

Financial Report for the Fiscal Period Ended May 31, 2024 (December 1, 2023 – May 31, 2024)

Activia Properties Inc.

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

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended May 31, 2024 (December 1, 2023 – May 31, 2024)

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

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2024	15,910	(8.3)	8,411	(12.3)	7,417	(14.0)	7,416	(14.0)
Fiscal period ended November 30, 2023	17,344	(0.8)	9,588	(2.4)	8,622	(2.7)	8,621	(2.5)

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2024	9,283	2.7	1.3	46.6
Fiscal period ended November 30, 2023	10,678	3.1	1.5	49.7

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (807,446 units for the fiscal period ended November 30, 2023 and 798,941 units for the fiscal period ended May 31, 2024).

(2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions (excluding excess of earnings)	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Cash distributions per unit (including excess of earnings)	Total distributions (including excess of earnings)
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen
Fiscal period ended May 31, 2024	9,365	7,418	–	–	9,365	7,418
Fiscal period ended November 30, 2023	9,611	7,760	–	–	9,611	7,760

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2024	100.0	2.8
Fiscal period ended November 30, 2023	90.0	2.8

(Note 1) The difference between total distributions and profit was due to the provision of reserve for tax purpose reduction entry ((fiscal period ended November 30, 2023) ¥862 million).

(Note 2) Because treasury investment units were canceled during the fiscal period ended May 31, 2024, the payout ratio for the period is obtained by the following formula with figures rounded to the first decimal place: Payout ratio = total distributions (excluding excess of earnings) / profit × 100

(3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2024	561,792	268,462	47.8	338,922
As of November 30, 2023	568,922	274,803	48.3	340,336

(Reference) Unitholders' equity

As of November 30, 2023: ¥274,803 million

As of May 31, 2024: ¥268,462 million

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2024	12,942	(1,723)	(13,922)	22,844
Fiscal period ended November 30, 2023	13,797	(1,474)	(8,124)	25,548

2. Forecasts of results for the fiscal period from June 1, 2024 to November 30, 2024 and the fiscal period from December 1, 2024 to May 31, 2025

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

	Operating revenue		Operating profit		Ordinary profit		Profit		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2024	15,525	(2.4)	7,643	(9.1)	6,544	(11.8)	6,543	(11.8)	9,300	–
Fiscal period ending May 31, 2025	15,597	0.5	7,869	2.9	6,709	2.5	6,708	2.5	8,700	–

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

for the fiscal period ending November 30, 2024: ¥8,260

for the fiscal period ending May 31, 2025: ¥8,469

* Other

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

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

(2) Total number of units issued

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

As of May 31, 2024	792,106 units
As of November 30, 2023	807,446 units
- b. Number of treasury investment units at end of period

As of May 31, 2024	– units
As of November 30, 2023	– units

(Note) Please refer to “Per Unit Information” on page 31 for the number of investment units used as the basis for calculating basic earnings per unit.

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

* Other special items

Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, these forecasts are in no way a guarantee of any distribution amount. Please refer to “Assumptions for Forecasts of Investment Performance for the 26th Fiscal Period from June 1, 2024 to November 30, 2024 and the 27th Fiscal Period from December 1, 2024 to May 31, 2025” on pages 10 through 11 for information on assumptions for the forecasts.

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

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1. Asset Management Status

(1) Asset Management Status

i) Summary of Results for the Current Fiscal Period

(A) Transition of Investment Corporation

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

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

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

In the fiscal period under review, which ended on May 31, 2024, the Investment Corporation transferred A-FLAG KOTTO DORI on May 31, 2024. Consequently, the Investment Corporation held 45 properties (with the total acquisition price of ¥541,800 million) at the end of the fiscal period under review.

(B) Investment Environment in the Fiscal Period Under Review

The Japanese economy underwent a gradual recovery during the fiscal period under review with improvements in corporate earnings and the employment situation, despite signs of stalling consumer spending.

In the environment for retail properties, an improved willingness of tenants to open stores emerged mainly on account of an increase in inbound foreign tourists. According to the 2024 Q1 edition of “Japan Retail Market View” published by CBRE, vacancy rates declined from the previous fiscal period in many areas. In the Shibuya area, which showed a particularly large decline, store openings by various business types including sports brand stores and jewelry stores contributed to the reduction in vacancies.

In the rental office market, the vacancy rate declined as a result of relocations for reasons such as upgrading, seeking better location, and expansion, particularly among the modern building category. Meanwhile, the average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of May 31, 2024, according to data published by Miki Shoji Co., Ltd., was 5.48%, a decrease of 0.55 percentage points from November 30, 2023. Of these, the vacancy rate in Shibuya-ku remained at a low level compared to the other areas at 4.13%. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of May 31, 2024, was ¥19,944.

In the J-REIT market, amid a continuing trend of falling prices caused by loose supply and demand, a rebound is taking shape through March’s elimination of negative interest rates, however faced with long-term rising interest rates among other factors, the market has shifted back to a downward trend since *Golden Week* (a succession of holidays from the end of April to the beginning of May).

(C) Investment Performance

The Investment Corporation transferred A-FLAG KOTTO DORI (with the transfer price of ¥5,000 million) on May 31, 2024 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 45 properties (with the total acquisition price of ¥541,800 million) with the total leasable area of 443,836.19 m² (134,202 *tsubo*).

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

	December 31, 2023	January 31, 2024	February 29, 2024	March 31, 2024	April 30, 2024	May 31, 2024
Urban Retail Properties	98.2%	98.6%	98.9%	98.9%	98.5%	98.6%
Tokyo Office Properties	98.7%	98.9%	99.2%	99.1%	98.9%	99.0%
Activia Account Properties	99.7%	99.2%	99.8%	100.0%	100.0%	100.0%
Total	98.9%	98.9%	99.4%	99.4%	99.2%	99.3%

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

(D) Initiatives Regarding Sustainability

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

In terms of work to reduce environmental impacts during the fiscal period under review, the lighting was upgraded to LED lighting at (1) Osaka Nakanoshima Building and (2) Umeda Gate Tower. The use of environmentally friendly products that conform to the Green Procurement Standards of TLC REIT Management Inc., the Asset Manager, is expected to reduce energy consumption by 34% at (1) and 66% at (2). In addition, lighting enhancements at (2) are expected to improve the workplace environment for tenant employees. In addition, at A-PLACE Gotanda Ekimae, we repaired toilets. This will likely save 5,120kl of water per year.

Also, we continue to engage in acquiring green building certifications every year. During the fiscal period under review, we reacquired the CASBEE for Real Estate certification for six properties and made every effort to maintain them. As a result, a total of 34 properties have green building certifications, which amounts to 74.1% of our holdings calculated on the basis of gross floor area (as of May 31, 2024).

Moreover, in the Omohara Forest garden on the rooftop of Tokyu Plaza Omotesando “Omokado,” we harnessed our knowledge of ecosystems honed over more than a decade since opening the building to set up new bird nesting boxes for the Japanese tit. In this way, we are creating not only lively human activity, but thriving animal life, and we continue to promote initiatives for the benefit of biodiversity in urban areas.

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

(E) Overview of Financing

During the fiscal period under review, the Investment Corporation borrowed ¥17,500 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 47.3% as of the end of the fiscal period under review. The long-term debt ratio and the ratio of fixed-interest debt to total interest-bearing debt were 100.0% and 92.4%, respectively.

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

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

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

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥15,910 million, ¥8,411 million, and ¥7,417 million, respectively, for the fiscal period under review, and profit was ¥7,416 million.

As for distributions for the fiscal period under review, the decision has been made to pay distributions of profit of ¥7,418,072,690, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions. Consequently, distributions per investment unit resulted in ¥9,365.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

The Japanese economy is expected to experience growth in excess of the potential growth rate due to a financial environment of monetary easing against a backdrop of moderate growth in the overseas economy. On the other hand, close attention must be paid to the risk of protracted monetary tightening if levels of inflation overseas remain high, to the risk of volatility due to geopolitical factors involving Ukraine, the Middle East, etc., and to the concern over the outlook of the Chinese economy.

In the environment for retail properties, there has been tight supply and demand throughout Japan, and the trend of rising rent income for the most commercially valuable and bustling areas amid strong appetite for opening stores, despite the potential for a weakening trend of store openings resulting from fewer vacancies.

In the rental office market, while there are a certain number of new buildings that are expected to retain vacancies after their completion, we believe that there will continue to be positive relocation demand, particularly among tenants seeking environmental improvements. As for the J-REIT market, although there is a continuing trend of falling prices due to caution over expected interest rate hikes by the Bank of Japan and falling and a reduction in its government bond purchases, there continues to be a sense that domestic stocks are undervalued, and this is accompanied by high yields, so we believe the J-REIT market can be expected to perform solidly.

Amid this environment, the Investment Corporation will fulfill its social responsibility through further promoting sustainability initiatives, etc. while identifying opportunities for market recovery and improvement in order to realize both internal growth and external growth and work to continuously enhance unitholder value through EPU growth.

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

a. Basic Policy

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

b. External Growth Strategy

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

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

c. Internal Growth Strategy

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

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

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

d. Financial Strategy

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

(C) Significant Subsequent Events

Not applicable.

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2024 (26th fiscal period: June 1, 2024 to November 30, 2024), investment performance is estimated as follows. For the assumptions used for the estimation of investment performance, please refer to “Assumptions for Forecasts of Investment Performance for the 26th Fiscal Period from June 1, 2024 to November 30, 2024 and the 27th Fiscal Period from December 1, 2024 to May 31, 2025” on pages 10 through 11.

Operating revenue	¥15,525 million
Operating profit	¥7,643 million
Ordinary profit	¥6,544 million
Profit	¥6,543 million
Cash distributions per unit	¥9,300
Cash distributions in excess of earnings per unit	¥-

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for the 26th Fiscal Period from June 1, 2024 to November 30, 2024 and the 27th Fiscal Period from December 1, 2024 to May 31, 2025” on pages 10 through 11, the outlook of investment performance for the fiscal period ending May 31, 2025 (27th fiscal period: December 1, 2024 to May 31, 2025) is estimated as follows.

Operating revenue	¥15,597 million
Operating profit	¥7,869 million
Ordinary profit	¥6,709 million
Profit	¥6,708 million
Cash distributions per unit	¥8,700
Cash distributions in excess of earnings per unit	¥-

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

Assumptions for Forecasts of Investment Performance for the 26th Fiscal Period from June 1, 2024 to November 30, 2024 and the 27th Fiscal Period from December 1, 2024 to May 31, 2025

Item	Assumptions
Period	<ul style="list-style-type: none"> • 26th fiscal period (June 1, 2024 to November 30, 2024) (183 days) • 27th fiscal period (December 1, 2024 to May 31, 2025) (182 days)
Investment portfolio	<ul style="list-style-type: none"> • Our forecasts of investment performance assume that the Investment Corporation holds 45 properties at present (the “Assets Currently Held”). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> • We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc. • Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors. • In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥1,510 million and ¥1,511 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2024 (26th fiscal period) and in the fiscal period ending May 31, 2025 (27th fiscal period), respectively. • Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period. • We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,562 million and ¥1,589 million for the 26th fiscal period ending November 30, 2024 and the 27th fiscal period ending May 31, 2025, respectively.
Non-operating expenses	<ul style="list-style-type: none"> • We expect interest expense and other borrowing-related expenses of ¥1,099 million for the fiscal period ending November 30, 2024 (26th fiscal period) and ¥1,159 million for the fiscal period ending May 31, 2025 (27th fiscal period).

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • As of today, the Investment Corporation has a balance of interest-bearing debt of ¥264,850 million (borrowings of ¥242,150 million and investment corporation bonds of ¥22,700 million). • Interest-bearing debt due by the end of the fiscal period ending November 30, 2024 (26th fiscal period) amounts to ¥17,000 million (long-term borrowings of ¥12,000 million and investment corporation bonds of ¥5,000 million). We assume that there will be refinancing of ¥16,000 million and repayment of ¥1,000 million with our own funds. • We assume that there will be refinancing of all interest-bearing debt of ¥19,180 million (long-term borrowings of ¥17,180 million and investment corporation bonds of ¥2,000 million) due by the end of the fiscal period ending May 31, 2025 (27th fiscal period). • We assume the LTV ratios as of November 30, 2024 and May 31, 2025 are both to be approximately 47%. • The LTV ratio is obtained by the following formula: LTV = Balance of interest-bearing debt / Total assets × 100
Units	<ul style="list-style-type: none"> • The number is based on our assumption of total of 792,106 units issued as of today. We assume that there will be no changes in number of investment units before the end of the 27th fiscal period (May 31, 2025). • The cash distributions per unit for the 26th fiscal period ending November 30, 2024 and the 27th fiscal period ending May 31, 2025 have been calculated in accordance with the total projected number of investment units issued as of the end of each of the fiscal periods which is 792,106 units.
Cash distributions per unit	<ul style="list-style-type: none"> • Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. • In the fiscal period ending November 30, 2024 (26th fiscal period), we assume a reversal of ¥823 million from the reserve for tax purpose reduction entry for use in distributions. • In the fiscal period ending May 31, 2025 (27th fiscal period), we assume a reversal of ¥182 million from the reserve for tax purpose reduction entry for use in distributions. • The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> • Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.
Other	<ul style="list-style-type: none"> • We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts. • We assume that there will be no material changes in general economic conditions or real estate markets.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	21,367,770	18,331,673
Cash and deposits in trust	4,180,602	4,512,977
Operating accounts receivable	889,327	880,497
Prepaid expenses	399,062	630,450
Income taxes refund receivable	14	17
Other	10,432	31,037
Total current assets	26,847,210	24,386,653
Non-current assets		
Property, plant and equipment		
Buildings in trust	95,174,518	96,039,480
Accumulated depreciation	(21,888,573)	(23,180,132)
Buildings in trust, net	73,285,945	72,859,348
Structures in trust	822,734	822,649
Accumulated depreciation	(340,171)	(360,731)
Structures in trust, net	482,562	461,918
Machinery and equipment in trust	1,605,181	1,620,723
Accumulated depreciation	(615,920)	(662,878)
Machinery and equipment in trust, net	989,261	957,845
Tools, furniture and fixtures in trust	408,858	440,756
Accumulated depreciation	(245,402)	(261,768)
Tools, furniture and fixtures in trust, net	163,455	178,987
Land in trust	456,559,716	452,419,828
Construction in progress in trust	35,815	26,175
Total property, plant and equipment	531,516,756	526,904,103
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	4,715	3,405
Total intangible assets	9,059,801	9,058,492
Investments and other assets		
Long-term prepaid expenses	1,352,461	1,305,093
Derivatives	3,595	6,253
Other	39,222	39,222
Total investments and other assets	1,395,278	1,350,569
Total non-current assets	541,971,836	537,313,166
Deferred assets		
Investment corporation bond issuance costs	103,077	92,973
Total deferred assets	103,077	92,973
Total assets	568,922,124	561,792,793

(Unit: Thousands of yen)

	As of November 30, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Operating accounts payable	2,348,159	1,802,338
Current portion of investment corporation bonds	5,000,000	7,000,000
Current portion of long-term borrowings	29,500,000	29,180,000
Accounts payable - other	103,368	35,800
Accrued expenses	1,021,588	1,018,399
Income taxes payable	605	605
Accrued consumption taxes	678,875	378,175
Advances received	369,333	387,905
Deposits received	1,351	729
Other	–	214
Total current liabilities	39,023,282	39,804,169
Non-current liabilities		
Investment corporation bonds	22,700,000	20,700,000
Long-term borrowings	208,650,000	208,970,000
Leasehold and guarantee deposits received in trust	23,745,222	23,855,778
Other	145	113
Total non-current liabilities	255,095,368	253,525,891
Total liabilities	294,118,651	293,330,060
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 (11,999,491)
Total deduction from unitholders' capital	(5,999,640)	(11,999,491)
Unitholders' capital, net	264,963,916	258,964,065
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	841,591	1,703,957
Total voluntary retained earnings	841,591	1,703,957
Unappropriated retained earnings (undisposed loss)	8,994,370	7,788,454
Total surplus	9,835,961	9,492,412
Total unitholders' equity	274,799,878	268,456,478
Valuation and translation adjustments		
Deferred gains or losses on hedges	3,595	6,253
Total valuation and translation adjustments	3,595	6,253
Total net assets	*2 274,803,473	*2 268,462,732
Total liabilities and net assets	568,922,124	561,792,793

(2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2023 to November 30, 2023)		Current fiscal period (From December 1, 2023 to May 31, 2024)	
Operating revenue				
Leasing business revenue	*1, *3	13,951,092	*1, *3	14,395,428
Other leasing business revenue	*1, *3	1,131,553	*1, *3	1,024,822
Gain on sale of real estate properties	*2	2,261,356	*2	490,311
Total operating revenue		17,344,002		15,910,563
Operating expenses				
Expenses related to leasing business	*1	6,359,060	*1	6,160,081
Asset management fees		1,197,952		1,166,207
Asset custody fees		15,937		15,931
Administrative service fees		41,618		39,977
Remuneration for directors (and other officers)		3,750		3,600
Bad debts expenses		–		391
Other operating expenses		137,313		112,728
Total operating expenses		7,755,631		7,498,918
Operating profit		9,588,370		8,411,645
Non-operating income				
Interest income		96		114
Reversal of distributions payable		655		486
Interest on tax refund		649		–
Insurance claim income		155		–
Other		33		–
Total non-operating income		1,589		601
Non-operating expenses				
Interest expenses		668,627		692,184
Interest expenses on investment corporation bonds		75,261		75,261
Amortization of investment corporation bond issuance costs		10,103		10,103
Financing fees		212,802		213,387
Other		586		3,889
Total non-operating expenses		967,380		994,827
Ordinary profit		8,622,579		7,417,419
Profit before income taxes		8,622,579		7,417,419
Income taxes - current		605		605
Total income taxes		605		605
Profit		8,621,974		7,416,814
Retained earnings brought forward		372,395		371,640
Unappropriated retained earnings (undisposed loss)		8,994,370		7,788,454

(3) Statement of Unitholders' Equity

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

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital, net				Surplus	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital	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	270,963,556 ^{*1}	(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

Current fiscal period (From December 1, 2023 to May 31, 2024)

(Unit: Thousands of yen)

	Unitholders' equity					
	Unitholders' capital, net				Surplus	
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital	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	841,591	841,591
Changes during period						
Provision of reserve for tax purpose reduction entry					862,366	862,366
Dividends of surplus						
Profit						
Purchase of treasury investment units						
Cancellation of treasury investment units		(5,999,850)	(5,999,850)	(5,999,850)		
Net changes in items other than unitholders' equity						
Total changes during period	–	(5,999,850)	(5,999,850)	(5,999,850)	862,366	862,366
Balance at end of period	*1 270,963,556	(11,999,491)	(11,999,491)	258,964,065	1,703,957	1,703,957

(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	8,994,370	9,835,961	–	274,799,878	3,595	3,595	274,803,473
Changes during period							
Provision of reserve for tax purpose reduction entry	(862,366)	–		–			–
Dividends of surplus	(7,760,363)	(7,760,363)		(7,760,363)			(7,760,363)
Profit	7,416,814	7,416,814		7,416,814			7,416,814
Purchase of treasury investment units			(5,999,850)	(5,999,850)			(5,999,850)
Cancellation of treasury investment units			5,999,850	–			–
Net changes in items other than unitholders' equity					2,658	2,658	2,658
Total changes during period	(1,205,915)	(343,549)	–	(6,343,399)	2,658	2,658	(6,340,741)
Balance at end of period	7,788,454	9,492,412	–	268,456,478	6,253	6,253	268,462,732

(4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
	Amount	Amount
I Unappropriated retained earnings	¥8,994,370,170	¥7,788,454,738
II Distributions	¥7,760,363,506	¥7,418,072,690
[Cash distributions per unit]	[¥9,611]	[¥9,365]
Of which, distributions of profits	¥7,760,363,506	¥7,418,072,690
[Of which, distributions of profits per unit]	[¥9,611]	[¥9,365]
III Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	¥862,366,009	¥-
IV Earnings carried forward	¥371,640,655	¥370,382,048

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, for the current fiscal period, 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.	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, for the current fiscal period, the decision has been made to pay distributions of profit of ¥7,418,072,690, which is the entire amount of the unappropriated retained earnings after deducting the internal reserve for the stabilization of future distributions.
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Cash flows from operating activities		
Profit before income taxes	8,622,579	7,417,419
Depreciation	1,486,808	1,525,283
Loss on retirement of non-current assets	29,108	17,329
Amortization of investment corporation bond issuance costs	10,103	10,103
Interest income and interest on securities	(96)	(114)
Interest expenses	743,888	767,446
Financing fees	212,802	213,387
Decrease (increase) in operating accounts receivable	104,096	8,829
Decrease (increase) in consumption taxes refund receivable	303,074	–
Increase (decrease) in accrued consumption taxes	678,875	(300,700)
Decrease (increase) in prepaid expenses	229,832	(233,101)
Decrease in property, plant and equipment in trust due to sale	2,220,530	4,384,264
Increase (decrease) in operating accounts payable	255,091	(118,779)
Increase (decrease) in accounts payable - other	(18,967)	27,500
Increase (decrease) in accrued expenses	(38,896)	(27,481)
Increase (decrease) in advances received	(25,665)	18,571
Decrease (increase) in long-term prepaid expenses	(216,446)	4,465
Other, net	(45,741)	(21,531)
Subtotal	14,550,979	13,692,894
Interest received	96	114
Interest paid	(753,240)	(749,958)
Income taxes paid	(605)	(607)
Net cash provided by (used in) operating activities	13,797,230	12,942,442
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(1,065,134)	(1,832,911)
Purchase of intangible assets	–	(1,501)
Refund of leasehold and guarantee deposits received in trust	(1,079,420)	(729,219)
Proceeds from leasehold and guarantee deposits received in trust	669,711	839,775
Net cash provided by (used in) investing activities	(1,474,843)	(1,723,856)
Cash flows from financing activities		
Proceeds from long-term borrowings	16,633,660	17,362,858
Repayments of long-term borrowings	(16,750,000)	(17,500,000)
Purchase of treasury investment units	–	(5,999,850)
Distributions paid	(7,972,021)	(7,760,490)
Other, net	(36,407)	(24,824)
Net cash provided by (used in) financing activities	(8,124,768)	(13,922,307)
Net increase (decrease) in cash and cash equivalents	4,197,618	(2,703,722)
Cash and cash equivalents at beginning of period	21,350,754	25,548,373
Cash and cash equivalents at end of period	*1 25,548,373	*1 22,844,650

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Important Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is used. The useful lives of major property, plant and equipment are listed below.</p> <table border="0"><tr><td>Buildings</td><td>2 to 70 years</td></tr><tr><td>Structures</td><td>2 to 66 years</td></tr><tr><td>Machinery and equipment</td><td>2 to 39 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 70 years	Structures	2 to 66 years	Machinery and equipment	2 to 39 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 66 years								
Machinery and equipment	2 to 39 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>(1) Accounting for income Details of major performance obligations and typical timing of satisfying the performance obligations (timing when revenue is recognized) with regard to the Investment Corporation's revenue from contracts with customers are as follows.</p> <p>i) Sale of real estate properties For sale of real estate properties, revenue is recorded at the time when the buyer, a customer, obtains control of the real estate property, etc., by fulfilling the delivery obligation set forth in the agreement for the sale of the real estate property.</p> <p>ii) Utilities income For utilities income, revenue is recorded according to supply of electricity, water, etc. to the tenant, a customer, based on the contract for lease of the real estate property, etc. and any accompanying agreement. Of utilities income, for such income for which the Investment Corporation is considered to be an agent, the net amount of the amount received as charges for electricity, gas, etc. supplied by other parties less the amount paid to the other parties is recognized as revenue.</p> <p>(2) Property-related taxes For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business. The settlement money for property tax that is paid to the disposing entity for acquisition of real properties (so-called "amount equivalent to property tax") is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. 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>

(8) Notes to Financial Statements

Notes to Balance Sheet

1. Commitment Line Contracts

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

	As of November 30, 2023	As of May 31, 2024
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	¥— thousand	¥— thousand
Net balance	¥21,000,000 thousand	¥21,000,000 thousand

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

	As of November 30, 2023	As of May 31, 2024
	¥50,000 thousand	¥50,000 thousand

*3. Status of Cancellation of Treasury Investment Units

	As of November 30, 2023	As of May 31, 2024
Total number of units canceled	– units	15,340 units
Total amount of cancellation	¥– thousand	¥5,999,850 thousand

Notes to Statement of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From June 1, 2023 to November 30, 2023)		Current fiscal period (From December 1, 2023 to May 31, 2024)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,886,699		13,291,901	
Common service fees	630,998		628,449	
Parking lot fees	308,873		330,039	
Other rent revenue	124,521	13,951,092	145,038	14,395,428
Other leasing business revenue		1,131,553		1,024,822
Total real estate leasing business revenues		15,082,646		15,420,251
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,386,996		1,343,273	
Utilities expenses	1,179,463		1,075,809	
Tax and public dues	1,349,131		1,375,190	
Insurance	13,950		14,057	
Repair and maintenance expenses	527,601		452,832	
Depreciation	1,486,258		1,524,793	
Loss on retirement of non-current assets	29,108		17,329	
Other expenses related to leasing business	386,551	6,359,060	356,794	6,160,081
Total real estate leasing business expenses		6,359,060		6,160,081
C. Profit (loss) from real estate leasing business (A – B)		8,723,585		9,260,169

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

Previous 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	

Current fiscal period (From December 1, 2023 to May 31, 2024)

	(Unit: Thousands of yen)	
A-FLAG KOTTO DORI		
Income from sale of real estate properties	5,000,000	
Costs of sale of real estate properties	4,384,264	
Other costs of sale	125,424	
Gain on sale of real estate properties	490,311	

*3. Transactions with Major Unitholders

	(Unit: Thousands of yen)	
	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Operating transactions		
Operating revenue	2,385,026	2,462,185

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
*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	792,106 units

Notes to Statement of Cash Flows

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

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Cash and deposits	¥21,367,770 thousand	¥18,331,673 thousand
Cash and deposits in trust	¥4,180,602 thousand	¥4,512,977 thousand
Cash and cash equivalents	¥25,548,373 thousand	¥22,844,650 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, redemption or refund. 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 Fair Values 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 25 and 26 should not be considered indicative of the market risk associated with derivative transactions.

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of November 30, 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	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2024, 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	7,000,000	7,026,919	26,919
(2) Current portion of long-term borrowings	29,180,000	29,219,164	39,164
(3) Investment corporation bonds	20,700,000	20,085,404	(614,595)
(4) Long-term borrowings	208,970,000	206,146,029	(2,823,970)
Total liabilities	265,850,000	262,477,518	(3,372,481)
Derivative transactions	6,253	6,253	—

(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 25 and 26.

(Note 2) 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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2024)

(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	29,180,000	36,520,000	35,000,000	29,450,000	25,210,000	82,790,000
Total	36,180,000	38,520,000	36,000,000	29,450,000	25,210,000	100,490,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2023)

Not applicable.

(As of May 31, 2024)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(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	*	–

(As of May 31, 2024)

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	–	6,253	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 24.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of November 30, 2023	As of May 31, 2024
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

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

	As of November 30, 2023	As of May 31, 2024
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Distributions paid included in deductibles	(28.31)%	(31.46)%
Provision of reserve for tax purpose reduction entry	(3.15)%	–%
Other	0.01%	0.01%
Effective income tax rate after application of tax effect accounting	0.01%	0.01%

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous 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 unitholder	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	Receipt of leasehold and guarantee deposits	8,661	Leasehold and guarantee deposits received in trust	3,054,647
								Refund of leasehold and guarantee deposits received	12,597		
								Rental revenues, etc.	2,385,026	Operating accounts receivable	183,322
										Advances received	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.

Current fiscal period (From December 1, 2023 to May 31, 2024)

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 unitholder	Tokyu Land Corporation	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	11.28%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	80,390	Leasehold and guarantee deposits received in trust	3,106,970
								Refund of leasehold and guarantee deposits received	28,067		
								Rental revenues, etc.	2,462,185	Operating accounts receivable	225,028
										Advances received	61,553

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

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

2. Associates, etc.

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

Not applicable.

Current fiscal period (From December 1, 2023 to May 31, 2024)

Not applicable.

3. Sister companies, etc.

Previous 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	261,833
										Advances received	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.

Current fiscal period (From December 1, 2023 to May 31, 2024)

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	231,795	Leasehold and guarantee deposits received in trust	6,609,992
								Refund of leasehold and guarantee deposits received	87,087		
								Rental revenues, etc.	4,357,380	Operating accounts receivable	272,407
										Advances received	9,689
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	1,191,207	Other accrued expenses	525,917

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

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

Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

Use		Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	158,242,519	158,347,007
	Changes during period	104,487	(4,580,345)
	Balance at end of period	158,347,007	153,766,661
	Fair value at end of period	187,271,000	181,571,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	282,766,613	280,486,010
	Changes during period	(2,280,603)	(270,177)
	Balance at end of period	280,486,010	280,215,832
	Fair value at end of period	318,500,000	318,240,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	101,509,715	101,739,714
	Changes during period	229,999	239,166
	Balance at end of period	101,739,714	101,978,881
	Fair value at end of period	128,940,000	128,870,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	542,518,847	540,572,731
	Changes during period	(1,946,115)	(4,611,356)
	Balance at end of period	540,572,731	535,961,375
	Fair value at end of period	634,711,000	628,681,000

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

(Note 2) The main reason for the decrease in the current fiscal period is the transfer of A-FLAG KOTTO DORI worth ¥4,384,264 thousand and the provision of depreciation worth ¥1,524,793 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 transfer 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 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.

Current fiscal period (From December 1, 2023 to May 31, 2024)

(Unit: Thousands of yen)

	Revenue from contracts with customers *1	Revenues from external customers
Sale of real estate properties	5,000,000	*2 490,311
Utilities income	885,168	885,168
Others	–	14,535,083
Total	5,885,168	15,910,563

*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.

Per Unit Information

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Net assets per unit	¥340,336	¥338,922
Basic earnings per unit	¥10,678	¥9,283

(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 807,446 units; current fiscal period 798,941 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

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

	Previous fiscal period (From June 1, 2023 to November 30, 2023)	Current fiscal period (From December 1, 2023 to May 31, 2024)
Profit (Thousands of yen)	8,621,974	7,416,814
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	8,621,974	7,416,814
Average number of investment units for the period (Units)	807,446	798,941

Significant Subsequent Events

Not applicable.

Omission of Disclosure

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

(9) Changes in Total Number of Investment Units Issued

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

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

Date	Summary	Unitholders' capital, net (Thousands of yen)		Total number of investment units issued (Units)		Remarks
		Change	Balance	Change	Balance	
September 7, 2021	Capital increase through public offering	21,496,615	269,867,461	49,030	820,254	(Note 17)
September 28, 2021	Capital increase through third-party allotment	1,096,095	270,963,556	2,500	822,754	(Note 18)
May 13, 2022	Cancellation	(3,999,657)	266,963,899	(10,190)	812,564	(Note 19)
May 12, 2023	Cancellation	(1,999,983)	264,963,916	(5,118)	807,446	(Note 20)
May 10, 2024	Cancellation	(5,999,850)	258,964,065	(15,340)	792,106	(Note 21)

(Note 1) The Investment Corporation was established with an offering price per unit of ¥500,000.

(Note 2) New investment units were issued by public offering with an offering price per unit of ¥460,000 (paid-in amount of ¥445,050 per unit) in order to raise funds for the acquisition of new properties, etc., and then investment operations were commenced.

(Note 3) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥445,050 per unit.

(Note 4) New investment units were issued by public offering with an offering price per unit of ¥782,925 (paid-in amount of ¥757,229 per unit) in order to raise funds for the acquisition of new properties, etc.

(Note 5) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥757,229 per unit.

(Note 6) New investment units were issued by public offering with an offering price per unit of ¥979,020 (paid-in amount of ¥948,051 per unit) in order to raise funds for the acquisition of new properties.

(Note 7) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥948,051 per unit.

(Note 8) A two-for-one split of the investment units has been implemented, with September 30, 2015 as the record date and October 1, 2015 as the effective date.

(Note 9) New investment units were issued by public offering with an offering price per unit of ¥472,360 (paid-in amount of ¥457,418 per unit) in order to raise funds for the acquisition of new properties, etc.

(Note 10) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥457,418 per unit.

(Note 11) New investment units were issued by public offering with an offering price per unit of ¥483,326 (paid-in amount of ¥468,283 per unit) in order to raise funds for the acquisition of new properties.

(Note 12) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥468,283 per unit.

(Note 13) New investment units were issued by public offering with an offering price per unit of ¥458,150 (paid-in amount of ¥443,657 per unit) in order to raise funds for the acquisition of new properties.

(Note 14) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥443,657 per unit.

(Note 15) New investment units were issued by public offering with an offering price per unit of ¥445,410 (paid-in amount of ¥431,320 per unit) in order to raise funds for the acquisition of new properties.

- (Note 16) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥431,320 per unit.
- (Note 17) New investment units were issued by public offering with an offering price per unit of ¥452,760 (paid-in amount of ¥438,438 per unit) in order to raise funds for the acquisition of new properties.
- (Note 18) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥438,438 per unit.
- (Note 19) From February 18, 2022, to March 15, 2022, the Investment Corporation acquired its treasury investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement with a securities company. All of the acquired treasury investment units (10,190 units) were canceled on May 13, 2022, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2022.
- (Note 20) From March 29, 2023, to April 11, 2023, the Investment Corporation acquired its treasury investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement with a securities company. All of the acquired treasury investment units (5,118 units) were canceled on May 12, 2023, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 27, 2023.
- (Note 21) From January 18, 2024, to March 11, 2024, 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 (15,340 units) were canceled on May 10, 2024, in accordance with a resolution passed at a meeting of the Investment Corporation's Board of Directors held on April 24, 2024.
- (Note 22) "Unitholders' capital, net" is the amount of "unitholders' capital" less "deduction from unitholders' capital." Furthermore, the above does not take into account the changes in unitholders' capital arising from the implementation of distributions in excess of earnings from allowance for temporary difference adjustments.

3. Reference Information

(1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of November 30, 2023)		Current fiscal period (As of May 31, 2024)	
		Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	By property type				
	Urban Retail Properties	–	–	–	–
	Tokyo Office Properties	–	–	–	–
	Activia Account Properties	–	–	–	–
	By location				
	The five central wards of Tokyo (Note 3)	–	–	–	–
	Wards of Tokyo other than the five central wards	–	–	–	–
	Three major metropolitan areas (Note 4)	–	–	–	–
	Other locations	–	–	–	–
	Subtotal	–	–	–	–
Real estate in trust	By property type				
	Urban Retail Properties	158,347	27.8	153,766	27.4
	Tokyo Office Properties	280,486	49.3	280,215	49.9
	Activia Account Properties	101,739	17.9	101,978	18.2
	By location				
	The five central wards of Tokyo (Note 3)	333,990	58.7	329,510	58.7
	Wards of Tokyo other than the five central wards	48,632	8.5	48,550	8.6
	Three major metropolitan areas (Note 4)	145,856	25.6	145,932	26.0
	Other locations	12,094	2.1	11,967	2.1
	Subtotal	540,572	95.0	535,961	95.4
Total real estate assets		540,572	95.0	535,961	95.4
Deposits and other assets		28,349	5.0	25,831	4.6
Total assets (Note 5)		568,922	100.0	561,792	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)
Total liabilities (Notes 5, 6)	294,118	51.7	293,330	52.2
Total net assets (Note 5)	274,803	48.3	268,462	47.8

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

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

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

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

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

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

(2) Investment Assets

i) Major investment securities

Not applicable.

ii) Investment properties

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

iii) Other investment assets

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

The following table shows property name, acquisition price, book value at the end of the fiscal period, assessed value at the end of the fiscal period, return price and investment ratio related to the assets held by the Investment Corporation as of the end of the 25th fiscal period. Figures shown in the table are as of May 31, 2024 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2024)

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando "Omokado" (Note 6)	45,000	44,463	60,675	60,675	2.6	60,600	2.3	2.6	8.3
	UR-3	Q plaza EBISU (Note 7)	8,430	8,071	11,600	11,700	3.2	11,500	3.4/3.3	3.4	1.6
	UR-5	Kyoto Karasuma Parking Building	8,860	8,572	10,400	10,400	4.5	10,400	4.5	4.7	1.6
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	19,556	25,400	25,700	3.6	25,100	3.4	3.7	3.9
	UR-8	A-FLAG SAPPORO	4,410	5,738	7,410	7,370	5.1	7,420	4.9	5.3	0.8
	UR-9	A-FLAG SHIBUYA	6,370	6,373	7,920	8,020	3.8	7,870	3.6	4.0	1.2
	UR-10	Q plaza SHINSAIBASHI	13,350	13,336	14,100	14,800	3.4	13,800	3.2	3.6	2.5
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,741	4,290	4,400	3.2	4,180	3.0	3.4	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,424	2,100	2,110	3.8	2,080	3.6	4.0	0.4
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,902	10,976	11,711	4.0	10,633	3.8	4.2	2.4
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,277	11,200	11,400	2.8	11,040	2.5	2.9	2.4
	UR-18	A-FLAG NISHI SHINSAIBASHI	14,300	14,307	15,500	15,600	3.8	15,300	3.6	3.9	2.6
		Subtotal		154,970	153,766	181,571	183,886	-	179,923	-	-

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,121	12,300	12,700	3.4	12,100	3.5	3.6	1.4
	TO-2	A-PLACE Ebisu Minami	9,640	9,468	16,900	16,100	3.3	17,200	3.4	3.5	1.8
	TO-3	A-PLACE Yoyogi	4,070	3,769	5,070	5,140	3.6	4,990	3.4	3.8	0.8
	TO-4	A-PLACE Aoyama	8,790	8,463	11,000	11,000	3.7	11,000	3.5	3.9	1.6
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	2,970	3,120	3.2	2,910	3.6	3.4	0.4
	TO-7	A-PLACE Ikebukuro	3,990	3,567	5,690	5,740	3.7	5,630	3.5	3.8	0.7
	TO-8	A-PLACE Shinbashi	5,650	5,684	7,230	7,330	3.4	7,120	3.2	3.5	1.0
	TO-9	A-PLACE Gotanda	5,730	5,267	7,810	7,960	3.3	7,650	3.1	3.5	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,780	6,060	6,150	3.2	5,960	3.0	3.3	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,183	14,400	14,600	3.2	14,300	2.9	3.3	2.0
	TO-12	Shiodome Building (Note 6)	71,600	69,817	73,500	78,050	3.1	71,400	2.9	3.3	13.2
	TO-13	A-PLACE Ebisu Higashi	7,072	6,887	7,850	7,970	3.4	7,720	3.2	3.6	1.3
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,925	6,110	6,110	3.3	6,110	3.0	3.4	0.9
	TO-15	A-PLACE Gotanda Ekimac	7,280	7,598	7,960	7,960	3.5	7,960	3.2	3.6	1.3
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,696	18,000	19,500	3.6	17,400	3.4	3.8	3.5
	TO-18	Ebisu Prime Square (Note 6)	30,700	31,133	32,600	33,252	3.2	31,926	3.0	3.4	5.7
	TO-19	A-PLACE Tamachi East	6,800	6,985	7,340	7,500	3.2	7,180	3.0	3.4	1.3
	TO-20	Meguro Tokyu Building	16,300	16,343	16,300	16,300	3.1	16,200	2.8	3.1	3.0
	TO-21	Q plaza Shinjuku-3chome	18,400	18,500	19,300	19,600	3.4	19,000	3.2	3.6	3.4
	TO-22	A-PLACE Shibuya Nampeidai	8,800	8,872	9,150	9,210	3.1	9,080	2.8	3.2	1.6
	TO-23	Kasumigaseki Tokyu Building	30,600	30,785	30,700	31,800	3.2	30,200	3.3	3.4	5.6
		Subtotal	283,260	280,215	318,240	327,092	-	313,036	-	-	52.3
	Activia Account Properties	AA-1	Amagasaki Q's MALL (Land) (Note 8)	12,000	12,113	15,100	-	-	15,100	5.1	-
AA-2		icot Nakamozu (Note 9)	8,500	7,997	10,600	10,900	4.8	10,500	4.8/4.9	5.0	1.6
AA-4		icot Mizonokuchi	2,710	2,720	4,670	4,780	5.3	4,560	5.1	5.7	0.5
AA-5		icot Tama Center	2,840	2,508	4,220	4,230	4.6	4,200	4.2	4.8	0.5
AA-6		A-PLACE Kanayama	6,980	5,910	8,730	8,800	4.7	8,650	4.5	4.9	1.3
AA-7		Osaka Nakanoshima Building	11,100	11,683	18,700	18,800	3.4	18,500	3.2	3.5	2.0
AA-8		icot Omori	5,790	5,590	7,540	7,570	3.9	7,510	3.7	4.0	1.1
AA-9		Market Square Sagamihara	4,820	4,451	5,070	5,090	5.2	5,050	5.0	5.4	0.9
AA-10		Umeda Gate Tower	19,000	18,802	22,000	22,300	3.4	21,900	3.2	3.6	3.5
AA-11		A-PLACE Bashamichi	3,930	4,035	5,110	5,240	4.6	4,970	4.3	4.8	0.7
AA-12		Commercial Mall Hakata	6,100	6,228	5,830	5,820	4.6	5,840	4.3	4.7	1.1
AA-13		A-PLACE Shinsaibashi	19,800	19,936	21,300	21,600	3.5	20,900	3.3	3.7	3.7
		Subtotal	103,570	101,978	128,870	115,130	-	127,680	-	-	19.1
	Total	541,800	535,961	628,681	626,108	-	620,639	-	-	100.0	

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

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

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of May 31, 2024, rounding down to the nearest million yen.

- (Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Morii Valuation & Advisory K.K. Assessed value at end of period and return price show value described in each real estate appraisal report with the date of value estimate of May 31, 2024.
- (Note 5) Investment ratio is calculated by dividing the acquisition price for each property by the total acquisition price (excluding consumption tax and other acquisition-related expenses). Figures are rounded to the nearest tenth.
- (Note 6) As for Tokyu Plaza Omotesando “Omokado,” DECKS Tokyo Beach, Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 60%, 35% and 51%, respectively).
- (Note 7) The discount rates of Q plaza EBISU represent 3.4% from the first year to the second year and 3.3% in and after the third year.
- (Note 8) Regarding Amagasaki Q’s Mall (land), the real estate appraisal report prepared by the Japan Real Estate Institute states that, “...considering the temporary nature of the fixed-term business-use leasehold, the return price is estimated using the DCF method instead of the direct capitalization method of converting net income over a certain period at a capitalization rate.” Accordingly, the “price based on direct capitalization method” and the “direct capitalization rate” are not provided. Also, the report states that “...the appraised real estate is land with a fixed-term business-use leasehold, and the lease will not be renewed upon expiration. Unless a new contract is made, the land will be returned to the owner as vacant land. On the assumption that this will occur, the sales price at the end of the analysis period is estimated based on the vacant land price at the time of appraisal.” Accordingly, “terminal capitalization rate” is not provided.
- (Note 9) The discount rates of icot Nakamozu represent 4.8% from the first year to the third year and 4.9% in and after the fourth year.

b. Overview of assets held (2)

(As of May 31, 2024)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando "Omokado" (Note 8)	Shibuya, Tokyo	March 14, 2012	22	1,881	1,399	5,154.14	5,059.23	98.2	
	UR-3	Q plaza EBISU	Shibuya, Tokyo	August 20, 2008	4	484	381	4,024.88	4,024.88	100.0	
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	July 24, 2006	2	(Note 9)	(Note 9)	21,616.04	21,616.04	100.0	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	January 31, 2010	7	1,048	1,353	19,618.98	18,251.90	93.0	
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	15	727	127	21,229.16	21,229.16	100.0	
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	June 29, 1988	2	420	179	3,403.07	3,403.07	100.0	
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	November 16, 2007	6	512	433	2,820.23	2,820.23	100.0	
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 1, 1998	4	208	206	1,994.65	1,994.65	100.0	
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	April 21, 1992	1	(Note 9)	(Note 9)	2,579.08	2,579.08	100.0	
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	80	529	438	16,119.47	16,006.96	99.3	
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	16	427	371	3,378.49	3,378.49	100.0	
	UR-18	A-FLAG NISHI SHINSAIBASHI	Osaka, Osaka	March 14, 2022	1	665	333	13,680.84	13,680.84	100.0	
	Subtotal				—	160	—	—	115,619.03	114,044.53	98.6

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)	
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	13	625	476	7,342.60	7,342.60	100.0	
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	8	842	791	7,950.49	7,950.49	100.0	
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	5	261	241	3,106.17	3,106.17	100.0	
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	616	609	7,303.69	7,303.69	100.0	
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	–	1	125	0	1,287.96	1,287.96	100.0	
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	October 13, 2011	1	(Note 9)	(Note 9)	3,409.73	3,409.73	100.0	
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	March 4, 1999	13	366	300	5,054.18	5,054.18	100.0	
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	14	373	352	4,028.69	4,028.69	100.0	
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	273	262	2,986.36	2,986.36	100.0	
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	6	686	686	7,193.28	7,193.28	100.0	
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	49	2,855	2,612	28,136.05	27,643.90	98.3	
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	9	362	280	4,010.69	4,010.69	100.0	
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	5	280	171	3,010.53	3,010.53	100.0	
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	12	410	342	4,333.64	4,333.64	100.0	
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	11	922	890	14,517.11	14,517.11	100.0	
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	116	1,453	1,117	18,059.66	17,064.83	94.5	
	TO-19	A-PLACE Tamachi East	Minato, Tokyo	April 9, 2003	24	329	313	4,288.88	4,288.88	100.0	
	TO-20	Meguro Tokyu Building	Shinagawa, Tokyo	December 24, 2002	9	619	601	6,993.70	6,993.70	100.0	
	TO-21	Q plaza Shinjuku-3chome	Shinjuku, Tokyo	September 24, 1992	4	807	513	4,528.01	4,528.01	100.0	
	TO-22	A-PLACE Shibuya Nampeidai	Shibuya, Tokyo	July 31, 1989	11	384	342	4,376.17	4,376.17	100.0	
	TO-23	Kasumigaseki Tokyu Building	Chiyoda, Tokyo	October 20, 2010	25	1,218	711	12,023.76	12,023.76	100.0	
	Subtotal				–	352	–	–	153,941.35	152,454.37	99.0

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	720	341	27,465.44	27,465.44	100.0
	AA-2	icot Nakamozu	Sakai, Osaka	June 27, 2007	2	620	430	28,098.02	28,098.02	100.0
	AA-4	icot Mizonokuchi	Kawasaki, Kanagawa	July 15, 1998	1	(Note 9)	188	14,032.05	14,032.05	100.0
	AA-5	icot Tama Center	Tama, Tokyo	March 7, 2006	10	237	233	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	19	545	454	9,314.90	9,314.90	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	39	1,041	853	20,091.83	20,091.83	100.0
	AA-8	icot Omori	Ota, Tokyo	March 6, 2007	8	388	357	6,209.78 (Note 10)	6,209.78 (Note 10)	100.0
	AA-9	Market Square Sagamihara	Sagamihara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0
	AA-10	Umeda Gate Tower	Osaka, Osaka	January 15, 2010	21	1,011	802	13,513.73	13,513.73	100.0
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	37	346	274	9,710.91	9,710.91	100.0
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	17	336	163	9,612.88	9,553.03	99.4
	AA-13	A-PLACE Shinsaibashi	Osaka, Osaka	April 22, 1986	21	1,091	927	15,892.27	15,892.27	100.0
	Subtotal				–	179	–	–	174,275.81	174,215.96
Total				–	691	–	–	443,836.19	440,714.86	99.3

- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of May 31, 2024 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as of May 31, 2024), including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2024, as indicated in the lease agreements in relation to buildings as of May 31, 2024 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of May 31, 2024, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2024), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The leasehold and guarantee deposit is calculated as the total amount required based on the lease agreement for each property as of May 31, 2024 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2024), rounding to the nearest million yen. For properties with master lease agreements, the leasehold and guarantee deposit is calculated as the total amount required based on the sublease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of May 31, 2024 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of May 31, 2024 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of May 31, 2024. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of May 31, 2024, rounding to the nearest tenth. The subtotal and total are calculated by dividing aggregate leased area by aggregate leasable area, rounding to the nearest tenth.
- (Note 8) As for Tokyu Plaza Omotesando “Omokado,” DECKS Tokyo Beach, Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 49%, 60%, 35% and 51%, respectively). However, the numbers of tenants provided are the numbers for each whole building.

- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m²) and part of a common area on the second floor (approximately 28 m²).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or canceled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 2024, assuming that the lease agreements with the end-tenants remained effective; the same shall apply hereinafter.

(B) Capital expenditure for assets under management

a. Scheduled capital expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held at the end of the 25th fiscal period as of May 31, 2024. 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
A-FLAG SAPPORO (Sapporo, Hokkaido)	Repair of parking equipment No. 2 and No. 3	From June 2025 to November 2025	324	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Fourth period)	From December 2024 to May 2025	224	–	4
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase I	From April 2024 to June 2024	192	–	–
Meguro Tokyu Building (Shinagawa, Tokyo)	Renewal of air conditioning/LED lighting Phase II	From October 2024 to December 2024	184	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Large-scale renovation of external wall	From December 2025 to May 2026	146	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of air conditioning equipment (Phase II)	From December 2025 to May 2026	146	–	–
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 Bashamichi (Yokohama, Kanagawa)	Replacement of air conditioning equipment (Phase I)	From June 2025 to November 2025	137	–	–
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Replacement of air conditioning units (EHP) and ventilation fans (9th, 10th floor and 17th floor Zone A)	From January 2026 to April 2026	130	–	–
A-PLACE Shibuya Nampaidai (Shibuya, Tokyo)	Installation of additional air conditioning units in north building	From June 2024 to November 2024	130	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of central monitoring panel	From July 2025 to November 2025	122	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of air conditioning equipment (Phase III)	From June 2026 to November 2026	108	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Large-scale repair work	From December 2025 to May 2026	100	–	–
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 December 2024 to May 2025	90	–	–
A-PLACE Shinsaibashi (Osaka, Osaka)	Renewal of controls for elevators No. 1 to No. 5 Phase II	From December 2025 to March 2026	89	–	–
Commercial Mall Hakata (Fukuoka, Fukuoka)	Large-scale renovation of external wall	From December 2025 to May 2026	80	–	–
A-PLACE Yoyogi (Shibuya, Tokyo)	Replacement of air conditioning equipment (Phase I)	From December 2025 to May 2026	76	–	–
A-PLACE Yoyogi (Shibuya, Tokyo)	Replacement of air conditioning equipment (Phase III)	From December 2026 to May 2027	76	–	–
A-PLACE Yoyogi (Shibuya, Tokyo)	Replacement of air conditioning equipment (Phase II)	From June 2026 to November 2026	75	–	–
A-PLACE Yoyogi (Shibuya, Tokyo)	Large-scale repair work	From December 2025 to May 2026	74	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of fan coil units (Phase II)	From December 2024 to May 2025	72 (Note)	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2025 to November 2025	70 (Note)	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From December 2025 to May 2026	70 (Note)	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From February 2024 to May 2025	67 (Note)	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Shiodome Building (Minato, Tokyo)	Replacement of central monitoring equipment Phase II	From July 2025 to February 2026	66 (Note)	–	–
A-PLACE Aoyama (Minato, Tokyo)	Renewal of elevator controls	From October 2024 to December 2024	65	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2024 to November 2024	65 (Note)	–	–
Shiodome Building (Minato, Tokyo)	Replacement of central monitoring equipment Phase I	From June 2024 to February 2025	63 (Note)	–	–
A-PLACE Shinagawa (Minato, Tokyo)	Renovation of external wall	From May 2025 to November 2025	57	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of packaged air conditioner (EHP- 1, 2 and 3)	From June 2025 to November 2025	55	–	–
A-PLACE Ebisu Higashi (Shibuya, Tokyo)	Renewal of elevator controls	From June 2025 to November 2025	53	–	–
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of air conditioning units (Basement and 1st floor)	From March 2025 to November 2025	50	–	–
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of air conditioning units (2nd and 3rd floors)	From June 2025 to November 2025	49	–	–
A-PLACE Aoyama (Minato, Tokyo)	Renovation of lavatory (Phase I)	From June 2024 to November 2024	42	–	–
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of fan coil units (Phase I)	From December 2023 to November 2024	40 (Note)	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Renovation of lavatory on each floor (Phase II: 2nd basement to 3rd floors)	From June 2024 to November 2024	35	–	–
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Replacement of elevators	From May 2024 to July 2024	34	–	–
Shiodome Building (Minato, Tokyo)	Installation of LED lighting Phase VIII	From June 2024 to November 2024	30 (Note)	–	–
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of air conditioning units (4th floor)	From December 2025 to May 2026	26	–	–

(Note) The shown estimated construction cost with regard to 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 (49%, 51% and 35%, respectively).

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation at the end of the 25th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2024 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2024 amounted to ¥1,322 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2024 came to ¥452 million. On aggregate, construction work of ¥1,775 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Phase 2 construction)	From December 2023 to May 2024	400
Tokyu Plaza Omotesando “Omokado” (Shibuya, Tokyo)	Installation of signage monitors on outer wall	From January 2023 to March 2024	177 (Note)
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of emergency power generator equipment	From December 2023 to May 2024	114
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning units (first half of 2024) (2 floors)	From January 2024 to April 2024	61 (Note)
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of fan coil units (Phase I) (1st payment)	From December 2023 to May 2024	32 (Note)
Shiodome Building (Minato, Tokyo)	Installation of LED lighting Phase VII	From December 2023 to May 2024	30 (Note)
A-PLACE Kanayama (Nagoya, Aichi)	Installation of LED lighting in common areas	From April 2024 to May 2024	30
Other			474
Total			1,322

(Note) The shown estimated construction cost with regard to Tokyu Plaza Omotesando “Omokado,” 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).

(C) Information concerning major tenants

a. Summary of major tenants

For assets held at the end of the 25th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 2024. The forms of agreements with the tenants in the table are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Community Corp. and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of May 31, 2024. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	TLC Ebisu Building	7,342.60	625	476	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	842	791	May 31, 2025
		A-PLACE Yoyogi	3,106.17	261	241	May 31, 2025
		A-PLACE Aoyama	7,303.69	616	609	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,054.18	366	300	May 31, 2025
		A-PLACE Gotanda	4,028.69	373	352	May 31, 2025
		A-PLACE Shinagawa	2,986.36	273	262	May 31, 2025
		OSAKI WIZTOWER	7,193.28	686	686	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	362	280	May 31, 2025
		A-PLACE Shibuya Konnoh	3,010.53	280	171	September 30, 2025
		A-PLACE Gotanda Ekimae	4,333.64	410	342	June 30, 2026
		A-PLACE Shinagawa Higashi	14,517.11	922	890	March 31, 2027
		Ebisu Prime Square (Note 6)	13,741.31	1,245	1,087	January 31, 2030
		A-PLACE Tamachi East	4,288.88	329	313	October 31, 2031
		A-PLACE Shibuya Nampeidai	4,376.17	384	342	September 30, 2031
		A-PLACE Kanayama	9,314.90	545	454	May 31, 2025
		Osaka Nakanoshima Building	20,091.83	1,041	853	November 30, 2024
		Umeda Gate Tower	13,513.73	1,011	802	April 30, 2028
		A-PLACE Bashamichi	9,710.91	346	274	October 31, 2026
		Commercial Mall Hakata	9,553.03	336	163	March 31, 2027
A-PLACE Shinsaibashi	15,892.27	1,091	927	December 31, 2031		
		Total	174,730.19	-	-	-

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	484	381	June 30, 2024
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	18,251.90	1,048	1,353	August 31, 2025
		A-FLAG SAPPORO	21,229.16	727	127	December 31, 2025
		A-FLAG SHIBUYA	3,403.07	420	179	December 31, 2025
		Q plaza SHINSAIBASHI	2,820.23	512	433	December 31, 2025
		A-FLAG BIJUTSUKAN DORI	1,994.65	208	206	December 31, 2026
		A-FLAG DAIKANYAMA WEST	2,579.08	(Note 5)	(Note 5)	December 31, 2026
		DECKS Tokyo Beach (Note 6)	16,006.96	529	438	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,378.49	427	371	January 31, 2029
		Q plaza Shinjuku-3chome	4,528.01	807	513	September 30, 2031
		icot Nakamozu	28,098.02	620	430	June 30, 2024
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2024
		icot Tama Center	5,181.58	237	233	November 30, 2024
		icot Omori	6,209.78	388	357	December 31, 2025
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
		Total		168,506.32	-	-

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of May 31, 2024 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as May 31, 2024), including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2024, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2024 by 12, rounding to the nearest million yen.

(Note 3) The leasehold and guarantee deposit is calculated as the total amount required based on the sublease agreement with the end-tenant as of May 31, 2024 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2024), rounding to the nearest million yen, where the tenant is the master lease company and sublessor.

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

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

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

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

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of May 31, 2024.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Sumitomo Mitsui Trust Bank, Limited (Note 3)	TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	28,753.40 (Note 4)	May 31, 2074 January 31, 2042	Ordinary leasehold land agreement Fixed-term business-use lease agreement
Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529.03	July 11, 2027	Fixed-term building lease agreement
Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224.14	–	Fixed-term building lease agreement
Tokyu Hotels Co., Ltd.	A-FLAG SAPPORO	18,891.39	March 31, 2027	Fixed-term building lease agreement
Plan Do See Inc.	Kobe Kyu Kyoryuchi 25Bankan	14,582.67	February 28, 2051	Fixed-term building lease agreement
EDION Corporation	icot Mizonokuchi	14,032.05	July 24, 2043	Fixed-term building lease agreement
Tokyu Resorts & Stays Co., Ltd.	A-FLAG NISHI SHINSAIBASHI	13,680.84	October 31, 2037	Fixed-term building lease agreement
K'S HOLDINGS CORPORATION	Market Square Sagamihara	11,863.92	June 30, 2034	Fixed-term building lease agreement
MUFG Bank, Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609.11	–	–
CA Sega Joypolis Ltd.	DECKS Tokyo Beach	4,911.63	July 31, 2036	Fixed-term building lease agreement

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2024. As for DECKS Tokyo Beach, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) as of May 31, 2024 (49%).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of May 31, 2024.

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

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

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

(D) Overview of lease and profit and loss

25th fiscal period (From December 1, 2023 to May 31, 2024)

(Unit: Thousands of yen)

Property number	UR-1	UR-3	UR-5	UR-7	UR-8
Property name	Tokyu Plaza Omotesando "Omokado" (Note 1)	Q plaza EBISU	Kyoto Karasuma Parking Building	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	1,059,363	267,804	(Note 2)	631,428	487,431
Leasing business revenue	993,942	242,414	(Note 2)	585,032	412,865
Other leasing business revenue	65,421	25,389	(Note 2)	46,395	74,565
b. Expenses related to leasing business	267,708	63,959	70,461	216,819	267,535
Management operation expenses	104,799	16,411	4,365	86,313	107,087
Utilities expenses	31,020	22,833	–	51,594	99,408
Tax and public dues	80,801	9,656	45,469	51,893	31,618
Insurance	254	101	212	897	845
Repair and maintenance expenses	10,416	2,383	19,489	22,527	23,145
Other expenses related to leasing business	40,415	12,573	923	3,593	5,427
c. NOI (a – b)	791,655	203,844	(Note 2)	414,608	219,896
d. Depreciation, etc. (Note 3)	56,253	19,188	16,229	125,812	121,707
Profit (loss) from leasing business (c – d)	735,401	184,656	(Note 2)	288,795	98,189

(Unit: Thousands of yen)

Property number	UR-9	UR-10	UR-11	UR-12	UR-13
Property name	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI	A-FLAG KOTTO DORI (Note 4)	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST
Number of business days in the 25th fiscal period	183	183	182	183	183
a. Real estate leasing business revenues	217,106	271,279	120,258	85,714	(Note 2)
Leasing business revenue	209,911	257,050	114,881	78,960	(Note 2)
Other leasing business revenue	7,194	14,229	5,377	6,754	(Note 2)
b. Expenses related to leasing business	37,911	47,852	51,055	39,029	37,132
Management operation expenses	14,157	9,805	8,367	3,468	7,917
Utilities expenses	8,415	13,881	6,149	6,849	300
Tax and public dues	12,864	19,473	28,482	2,115	16,095
Insurance	70	89	100	49	82
Repair and maintenance expenses	685	1,047	3,742	4,338	5,898
Other expenses related to leasing business	1,717	3,554	4,213	22,207	6,839
c. NOI (a – b)	179,195	223,426	69,203	46,685	(Note 2)
d. Depreciation, etc. (Note 3)	12,467	15,370	4,838	7,572	5,771
Profit (loss) from leasing business (c – d)	166,727	208,056	64,364	39,113	(Note 2)

(Unit: Thousands of yen)

Property number	UR-15	UR-17	UR-18	TO-1	TO-2
Property name	DECKS Tokyo Beach (Note 1)	Q plaza HARAJUKU (Note 1)	A-FLAG NISHI SHINSAIBASHI	TLC Ebisu Building	A-PLACE Ebisu Minami
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	596,744	209,630	332,550	333,371	445,562
Leasing business revenue	477,722	196,627	332,550	320,695	429,310
Other leasing business revenue	119,022	13,003	–	12,675	16,251
b. Expenses related to leasing business	351,877	88,351	2,698	85,306	106,793
Management operation expenses	108,220	28,617	–	25,330	30,969
Utilities expenses	100,030	14,320	–	17,863	23,193
Tax and public dues	62,186	43,149	–	18,497	36,094
Insurance	617	106	388	266	339
Repair and maintenance expenses	22,354	770	–	10,108	5,967
Other expenses related to leasing business	58,467	1,387	2,310	13,239	10,229
c. NOI (a – b)	244,867	121,278	329,851	248,064	338,768
d. Depreciation, etc. (Note 3)	29,164	6,968	45,141	49,265	38,087
Profit (loss) from leasing business (c – d)	215,703	114,309	284,709	198,799	300,681

(Unit: Thousands of yen)

Property number	TO-3	TO-4	TO-6	TO-7	TO-8
Property name	A-PLACE Yoyogi	A-PLACE Aoyama	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	139,916	316,516	62,502	(Note 2)	203,188
Leasing business revenue	134,227	305,131	62,502	(Note 2)	191,234
Other leasing business revenue	5,688	11,385	–	(Note 2)	11,953
b. Expenses related to leasing business	39,465	88,488	10,838	46,247	58,720
Management operation expenses	10,641	25,197	–	10,995	17,162
Utilities expenses	10,266	17,159	–	12,472	11,701
Tax and public dues	11,695	26,453	10,582	11,590	16,950
Insurance	114	249	–	113	190
Repair and maintenance expenses	4,951	14,315	–	4,828	6,734
Other expenses related to leasing business	1,796	5,112	256	6,247	5,981
c. NOI (a – b)	100,450	228,028	51,663	(Note 2)	144,467
d. Depreciation, etc. (Note 3)	15,972	25,592	–	22,147	24,038
Profit (loss) from leasing business (c – d)	84,478	202,436	51,663	(Note 2)	120,428

(Unit: Thousands of yen)

Property number	TO-9	TO-10	TO-11	TO-12	TO-13
Property name	A-PLACE Gotanda	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	192,520	144,394	353,011	1,229,613	157,720
Leasing business revenue	184,455	138,029	340,966	1,160,606	149,170
Other leasing business revenue	8,064	6,364	12,044	69,007	8,550
b. Expenses related to leasing business	44,851	38,920	105,922	384,238	53,798
Management operation expenses	13,555	10,134	67,119	103,538	19,650
Utilities expenses	11,512	6,152	10,874	94,906	8,799
Tax and public dues	14,997	12,807	25,838	135,380	15,264
Insurance	153	105	448	879	139
Repair and maintenance expenses	1,986	4,896	–	21,426	7,745
Other expenses related to leasing business	2,645	4,824	1,641	28,107	2,199
c. NOI (a – b)	147,668	105,473	247,089	845,375	103,922
d. Depreciation, etc. (Note 3)	27,682	11,312	48,045	158,691	23,801
Profit (loss) from leasing business (c – d)	119,986	94,161	199,044	686,683	80,120

(Unit: Thousands of yen)

Property number	TO-14	TO-15	TO-16	TO-18	TO-19
Property name	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi	Ebisu Prime Square (Note 1)	A-PLACE Tamachi East
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	167,562	187,443	340,274	844,664	174,984
Leasing business revenue	140,899	180,106	299,462	736,047	168,203
Other leasing business revenue	26,663	7,336	40,812	108,616	6,780
b. Expenses related to leasing business	38,988	77,008	184,048	295,939	45,980
Management operation expenses	13,351	18,307	42,556	65,181	13,578
Utilities expenses	5,587	10,508	41,885	106,228	8,457
Tax and public dues	10,347	20,184	53,985	74,075	15,791
Insurance	107	159	630	861	191
Repair and maintenance expenses	7,426	19,016	42,342	36,838	4,963
Other expenses related to leasing business	2,167	8,831	2,647	12,754	2,998
c. NOI (a – b)	128,574	110,434	156,226	548,724	129,003
d. Depreciation, etc. (Note 3)	15,041	16,168	33,180	51,320	14,378
Profit (loss) from leasing business (c – d)	113,532	94,266	123,045	497,403	114,625

(Unit: Thousands of yen)

Property number	TO-20	TO-21	TO-22	TO-23	AA-1
Property name	Meguro Tokyu Building	Q plaza Shinjuku-3chome	A-PLACE Shibuya Nampoedai	Kasumigaseki Tokyu Building	Amagasaki Q's MALL (Land)
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	317,955	393,173	198,982	662,359	360,004
Leasing business revenue	304,049	367,869	190,849	621,224	360,004
Other leasing business revenue	13,906	25,303	8,133	41,134	–
b. Expenses related to leasing business	64,794	94,860	69,293	101,201	59,636
Management operation expenses	21,806	17,827	17,152	45,890	–
Utilities expenses	17,132	19,334	14,441	38,714	–
Tax and public dues	18,649	52,430	22,739	881	59,379
Insurance	258	188	192	606	–
Repair and maintenance expenses	2,895	1,783	11,614	–	–
Other expenses related to leasing business	4,051	3,296	3,153	15,108	256
c. NOI (a – b)	253,161	298,312	129,688	561,158	300,368
d. Depreciation, etc. (Note 3)	15,127	5,750	4,733	33,534	–
Profit (loss) from leasing business (c – d)	238,034	292,562	124,955	527,623	300,368

(Unit: Thousands of yen)

Property number	AA-2	AA-4	AA-5	AA-6	AA-7
Property name	icot Nakamozu	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	311,031	(Note 2)	144,878	301,340	560,964
Leasing business revenue	311,001	(Note 2)	135,019	284,626	537,528
Other leasing business revenue	30	(Note 2)	9,859	16,713	23,435
b. Expenses related to leasing business	52,309	13,975	47,155	92,099	235,920
Management operation expenses	6,070	2,979	18,073	24,946	58,691
Utilities expenses	30	–	12,998	18,612	47,659
Tax and public dues	32,616	10,093	11,692	29,689	59,796
Insurance	307	133	217	343	1,023
Repair and maintenance expenses	12,372	–	2,005	5,053	63,742
Other expenses related to leasing business	911	768	2,167	13,453	5,006
c. NOI (a – b)	258,721	(Note 2)	97,723	209,240	325,044
d. Depreciation, etc. (Note 3)	38,640	10,204	20,664	54,566	120,727
Profit (loss) from leasing business (c – d)	220,080	(Note 2)	77,059	154,674	204,317

(Unit: Thousands of yen)

Property number	AA-8	AA-9	AA-10	AA-11	AA-12
Property name	icot Omori	Market Square Sagamihara	Umeda Gate Tower	A-PLACE Bashamichi	Commercial Mall Hakata
Number of business days in the 25th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	228,256	(Note 2)	532,389	189,096	208,599
Leasing business revenue	202,800	(Note 2)	502,518	175,141	170,999
Other leasing business revenue	25,456	(Note 2)	29,870	13,954	37,600
b. Expenses related to leasing business	54,754	40,278	121,417	78,305	74,961
Management operation expenses	8,938	16,131	31,801	19,172	23,028
Utilities expenses	27,019	6,360	33,140	20,945	22,278
Tax and public dues	13,305	13,684	36,968	18,342	11,936
Insurance	144	180	504	402	166
Repair and maintenance expenses	3,600	1,806	10,559	12,745	10,151
Other expenses related to leasing business	1,745	2,115	8,443	6,696	7,400
c. NOI (a – b)	173,502	(Note 2)	410,971	110,791	133,638
d. Depreciation, etc. (Note 3)	19,295	22,266	70,325	47,952	16,575
Profit (loss) from leasing business (c – d)	154,206	(Note 2)	340,645	62,839	117,062

(Unit: Thousands of yen)

Property number	AA-13
Property name	A-PLACE Shinsaibashi
Number of business days in the 25th fiscal period	183
a. Real estate leasing business revenues	575,344
Leasing business revenue	538,912
Other leasing business revenue	36,431
b. Expenses related to leasing business	169,042
Management operation expenses	43,962
Utilities expenses	44,766
Tax and public dues	68,637
Insurance	617
Repair and maintenance expenses	4,155
Other expenses related to leasing business	6,903
c. NOI (a – b)	406,301
d. Depreciation, etc. (Note 3)	18,433
Profit (loss) from leasing business (c – d)	387,868

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

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

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

(Note 4) Disposed on May 31, 2024. Therefore, figures up to the day prior to the disposition date are presented.