance Sheet

1. Commitment Line Contracts

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

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

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

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

*3. Status of Cancellation of Treasury Investment Units

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

Notes to Statement of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From December 1, 2022 to May 31, 2023)		Current fiscal period (From June 1, 2023 to November 30, 2023)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,908,174		12,886,699	
Common service fees	622,745		630,998	
Parking lot fees	315,903		308,873	
Other rent revenue	122,401	13,969,224	124,521	13,951,092
Other leasing business revenue		1,124,851		1,131,553
Total real estate leasing business revenues		15,094,075		15,082,646
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,280,651		1,386,996	
Utilities expenses	1,230,523		1,179,463	
Tax and public dues	1,481,717		1,349,131	
Insurance	13,685		13,950	
Repair and maintenance expenses	376,234		527,601	
Depreciation	1,454,058		1,486,258	
Loss on retirement of non-current assets	18,726		29,108	
Other expenses related to leasing business	341,522	6,197,119	386,551	6,359,060
Total real estate leasing business expenses		6,197,119		6,359,060
C. Profit (loss) from real estate leasing business (A – B)		8,896,955		8,723,585

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

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

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

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

Current fiscal period (From June 1, 2023 to November 30, 2023)

(Unit: Thousands of yen)	
Luogo Shiodome (51% co-ownership interest)	
Income from sale of real estate properties	4,646,000
Costs of sale of real estate properties	2,220,530
Other costs of sale	164,113
Gain on sale of real estate properties	2,261,356

*3. Transactions with Major Unitholders

(Unit: Thousands of yen)		
	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Operating transactions		
Operating revenue	2,035,968	2,385,026

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
*1. Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued	807,446 units	807,446 units

Notes to Statement of Cash Flows

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

	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Cash and deposits	¥17,150,438 thousand	¥21,367,770 thousand
Cash and deposits in trust	¥4,200,316 thousand	¥4,180,602 thousand
Cash and cash equivalents	¥21,350,754 thousand	¥25,548,373 thousand

Notes to Lease Rental Revenues

The Investment Corporation leases properties on which rental revenues are earned at end of Period. Future lease revenues under non-cancelable operating leases are as follows.

	As of May 31, 2023	As of November 30, 2023
Due within one year	¥15,032,647 thousand	¥16,339,632 thousand
Due after one year	¥52,850,144 thousand	¥53,728,090 thousand
Total	¥67,882,791 thousand	¥70,067,722 thousand

Notes on Financial Instruments

1. Matters Regarding Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

As certain assumptions are made in calculating the fair value of financial instruments, if different assumptions are used, these values could vary. Furthermore, the contract amounts related to derivative transactions, etc. stated in “Notes on Derivative Transactions” on pages 26 and 27 should not be considered indicative of the market risk associated with derivative transactions.

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of May 31, 2023, are as shown below. Notes on “cash and deposits” and “cash and deposits in trust” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	—	—	—
(2) Current portion of long-term borrowings	34,250,000	34,366,492	116,492
(3) Investment corporation bonds	27,700,000	27,711,705	11,705
(4) Long-term borrowings	203,900,000	203,616,254	(283,745)
Total liabilities	265,850,000	265,694,452	(155,547)
Derivative transactions	4,033	4,033	—

Carrying amounts, fair values, and the differences between the two values as of November 30, 2023, are as shown below. Notes on “cash and deposits” and “cash and deposits in trust” are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on “leasehold and guarantee deposits received in trust” is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	5,000,000	5,019,647	19,647
(2) Current portion of long-term borrowings	29,500,000	29,586,706	86,706
(3) Investment corporation bonds	22,700,000	22,318,306	(381,693)
(4) Long-term borrowings	208,650,000	207,055,187	(1,594,812)
Total liabilities	265,850,000	263,979,848	(1,870,151)
Derivative transactions	3,595	3,595	—

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

Liabilities

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

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

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

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

interest, which are treated in combination with the said interest rate swap, at a reasonable rate estimated for a similar new loan).

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 26 and 27.

(Note 2) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2023)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bonds	—	7,000,000	2,000,000	1,000,000	—	17,700,000
Long-term borrowings	34,250,000	29,180,000	30,820,000	28,500,000	29,450,000	85,950,000
Total	34,250,000	36,180,000	32,820,000	29,500,000	29,450,000	103,650,000

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 2023)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bonds	5,000,000	2,000,000	2,000,000	1,000,000	—	17,700,000
Long-term borrowings	29,500,000	36,880,000	27,820,000	33,600,000	27,660,000	82,690,000
Total	34,500,000	38,880,000	29,820,000	34,600,000	27,660,000	100,390,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2023)

Not applicable.

(As of November 30, 2023)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 2023)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	4,033	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	13,140,000	13,140,000	*	—

(As of November 30, 2023)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	6,000,000	3,595	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	13,140,000	13,140,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (4)” on page 25.)

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

	As of May 31, 2023	As of November 30, 2023
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Distributions paid included in deductibles	(28.31)%	(28.31)%
Provision of reserve for tax purpose reduction entry	(2.99)%	(3.15)%
Other	0.02%	0.01%
Effective income tax rate after application of tax effect accounting	0.18%	0.01%

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of May 31, 2023	As of November 30, 2023
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥— thousand	¥— thousand
Total deferred tax assets	¥— thousand	¥— thousand
Net deferred tax assets	¥— thousand	¥— thousand

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit-holder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	11.06%	None	Major unitholder, and rent and management of properties	Transfer of leasehold and guarantee deposits received	711,368	Leasehold and guarantee deposits received in trust	3,058,583
								Receipt of leasehold and guarantee deposits	803,147		
								Refund of leasehold and guarantee deposits received	141,090		
								Rental revenues, etc.	2,035,968	Operating accounts receivable Advances received	200,280 60,588

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

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

Current fiscal period (From June 1, 2023 to November 30, 2023)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit-holder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	11.06%	None	Major unitholder, and rent and management of properties	Transfer of leasehold and guarantee deposits received	—	Leasehold and guarantee deposits received in trust	3,054,647
								Receipt of leasehold and guarantee deposits	8,661		
								Refund of leasehold and guarantee deposits received	12,597		
								Rental revenues, etc.	2,385,026	Operating accounts receivable Advances received	183,322 94,326

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

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

2. Associates, etc.

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

Not applicable.

Current fiscal period (From June 1, 2023 to November 30, 2023)

Not applicable.

3. Sister companies, etc.

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	219,444	Leasehold and guarantee deposits received in trust	6,625,188
								Refund of leasehold and guarantee deposits received	23,267		
								Rental revenues, etc.	4,250,594	Operating accounts receivable Advances received	286,952 15,153
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Payment of asset management fee	1,449,353	Other accrued expenses	577,140

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

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

Current fiscal period (From June 1, 2023 to November 30, 2023)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	202,377	Leasehold and guarantee deposits received in trust	6,465,283
								Refund of leasehold and guarantee deposits received	362,282		
								Rental revenues, etc.	4,201,291	Operating accounts receivable Advances received	261,833 5,239
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Payment of asset management fee	1,221,182	Other accrued expenses	535,741

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

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

Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

Use		Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	181,552,137	158,242,519
	Changes during period	(23,309,618)	104,487
	Balance at end of period	158,242,519	158,347,007
	Fair value at end of period	188,590,000	187,271,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	253,419,118	282,766,613
	Changes during period	29,347,494	(2,280,603)
	Balance at end of period	282,766,613	280,486,010
	Fair value at end of period	326,756,000	318,500,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	101,718,081	101,509,715
	Changes during period	(208,366)	229,999
	Balance at end of period	101,509,715	101,739,714
	Fair value at end of period	128,350,000	128,940,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	536,689,337	542,518,847
	Changes during period	5,829,509	(1,946,115)
	Balance at end of period	542,518,847	540,572,731
	Fair value at end of period	643,696,000	634,711,000

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

(Note 2) The main reason for the decrease in the current fiscal period is the disposal of Luogo Shiodome (51% co-ownership interest) worth ¥2,220,530 thousand and the provision of depreciation worth ¥1,486,258 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser. In addition, for the previous fiscal period, the figure for Luogo Shiodome is based on the disposal price (¥4,646,000 thousand, which is the equivalent amount of 51% co-ownership interest) stated in the sales agreement concluded on May 27, 2022.

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

Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

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

(Unit: Thousands of yen)

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

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

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

Current fiscal period (From June 1, 2023 to November 30, 2023)

(Unit: Thousands of yen)

	Revenue from contracts with customers *1	Revenues from external customers
Sale of real estate properties	4,646,000	*2 2,261,356
Utilities income	1,057,945	1,057,945
Others	—	14,024,701
Total	5,703,945	17,344,002

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

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

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

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

Transaction price allocated to the remaining performance obligations

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

Current fiscal period (From June 1, 2023 to November 30, 2023)

Transaction price allocated to the remaining performance obligations
Not applicable.

Per Unit Information

	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Net assets per unit	¥339,534	¥340,336
Basic earnings per unit	¥10,904	¥10,678

(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 810,997 units; current fiscal period 807,446 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

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

	Previous fiscal period (From December 1, 2022 to May 31, 2023)	Current fiscal period (From June 1, 2023 to November 30, 2023)
Profit (Thousands of yen)	8,843,424	8,621,974
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	8,843,424	8,621,974
Average number of investment units for the period (Units)	810,997	807,446

Significant Subsequent Events

At the meeting of the board of directors held on January 17, 2024, the Investment Corporation made a decision on matters concerning purchase of treasury investment units as follows in accordance with the provisions of Article 80-2 of the Investment Trust Act as applied by replacing terms and phrases pursuant to the provisions of Article 80-5, Paragraph 2 of the said act.

The Investment Corporation plans to cancel all the purchased investment units in the fiscal period ending May 31, 2024 (25th fiscal period).

a. Reason for the Purchase of Treasury Investment Units

As a result of a comprehensive consideration of the investment unit price of the Investment Corporation, the status of cash on hand, its financial conditions, the market environment, and other factors, the Investment Corporation has judged that improving capital efficiency and providing unitholder returns through the purchase and cancellation of treasury investment units will lead to increased unitholder value in the medium to long term.

b. Details of Matters Concerning the Purchase

Total number of investment units that can be purchased: 19,900 units (maximum)

Total amount of purchase price of investment units: ¥6,000 million (maximum)

Purchase method: Market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement pertaining to the purchase of treasury investment units with a securities company

Purchase period: From January 18, 2024 to May 17, 2024

Omission of Disclosure

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

VIII. Schedule of Financial Statements

Securities

1.Shares

Not applicable

2.Securities Other Than Shares

Not applicable

Derivative Transactions

(Unit: Thousands of yen)

Classification	Type of derivative transactions	Amount of contract (Note 1)		Fair value (Note 2) (Note 3)
			Portion due after one year	
Over-the-counter	Interest rate swaps Receive floating Pay fixed	25,140,000	19,140,000	3,595
Total		25,140,000	19,140,000	3,595

(Note 1)The amounts of contract do not represent the market risk exposure associated with the derivative instruments.

(Note 2)The interest rate swaps which qualify for hedge accounting and meet specific criteria are not measured at fair value in the balance

sheets and the interest received or paid under the interest rate swap contracts is recognized on an accrual basis.

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

Property and Equipment

The following tables show the summary of movement in property and equipment.

(Unit: Thousands of yen)

		Beginning balance	Increase	Decrease	Ending Balance	Accumulated depreciation	Depreciation for the period	Net property, plant and equipment
Tangible Assets	Buildings in trust (Note1)	94,557,011	1,747,268	1,129,760	95,174,518	21,888,573	1,401,119	73,285,945
	Structures in trust	826,479	268	4,013	822,734	340,171	21,253	482,562
	Machinery and equipment in trust	1,614,169	27,733	36,721	1,605,181	615,920	46,209	989,261
	Tools, furniture and fixtures in trust	374,756	35,124	1,023	408,858	245,402	17,545	163,455
	Land in trust (Note1)	457,941,557	-	1,381,841	456,559,716	-	-	456,559,716
	Construction in progress in trust	58,978	-	23,163	35,815	-	-	35,815
	Subtotal	555,372,953	1,810,395	2,576,523	554,606,824	23,090,068	1,486,127	531,516,756
Intangible Assets	Leasehold rights in trust	9,055,086	-	-	9,055,086	-	-	9,055,086
	Other (Note)	13,964	-	-	13,964	9,248	681	4,715
	Subtotal	9,069,050	-	-	9,069,050	9,248	681	9,059,801
Total		564,442,003	1,810,395	2,576,523	563,675,875	23,099,317	1,486,808	540,576,557

(Note) "Other" is software (non-real estate asset).

Other Specified Assets

Not applicable

Investment Corporation Bonds

(Unit: Thousands of yen)

Issue	Issue Date	Beginning balance	Decrease	Ending balance	Interest Rate	Redemption Date	Use of funds	Remarks
3rd unsecured bonds (with pari passu conditions among specified investment corporation bonds)	April 21, 2015	2,000,000	—	2,000,000	0.726%	April 21, 2025	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
4th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 3, 2016	2,000,000	—	2,000,000	0.770%	February 3, 2026	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
6th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.480%	February 2, 2027	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
7th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.810%	February 2, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
9th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	—	1,000,000	1.050%	February 12, 2038	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
10th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	July 9, 2019	5,000,000	—	5,000,000	0.220%	July 9, 2024	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
11th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 18, 2019	4,000,000	—	4,000,000	0.530%	November 16, 2029	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
12th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	October 21, 2020	4,500,000	—	4,500,000	0.510%	October 21, 2030	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
13th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 9, 2021	1,300,000	—	1,300,000	0.750%	February 8, 2036	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
14th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 16, 2021	3,900,000	—	3,900,000	0.400%	November 14, 2031	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
15th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	December 19, 2022	2,000,000	—	2,000,000	0.820%	December 17, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
Total	—	27,700,000	—	27,700,000	—	—	—	—

(Note) Annual redemptions of investment corporation bonds scheduled for next five years after each balance sheet date were as follows:

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Unsecured bonds (with pari passu conditions among specified investment corporation bonds)	5,000,000	2,000,000	2,000,000	1,000,000	—

Loans Payable

The following tables show the details of loans.

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,500,000	—	1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,500,000	—	1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,500,000	—	1,500,000	—	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	—	625,000	—	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		625,000	—	625,000	—	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	—	1,250,000	—	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,500,000	—	2,500,000	—				
	Mizuho Bank, Ltd.		1,250,000	—	1,250,000	—				
	Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	600,000	—	600,000	—	0.17544%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		600,000	—	600,000	—				
	MUFG Bank, Ltd.		300,000	—	300,000	—				
	Taiyo Life Insurance Company	March 31, 2017	500,000	—	500,000	—	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited		500,000	—	500,000	—				
	Resona Bank, Limited.	March 31, 2020	1,500,000	—	1,500,000	—	0.16125%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed
	The Gunma Bank, Ltd.	March 31, 2020	500,000	—	500,000	—	0.20125%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 12, 2016	1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,400,000	—	—	1,400,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		700,000	—	—	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		700,000	—	—	700,000	0.78362%	January 12, 2024	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	—	—	1,420,000	0.34459%	January 12, 2024	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	—	—	1,420,000				
	MUFG Bank, Ltd.		720,000	—	—	720,000				
	Sumitomo Mitsui Banking Corporation		720,000	—	—	720,000				
	Development Bank of Japan Inc.		720,000	—	—	720,000				
	Mizuho Trust & Banking Co., LTD.	March 31, 2017	2,000,000	—	—	2,000,000	0.41380%	March 29, 2024	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		1,500,000	—	—	1,500,000				
	The Bank of Fukuoka, Ltd.		1,000,000	—	—	1,000,000				
	Shinkin Central Bank		500,000	—	—	500,000				
	The Norinchukin Bank	December 16, 2015	500,000	—	—	500,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd. (Note 6)		1,200,000	—	—	1,200,000				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd.		1,200,000	—	—	1,200,000				
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000				
	Development Bank of Japan Inc.	June 13, 2016	600,000	—	—	600,000	0.85377%	June 17, 2024	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	June 13, 2016	1,500,000	—	—	1,500,000	0.33150% (Note 5)	June 17, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	1,500,000	—	—	1,500,000	0.36900% (Note 5)	December 13, 2024	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,000,000	—	—	3,000,000				
	Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd.		2,400,000	—	—	2,400,000				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000				
	Sumitomo Mitsui Banking Corporation	March 30, 2023	600,000	—	—	600,000	0.54094%	March 21, 2025	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		600,000	—	—	600,000				
	Sumitomo Mitsui Trust Bank, Limited		1,560,000	—	—	1,560,000				
	Mizuho Bank, Ltd.	March 31, 2021	1,560,000	—	—	1,560,000	0.19046%	March 30, 2025	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,560,000	—	—	1,560,000				
	Nippon Life Insurance Company		500,000	—	—	500,000				
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2023	—	1,400	—	1,400	0.25000%	March 31, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	1,400	—	1,400				
	MUFG Bank, Ltd.		—	1,400	—	1,400				
	Sumitomo Mitsui Trust Bank, Limited	September 11, 2023	—	600	—	600	0.18492%	June 15, 2025	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		—	600	—	600				
	MUFG Bank, Ltd.		—	300	—	300				

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	March 16, 2017	1,800,000	—	—	1,800,000	0.70169%	September 16, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,600,000	—	—	3,600,000				
	Mizuho Bank, Ltd.		1,800,000	—	—	1,800,000				
	Sumitomo Mitsui Banking Corporation		900,000	—	—	900,000				
	Development Bank of Japan Inc.		900,000	—	—	900,000				
	Mizuho Trust & Banking Co.,LTD.	March 16, 2018	440,000	—	—	440,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		440,000	—	—	440,000				
	The Bank of Fukuoka, Ltd.		440,000	—	—	440,000				
	Shinkin Central Bank		440,000	—	—	440,000				
	The Norinchukin Bank		440,000	—	—	440,000				
	THE NISHI-NIPPON CITY BANK, LTD.	March 30, 2018	500,000	—	—	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	The Bank of Kyoto,Ltd.		300,000	—	—	300,000				
	Sumitomo Mitsui Trust Bank, Limited		500,000	—	—	500,000				
	Mizuho Bank, Ltd.		500,000	—	—	500,000				
	MUFG Bank, Ltd.		500,000	—	—	500,000				
	Sumitomo Mitsui Banking Corporation	August 29, 2019	250,000	—	—	250,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		1,500,000	—	—	1,500,000				
	Mizuho Trust & Banking Co.,LTD.		1,500,000	—	—	1,500,000				
	Shinkin Central Bank		2,100,000	—	—	2,100,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	4,200,000	—	—	4,200,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,100,000	—	—	2,100,000				
	Mizuho Bank, Ltd.		1,050,000	—	—	1,050,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	—	—	1,050,000				
	Development Bank of Japan Inc.	March 30, 2023	750,000	—	—	750,000	0.20046%	March 30, 2026	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		750,000	—	—	750,000				
	Mizuho Bank, Ltd.		750,000	—	—	750,000				
	MUFG Bank, Ltd.		1,070,000	—	—	1,070,000				
	Sumitomo Mitsui Trust Bank, Limited	December 13, 2016	6,000,000	—	—	6,000,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation		1,100,000	—	—	1,100,000				
	Mizuho Trust & Banking Co.,LTD.		1,100,000	—	—	1,100,000				
	Resona Bank, Limited.		1,100,000	—	—	1,100,000				
	The Bank of Fukuoka, Ltd.	March 7, 2019	1,100,000	—	—	1,100,000	0.35765%	September 7,2026	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank		1,100,000	—	—	1,100,000				
	The 77 Bank, Ltd.		600,000	—	—	600,000				
	Sumitomo Mitsui Trust Bank, Limited		1,750,000	—	—	1,750,000				
	MUFG Bank, Ltd.	June 13, 2017	3,500,000	—	—	3,500,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,750,000	—	—	1,750,000				
	Mizuho Trust & Banking Co.,LTD.		1,200,000	—	—	1,200,000				
	The Norinchukin Bank		1,200,000	—	—	1,200,000				

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 9, 2018	780,000	—	—	780,000	0.70698%	January 9, 2027	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		1,560,000	—	—	1,560,000				
	Mizuho Bank, Ltd.		780,000	—	—	780,000				
	Sumitomo Mitsui Banking Corporation		390,000	—	—	390,000				
	Development Bank of Japan Inc.		390,000	—	—	390,000				
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	—	—	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		950,000	—	—	950,000				
	MUFG Bank, Ltd.		950,000	—	—	950,000				
	Sumitomo Mitsui Banking Corporation		475,000	—	—	475,000				
	Development Bank of Japan Inc.		475,000	—	—	475,000				
	Resona Bank, Limited.	September 29, 2023	—	1,500	—	1,500	0.17710%	March 29, 2027	(Note 4)	Unsecured, non-guaranteed
	Yamagata Bank,Ltd.		—	500	—	500				
	Tokio Marine & Nichido Fire Insurance Co., Ltd.		400,000	—	—	400,000				
	Sumitomo Mitsui Trust Bank, Limited		2,200,000	—	—	2,200,000				
	Mizuho Bank, Ltd.	June 13, 2018	2,200,000	—	—	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		2,200,000	—	—	2,200,000				
	Sumitomo Mitsui Banking Corporation		200,000	—	—	200,000				
	Development Bank of Japan Inc.		200,000	—	—	200,000				
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	—	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	—	—	640,000				
	Mizuho Bank, Ltd.		320,000	—	—	320,000				
	Sumitomo Mitsui Banking Corporation		160,000	—	—	160,000				
	Development Bank of Japan Inc.		160,000	—	—	160,000				
	Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	—	—	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	—	—	1,000,000				
	MUFG Bank, Ltd.		1,000,000	—	—	1,000,000				
	Sumitomo Mitsui Banking Corporation		500,000	—	—	500,000				
	Development Bank of Japan Inc.		500,000	—	—	500,000				
	The Bank of Fukuoka, Ltd.	March 31, 2020	1,000,000	—	—	1,000,000	0.28500%	September 30,2027	(Note 4)	Unsecured, non-guaranteed
	The Norinchukin Bank		500,000	—	—	500,000				
	Sumitomo Mitsui Trust Bank, Limited		3,210,000	—	—	3,210,000				
	Mizuho Bank, Ltd.		3,210,000	—	—	3,210,000				
	MUFG Bank, Ltd.		1,610,000	—	—	1,610,000				
	Sumitomo Mitsui Banking Corporation	January 10, 2019	1,610,000	—	—	1,610,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		1,610,000	—	—	1,610,000				
	Sumitomo Mitsui Trust Bank, Limited		1,165,000	—	—	1,165,000				
	Mizuho Bank, Ltd.		1,165,000	—	—	1,165,000				
	MUFG Bank, Ltd.		590,000	—	—	590,000				
	Sumitomo Mitsui Banking Corporation	May 31, 2019	590,000	—	—	590,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		590,000	—	—	590,000				
	Sumitomo Mitsui Trust Bank, Limited		1,870,000	—	—	1,870,000				
	Mizuho Bank, Ltd.		1,870,000	—	—	1,870,000				
	MUFG Bank, Ltd.		1,870,000	—	—	1,870,000				
	Sumitomo Mitsui Trust Bank, Limited	July 9, 2019	420,000	—	—	420,000	0.49281%	July 10, 2028	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		420,000	—	—	420,000				
	MUFG Bank, Ltd.		420,000	—	—	420,000				
	Sumitomo Mitsui Banking Corporation		220,000	—	—	220,000				
	Development Bank of Japan Inc.		220,000	—	—	220,000				

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note2)	Mizuho Trust & Banking Co.,LTD.	January 12, 2021	1,500,000	—	—	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.		1,500,000	—	—	1,500,000				
	The 77 Bank, Ltd.		1,000,000	—	—	1,000,000				
	THE NISHI-NIPPON CITY BANK, LTD.	June 13, 2019	1,000,000	—	—	1,000,000	0.56511%	December 13, 2028	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		6,000,000	—	—	6,000,000				
	Mizuho Trust & Banking Co.,LTD.	March 31, 2022	2,000,000	—	—	2,000,000	0.56934%	March 31, 2029	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		500,000	—	—	500,000				
	The 77 Bank, Ltd.		400,000	—	—	400,000				
	Sumitomo Mitsui Trust Bank, Limited	April 6, 2023	1,000,000	—	—	1,000,000	0.74000%	April 6, 2029	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,000,000	—	—	1,000,000				
	MUFG Bank, Ltd.		1,000,000	—	—	1,000,000				
	Development Bank of Japan Inc.	July 12, 2021	1,000,000	—	—	1,000,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200,000	—	—	1,200,000				
	Mizuho Bank, Ltd.		1,200,000	—	—	1,200,000				
	MUFG Bank, Ltd.		600,000	—	—	600,000				
	Sumitomo Mitsui Banking Corporation		600,000	—	—	600,000				
	Development Bank of Japan Inc.	September 10, 2021	600,000	—	—	600,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,400,000	—	—	1,400,000				
	Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000				
	MUFG Bank, Ltd.		700,000	—	—	700,000				
	Sumitomo Mitsui Banking Corporation		700,000	—	—	700,000				
	Development Bank of Japan Inc.	December 21, 2020	700,000	—	—	700,000	0.45403%	December 21, 2029	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,320,000	—	—	1,320,000				
	Mizuho Bank, Ltd.		1,320,000	—	—	1,320,000				
	MUFG Bank, Ltd.		1,320,000	—	—	1,320,000				
	Sumitomo Mitsui Banking Corporation		670,000	—	—	670,000				
	Development Bank of Japan Inc.	January 11, 2022	670,000	—	—	670,000	0.49750%	January 11, 2030	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		400,000	—	—	400,000				
	Mizuho Bank, Ltd.		400,000	—	—	400,000				
	MUFG Bank, Ltd.		400,000	—	—	400,000				
	Sumitomo Mitsui Banking Corporation		200,000	—	—	200,000				
	Development Bank of Japan Inc.	January 12, 2021	200,000	—	—	200,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,670,000	—	—	1,670,000				
	Mizuho Bank, Ltd.		1,670,000	—	—	1,670,000				
	MUFG Bank, Ltd.		1,670,000	—	—	1,670,000				
	Sumitomo Mitsui Banking Corporation		845,000	—	—	845,000				
	Development Bank of Japan Inc.	September 29, 2023	845,000	—	—	845,000	0.88777%	March 29, 2030	(Note 4)	Unsecured, non-guaranteed
	Taiyo Life Insurance Company		—	500,000	—	500,000				
	Mitsui Sumitomo Insurance Company, Limited	July 12, 2021	—	500,000	—	500,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		2,720,000	—	—	2,720,000				
	Mizuho Bank, Ltd.		2,720,000	—	—	2,720,000				
	MUFG Bank, Ltd.		1,370,000	—	—	1,370,000				
	Sumitomo Mitsui Banking Corporation		1,370,000	—	—	1,370,000				
	Development Bank of Japan Inc.	September 10, 2021	1,370,000	—	—	1,370,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,400,000	—	—	1,400,000				
	Mizuho Bank, Ltd.		1,400,000	—	—	1,400,000				
	MUFG Bank, Ltd.		700,000	—	—	700,000				
	Sumitomo Mitsui Banking Corporation		700,000	—	—	700,000				
	Development Bank of Japan Inc.	January 10, 2023	700,000	—	—	700,000	1.25125%	January 10, 2031	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		620,000	—	—	620,000				
	Mizuho Bank, Ltd.		620,000	—	—	620,000				
	MUFG Bank, Ltd.		620,000	—	—	620,000				
	Sumitomo Mitsui Banking Corporation		320,000	—	—	320,000				

	Development Bank of Japan Inc.		320,000	—	—	320,000				
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(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Long-term loans (Note2)	Sumitomo Mitsui Trust Bank, Limited	January 11, 2022	2,470,000	—	—	2,470,000	0.56125%	January 11, 2031	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		2,470,000	—	—	2,470,000				
	MUFG Bank, Ltd.		1,770,000	—	—	1,770,000				
	Sumitomo Mitsui Banking Corporation		1,245,000	—	—	1,245,000				
	Development Bank of Japan Inc.	June 15, 2022	1,245,000	—	—	1,245,000	0.86750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,810,000	—	—	1,810,000				
	Mizuho Bank, Ltd.		1,810,000	—	—	1,810,000				
	MUFG Bank, Ltd.		1,810,000	—	—	1,810,000				
	Sumitomo Mitsui Banking Corporation	June 15, 2023	480,000	—	—	480,000	0.89750%	June 15, 2031	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		480,000	—	—	480,000				
	Sumitomo Mitsui Trust Bank, Limited		—	2,040,000	—	2,040,000				
	Mizuho Bank, Ltd.		—	2,040,000	—	2,040,000				
	MUFG Bank, Ltd.	January 13, 2023	—	2,040,000	—	2,040,000	1.32250%	January 13, 2032	(Note 4)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.		—	1,000,000	—	1,000,000				
	Sumitomo Mitsui Banking Corporation		—	930,000	—	930,000				
	Sumitomo Mitsui Trust Bank, Limited		1,580,000	—	—	1,580,000				
	Mizuho Bank, Ltd.	January 10, 2023	1,580,000	—	—	1,580,000	1.32250%	January 13, 2032	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		780,000	—	—	780,000				
	Sumitomo Mitsui Banking Corporation		780,000	—	—	780,000				
	Development Bank of Japan Inc.		780,000	—	—	780,000				
	Total		238,150,000	16,750,000	16,750,000	238,150,000				

(Note 1) Weighted average rate, rounding to the sixth decimal place.

(Note 2) Long-term loans include current portion.

(Note 3) Use of the borrowings is acquisition of the real estate trust beneficiary interests.

(Note 4) Use of the borrowings is appropriated to repayment of outstanding loans payable.

(Note 5) This long-term loans is hedged by interest rate swap contract. The average interest rate reflects the effectiveness of this hedging instrument.

(Note 6) The role of Mitsubishi UFJ Trust and Banking Corporation as a lender has been taken over by MUFG Bank, Ltd. on April 16, 2018.

(Note 7) Use of the borrowings is appropriated to redemption of investment corporation bonds.

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years
Long-term loans	29,500,000	36,880,000	27,820,000	33,600,000	27,660,000

Independent Auditor's Report

Independent Auditor's Report

The Board of Directors
Activia Properties Inc.

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Activia Properties Inc. (the Investment Corporation), which comprise the balance sheet as at November 30, 2023, and the statement of income, unitholders' equity, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at November 30, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Investment Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semi-Annual Report that contains audited financial statements, but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Directors are responsible for overseeing the Investment Corporation's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Corporation's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Supervisory Directors are responsible for overseeing the Investment Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Investment Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Investment Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of the Investment Corporation and other services provided by us and other EY member firms for the six-month period ended November 30, 2023 are 11 million yen and 4 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Investment Corporation which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

March 25, 2024

/s/ Hideho Itaya

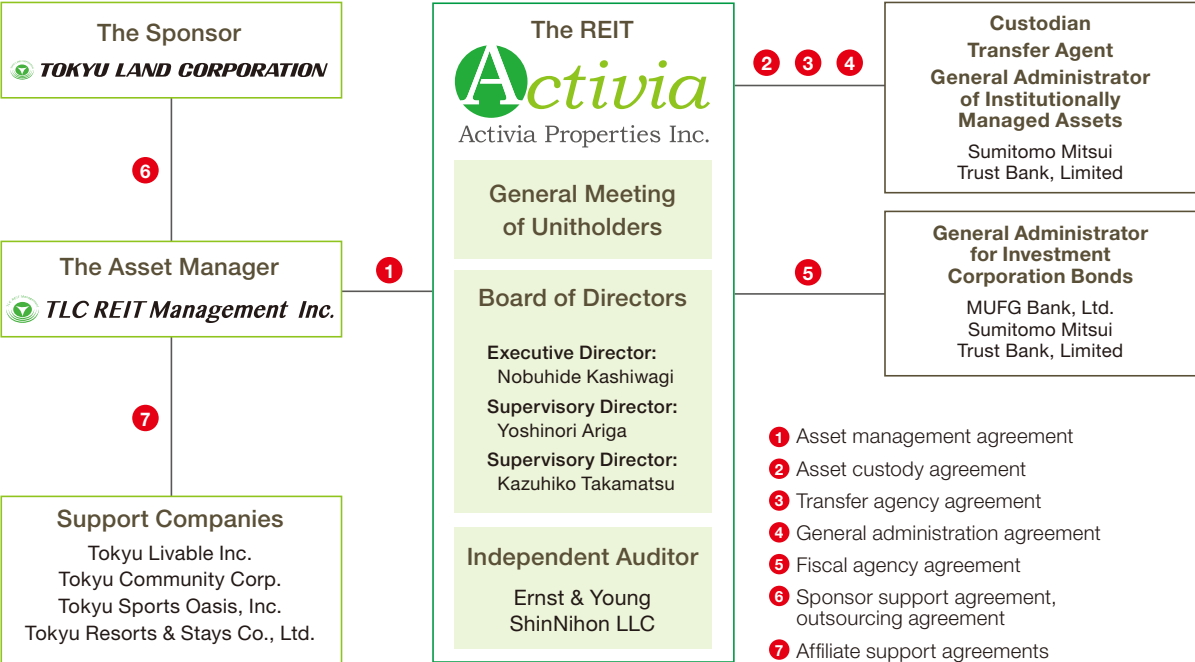
Hideho Itaya
Designated Engagement Partner
Certified Public Accountant

/s/ Hirofumi Nitta

Hirofumi Nitta
Designated Engagement Partner
Certified Public Accountant

Overview of API

Structure



Profile

Name	Activia Properties Inc.
Executive Director	Nobuhide Kashiwagi
Address	Shibuya Solasta 18F, 21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Contact	Activia Management Division of TLC REIT Management Inc. Tel. +81-3-6455-3377
Closing dates	May 31 and November 30

History

Sep. 7, 2011	Registration of incorporation, and foundation under Article 166 of the Act on Investment Trusts and Investment Corporations
Sep. 20, 2011	Implementation of registration by the prime minister under Article 189 of the Act on Investment Trusts and Investment Corporations (registration number: Director of Kanto Local Finance Bureau No. 73)
Jun. 13, 2012	Listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3279)



Overview of the Asset Manager

Overview of the Asset Manager

Corporate name	TLC REIT Management Inc.	Registration & License	Financial Instruments Business Firm, granted by the Director of the Kanto Regional Finance Bureau (Financial Instruments) Registration No. 2370 Discretionary Transaction Agent granted by the Minister of Land, Infrastructure, Transport and Tourism, Registration No. 65 Building Lots and Building Transactions Business License, granted by the Governor of Tokyo (3) No. 91139 Member of the Investment Trusts Association, Japan
Established	October 6, 2009		
Capital	¥200 million		
Shareholder	Tokyu Land Corporation 100%	President and CEO	Akira Kubo

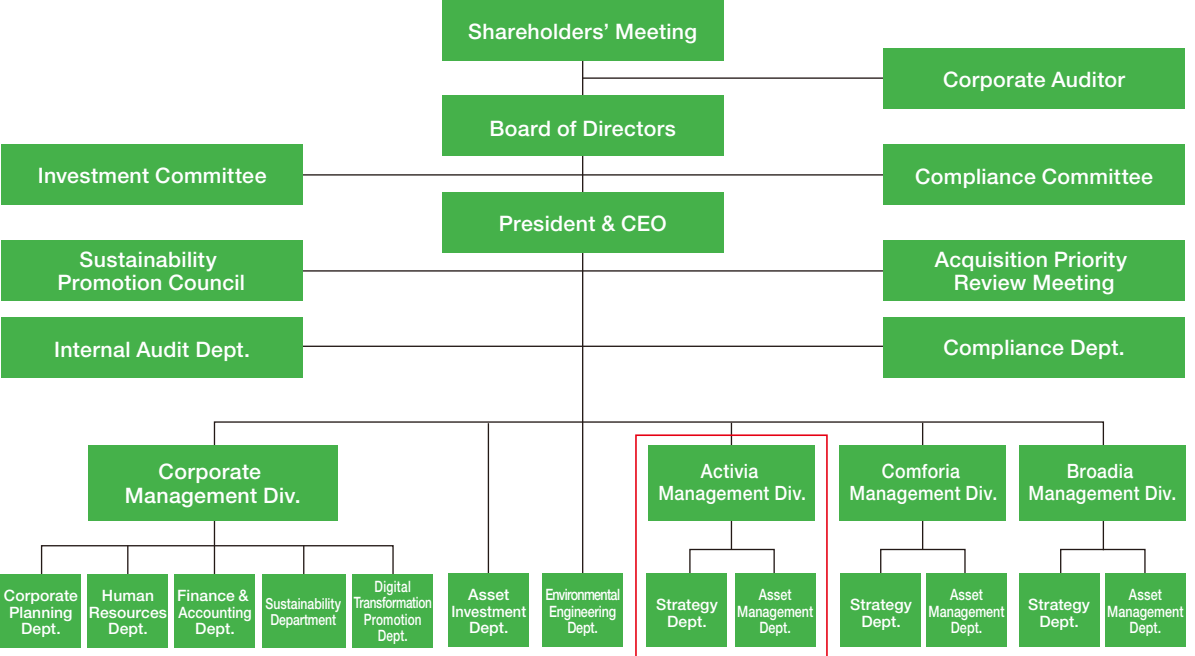
DNA of Tokyu Land Corporation

The Tokyu Fudosan Holdings Group generally carries on the frontier spirit and development capabilities of Tokyu Land Corporation in undertaking development mainly in the Tokyo metropolitan area and major cities nationwide. The Group has built up a strong track record as a pioneer in creating businesses ahead of the times in anticipation of customer demand, for example by opening Tokyu Plaza as the forefront of a building complex near the station. The asset manager's staff, with abundant experience in many fields of the Tokyu Fudosan Holdings Group, engage in J-REIT operations to meet the needs of unitholders.

Proactive Behavior

As an asset manager, employees are required to work proactively (take initiative, foresee and make improvements). API aims at stable asset management over the medium to long term, through not only management and good care of individual properties, but also by closely observing and responding early to the changing market environment (real estate transaction, leasing and finance markets).

Organizational Chart



Unitholder Memo

Account closing dates	May 31 and November 30
Unitholders' meeting	To be held at least once every two years
Record date for unitholders' meeting	A record date based on Article 15, Section 1 of the Articles of Incorporation
Dates for determining cash distribution payments	May 31 and November 30
Administrator of unitholders' registry	Sumitomo Mitsui Trust Bank, Limited 4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Place of business of administrator of unitholders' registry	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited Mailing address: 8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063, Japan ☎ 0120-782-031 (toll-free, available within Japan only) URL: https://www.smtb.jp/personal/procedure/agency/ (Japanese page)
Stock exchange	J-REIT section of the Tokyo Stock Exchange (securities code: 3279)
Newspaper to provide public notice	Nihon Keizai Shimbun

■ Change of registered address, name or seal, etc., or designation or change of account for receipt of dividends:
Please contact your securities company.

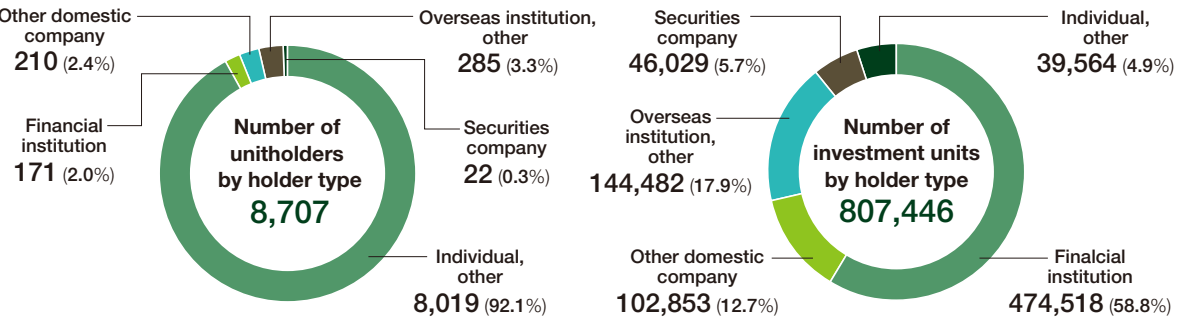
■ Dividends
You can receive dividends by presenting a dividend receipt to the nearest head office/branch/office of Japan Post Bank (bank agency). If the period for receipt has already expired, please specify how you wish to receive dividends on the back of the dividend receipt, and then mail it to the Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, or receive dividends directly at the service counter of the head office/branch of the bank.
In addition, with respect to future dividends, if you wish to receive dividends through transfer to a bank account, etc., please take the necessary procedures at your securities company.

Telephone inquiries	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited ☎ 0120-782-031 (toll-free, available within Japan only)
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Method of receiving dividends from listed stocks in NISA accounts

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

Distribution of Unitholders



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

API Website

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

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

2 Latest information
Press releases and updates are available here.

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

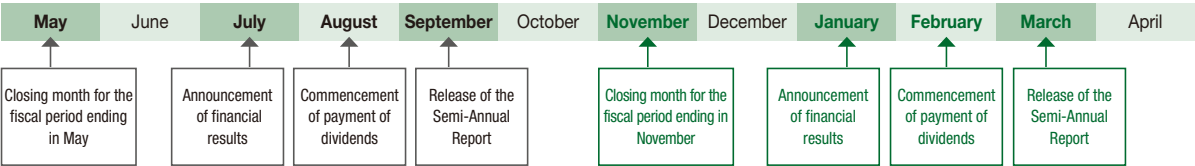
4 Latest financial results
Our latest financial results are here. Bulk download of materials is also possible.

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

6 Topics
We deliver a variety of information punctually.

Accessible from your smartphones as well.

Annual Schedule





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