



Activia

20th

Semi-Annual Report
for the Period ended November 30, 2021
(20th Period)

From June 1, 2021 to November 30, 2021



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

Basic Policy of Activia Properties Inc.

- 1 *Focused investment in Urban Retail Properties and Tokyo Office Properties*
- 2 *Utilization of the comprehensive support and capabilities of the Tokyu Fudosan Holdings Group's value chain*
- 3 *Strong governance structure aimed at maximizing unitholder value*

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Cash Distributions (Actual)
The Period ended November 2021 (the 20th Period)
 Cash distributions per unit
¥9,360

Cash Distributions (Forecast)
The Period ending May 2022 (the 21st Period)
 Cash distributions per unit
¥9,325

The Period ending November 2022 (the 22nd Period)
 Cash distributions per unit
¥9,210

Financial Highlights

	Period ended May 31, 2021 (the 19th Period)	Period ended November 30, 2021 (the 20th Period)
Operating revenue	¥14,715 million	¥15,646 million
Operating profit	¥8,101 million	¥8,758 million
Ordinary profit	¥7,250 million	¥7,781 million
Profit	¥7,249 million	¥7,753 million
Total assets	¥525,379 million	¥566,257 million
Net assets	¥255,581 million	¥278,716 million
Unitholders' equity to total assets (%)	48.6%	49.2%
Net assets per unit (yen) ^(Note)	¥331,397	¥338,760

(Note) API implemented a 2-for-1 investment unit split effected as of October 1, 2015.

We Intend to Improve Unitholder Value through Initiatives that Prepare Us for a Post-COVID-19 Environment



Nobuhide Kashiwagi

Executive Director
Activia Properties Inc.

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

Before explaining the financial results, we pray for the recovery of those affected by COVID-19 and extend our deepest respect to the medical professionals involved in treatment.

Recently we closed all accounts for the 20th period, from June 1, 2021 to November 30, 2021. We owe this achievement to your understanding and continual support for which we extend our deep appreciation.

In the Japanese economy during the fiscal period under review, there was a steadily improving trend in the recovery, despite the difficult environment caused by COVID-19. However, it seems to require more time for a full-scale recovery.

The J-REIT market was firm due to expectations that economic activity will normalize due to the lifting of the state of emergency. However, prices declined toward November 30, 2021 due to an increasing sense of caution because of new COVID-19 variants.

Although these circumstances continuously affect our operational environment, in the Tokyo Office Properties, API has continually achieved rent increases for the areas where market rent was higher than actual rent despite the weakening market. There has been stable performance in the Urban Retail Properties, thanks to the solid motivation of tenants for properties in good locations.

We will make a continual effort in our operation looking ahead of post COVID-19, taking advantage of the superiority of the location and quality of our assets.

In August 2021, API conducted a seventh follow-on public offering, and in connection with the offering, the investment corporation acquired three Tokyo Office Properties, including Meguro Tokyu Building, Q plaza Shinjuku-3chome, and A-PLACE Shibuya Nampoedai (Note 1). In October 2021, we also conducted an asset replacement by disposing of Tokyu Plaza Akasaka (50% co-ownership interest) and acquiring A-PLACE Tamachi East (Note 2).

Consequently, our portfolio at the end of the period under review has enhanced to 47 properties with the total acquisition price of ¥548.0 billion.

As a result of the above-mentioned management, the operating revenue, operating profit, and profit for the period under review were ¥15,646 million, ¥8,758 million and ¥7,753 million, respectively, for the period ended November 2021. For cash distributions, we decided to retain a portion of the capital gain as an internal reserve to ensure stable cash distribution for the future, and distributions per investment unit were ¥9,360.

API has included ESG (environment, social, governance) perspectives into the long-term management strategy to realize a sustainable society.

We have so far promoted a wide range of initiatives to reduce the environmental impact and to contribute to our environment and local community. And in January 2022, in order to take specific measures, we have set environmental KPIs such as promotion of renewable energy procurement, portfolio greening and sustainable finance.

We will continue to promote our ESG initiatives to enhance trustworthy relationships with all our stakeholders including unitholders.

For the 21st period ending May 2022 and onwards, we will seek to maximize unitholder value over the medium to long term by improving the profitability of our portfolio while prioritizing the maximization of our unitholder. We will accomplish this by leveraging the expertise and network of TLC REIT Management Inc., the asset manager of API, as well as by utilizing the value chain of the Tokyu Fudosan Holdings Group.

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

(Note 1) Although the name A-PLACE Shibuya Nampoedai as of the date of this report is Nikko Shibuya Nampoedai Building, it will be changed as of September 1, 2022.

(Note 2) Although the name A-PLACE Tamachi East as of the date of this report is Tamachi East Building, it will be changed as of November 1, 2022.

1 Performance by Key Indicators for the 20th Period Ended November 2021

Financial Results (FP20 ended November 2021)			
Operating revenue (Gain on sale of real estate)		Profit	
¥ 15.6 billion (¥0.2 billion)	vs. Previous period +¥0.9 billion (+¥0.2 billion)	¥ 7.7 billion	vs. Previous period +¥0.5 billion
DPU (Note 1)		NAV per unit	
¥ 9,360	vs. Previous period -¥41	¥ 460,237	vs. Previous period +¥4,489

Internal Growth (Offices) (FP20 ended November 2021)	
Ratio of area with increased rent	24 % vs. Previous period -26 pt
Increased amount	¥ 29 million vs. Previous period -¥68 million
Increase rate	11 % vs. Previous period -1 pt
Average rent	¥ 22.7 k vs. Previous period +¥0.6 k
Rent gap	0 % vs. Previous period +6 pt

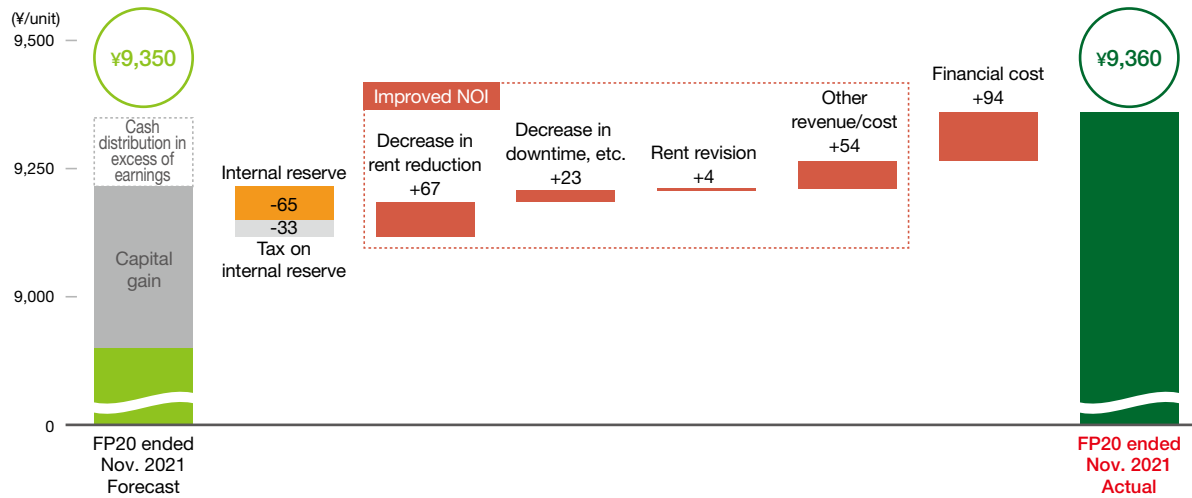
Properties under Management (End of November 2021)	
Number of properties	47 vs. End of May 2021 +3
AUM	¥ 548.0 billion vs. End of May 2021 +¥38.9 billion
Core asset ratio (UR + TO)	81.1 % vs. End of May 2021 +1.4 pt
Appraisal value	¥ 643.3 billion vs. End of May 2021 +¥42.4 billion
Unrealized gain	¥ 99.9 billion vs. End of May 2021 +¥4.0 billion

Debt Financing (End of November 2021)	
Interest-bearing debt	¥ 260.3 billion vs. End of May 2021 +16.2 billion
LTV (book value)	46.0 % vs. End of May 2021 -0.5 pt
Avg. remaining years to maturity	4.4 years vs. End of May 2021 +0.2 years
Avg. interest rate	0.53 % vs. End of May 2021 -0.00 pt
Commitment line	¥ 21.0 billion vs. End of May 2021 -

(Note) Figures for "Internal Growth in Office" are calculated based on all offices of Tokyo Office Properties and Activia Account Properties. Increased amount refers to the amount of the total difference before and after rent revision (at contract renewal or tenant replacement) adjusted for the period covered.

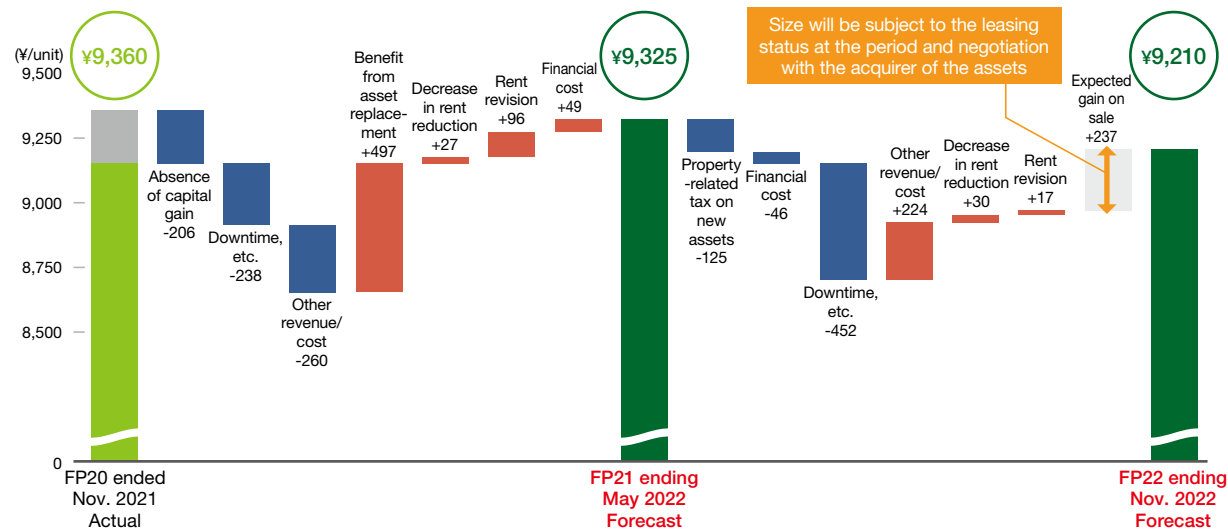
2 DPU Summary for FP20 Ended November 2021 vs. Forecast

- Profit exceeded our forecast due to better-than-expected NOI and lower debt cost, etc.
- We retain a portion of the capital gain as an internal reserve to ensure stable cash distribution for the future. Even after these deductions, the DPU for FP20 ended November 2021 turned out to be **¥10 higher than the forecast**.



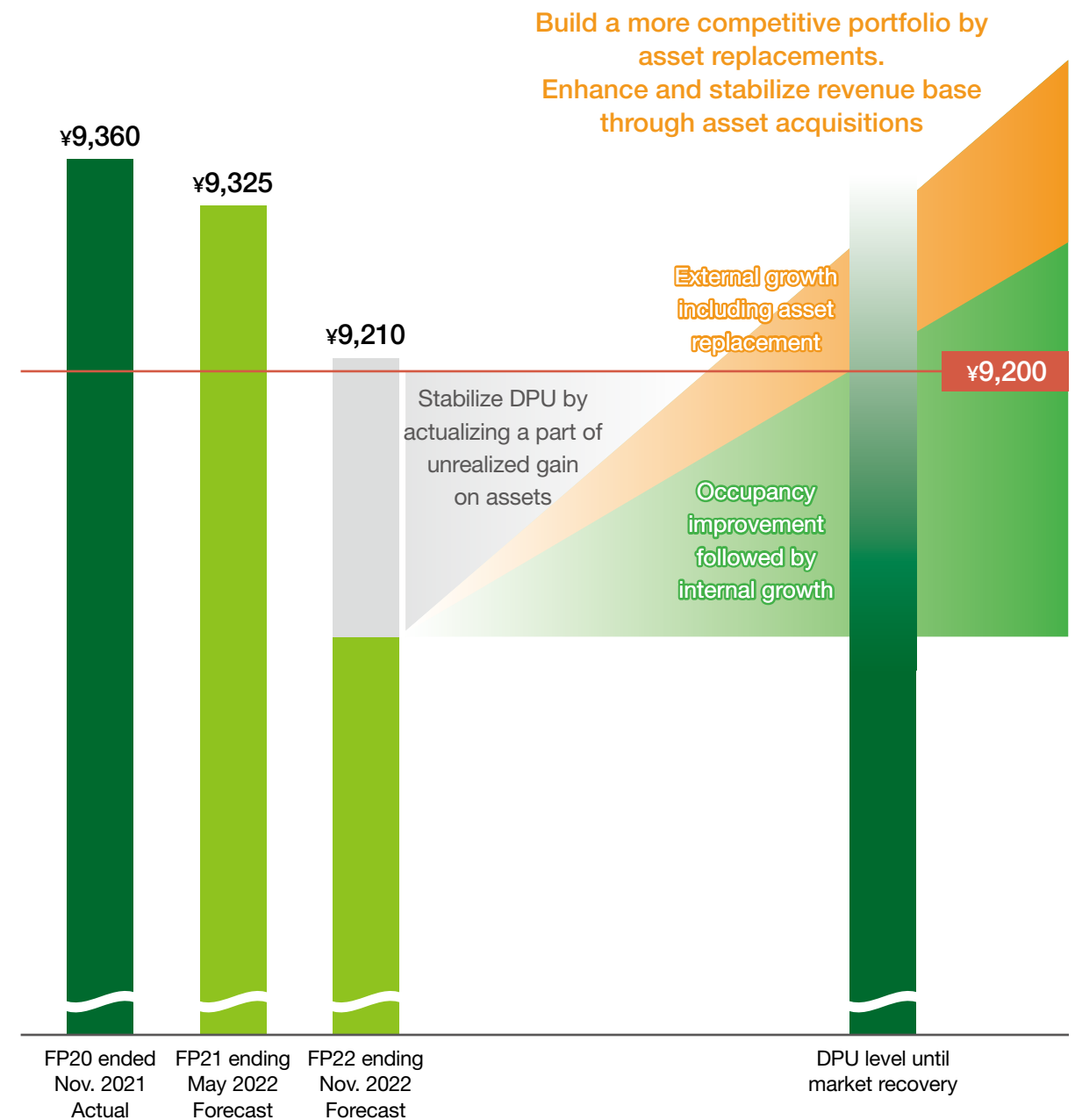
3 Forecast DPU Summary for FP21 Ending May 2022 and FP22 Ending Nov. 2022

- For FP21 ending May 2022, the full period contribution from new assets acquired during FP20 will be the major positive; the absence of the capital gain and extending downtime will be the major negatives.
- For FP22 ending November 2022, we strongly intend to actualize this forecast DPU level by managing the size of the capital gain with the acquirer, which will depend upon trading conditions such as the progress of our leasing activities.



4 Path to Growth Post Pandemic

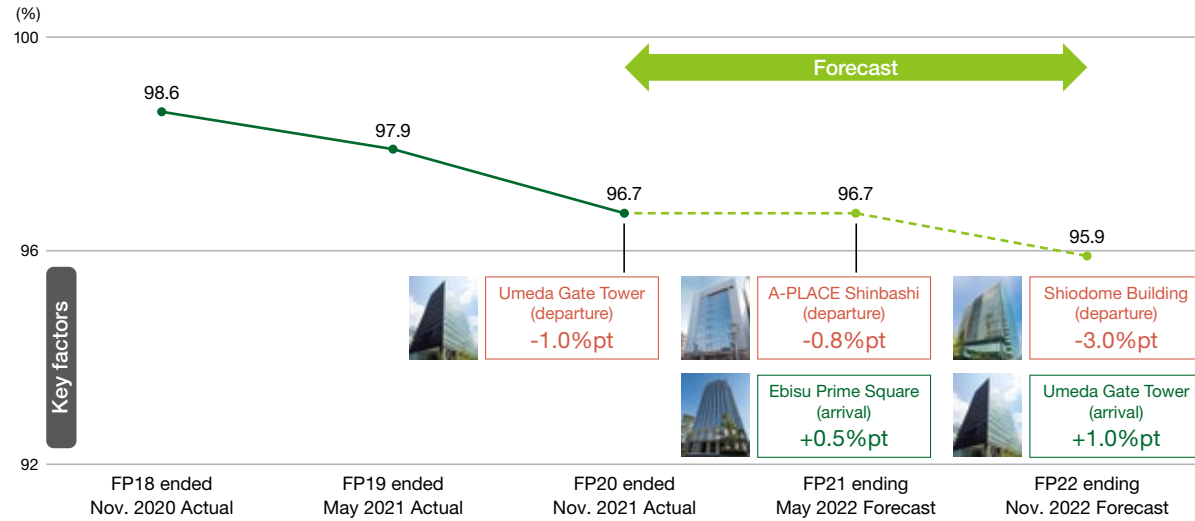
- Set a solid base for future DPU growth driven by **profitability improvement through operations** and **qualitative improvement of our portfolio through asset replacements and asset acquisitions**.
- To **secure a stable DPU** for the time being, we plan to execute asset replacement and realize a part of the **unrealized gain on the portfolio, which was approximately ¥100 bn as of the end of November 2021**.



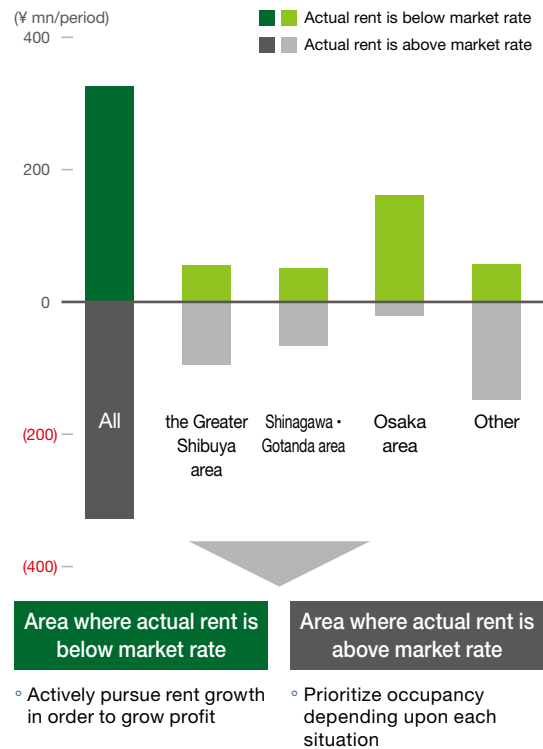
5 Office Leasing Status

- Amid prolonging leasing activities, major tenants are going to depart. This is going to put pressure on the occupancy rate.
- We aim to regain occupancy swiftly by focusing on districts with high demand. We also plan to be flexible in leasing conditions for the large vacant spaces that will be generated by major tenant departures.

1. Occupancy rate (actual and forecast)



2. Actual-to-market rent gap by area



3. Cases with upward rent revision and tenant replacement

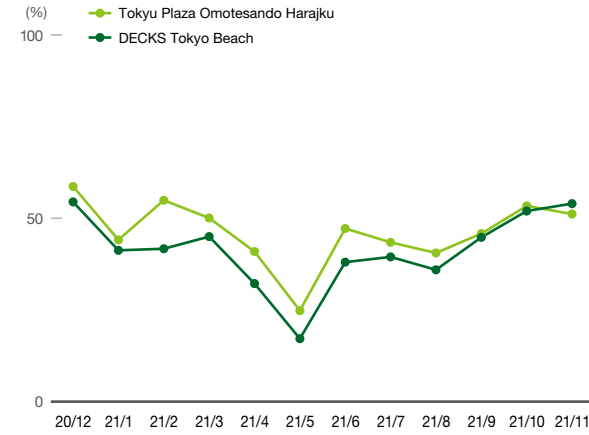


4. Furnished office space

- Adapting to changing tenant demands, and therefore promoting our leasing initiatives
 - Fully furnished office space with flexible lease conditions allow tenants to **reduce relocation cost and prompt them to move**
 - Will be available at TLC Ebisu Building
-
- Image for illustration purpose

6 Status of Retail Tenants

1. Sales trend in UR properties (vs. two years ago)

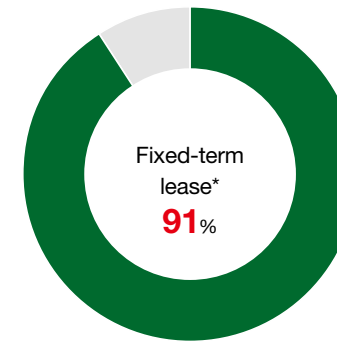


2. Tenant replacement

UR-1 Tokyu Plaza Omotesando Harajuku

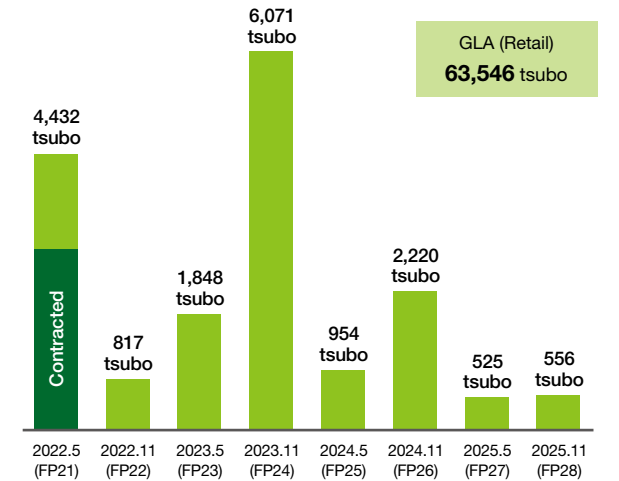
- Adidas's new store offers a new retail experience with exclusive services available only in this space in Japan, including a sneaker cleaning service

3. Fixed-term lease ratio

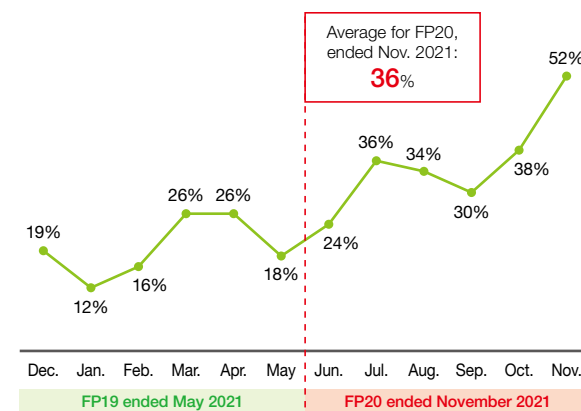


*Based on the total fixed rents in UR & AA retail properties

4. Lease expiry diversification

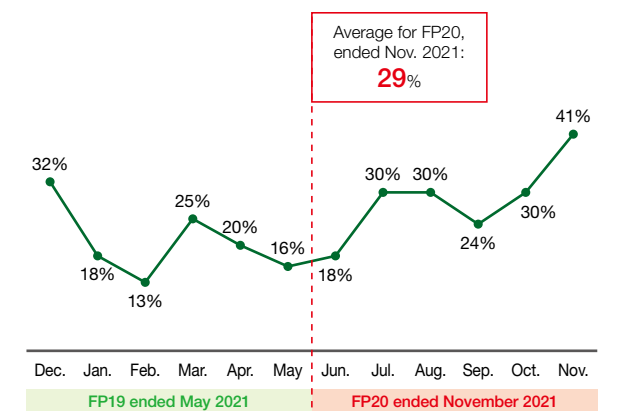


5. Room occupancy*



(Note) Data exclude figures for Tokyu Plaza Akasaka disposed as of October 29, 2021.

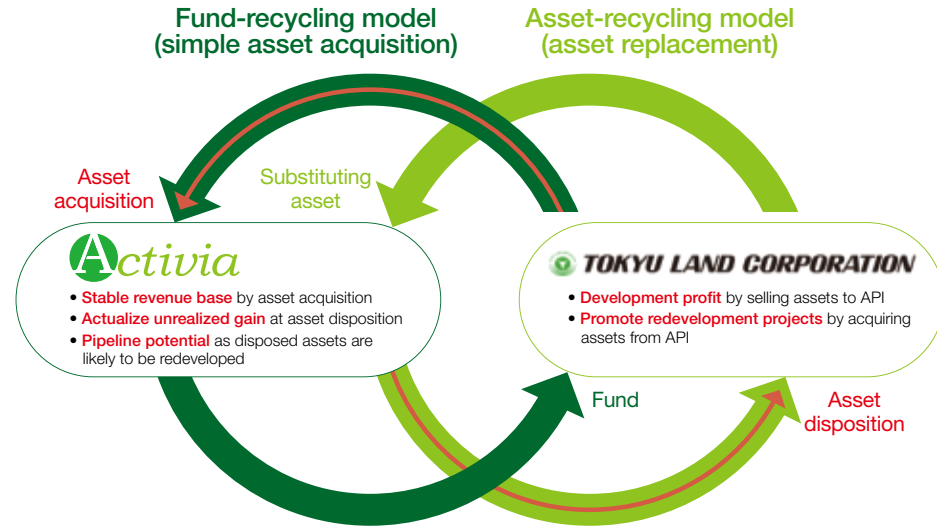
6. RevPAR (vs. two years ago)*



(Note) Data exclude figures for Tokyu Plaza Akasaka disposed as of October 29, 2021.

7 External Growth Strategy

- Combined strategy of **fund-recycling model** and **asset-recycling model** for our external growth
- **Support from our sponsor as a real estate developer** allowing our **portfolio enhancement and qualitative improvement in the medium- to long-term**



Asset Acquisition and Replacement through a Public Offering

- Acquired **one property with secured stability in a prime location** and **three office properties in our focused investment areas** leveraging our sponsor's support
- **Mitigated downside risk** by **qualitative improvement of portfolio** through acquisition of assets having stability and growth potential

1. 7th follow-on Public Offering

Total acquisition price ¥ 50.3 bn	NOI yield after depreciation 3.5% (Avg. of 4 acquired assets) ↔ 1.7% (Disposed asset)	Capital raised ¥ 23.3 bn	Total asset LTV 46.5% (End of May 2021) → 46.0% (End of Nov. 2021)
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Acquired assets				Disposed asset
Stable revenue		Growth potential		
Sponsor sourced Q plaza Shinjuku-3chome	Sponsor sourced Meguro Tokyu Building	Sponsor sourced A-PLACE Shibuya Nampoedai	Sponsor sourced A-PLACE Tamachi East	 Tokyu Plaza Akasaka (50% co-ownership interest)
Acquisition/ disposition date Sep. 10, 2021 (excluding A-PLACE Tamachi East, acquired on Oct. 29, 2021)				
Acquisition/ disposition price ¥50,300 mn				Oct. 29, 2021
				¥11,450 mn

Acquisition / Disposition Policy

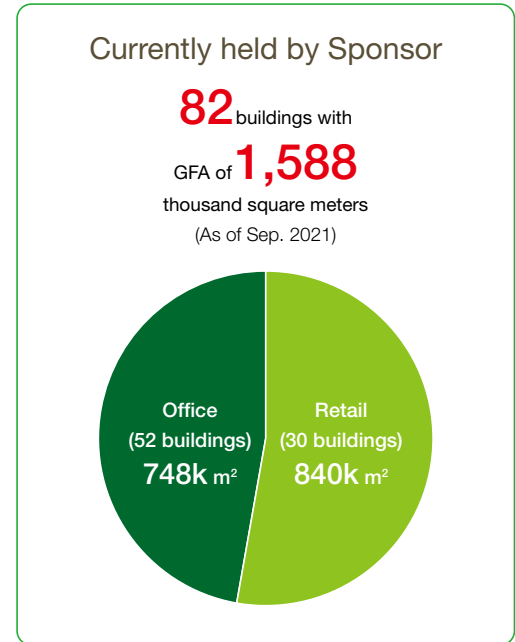
- For acquisitions, **we are going to focus both on immediate stability and on growth potential in the medium- to long-term**, as market conditions remain still uncertain.
- Assets to be disposed of will be chosen by analysis using three criteria; **profitability, building age, and competitive advantages**.

1 Acquisition criteria

- Locational advantage and competitiveness of the buildings
- Contributes to improved unitholder value, such as growth potential in DPU and NAV



- Stable revenue such as **long and fixed-term contracts**

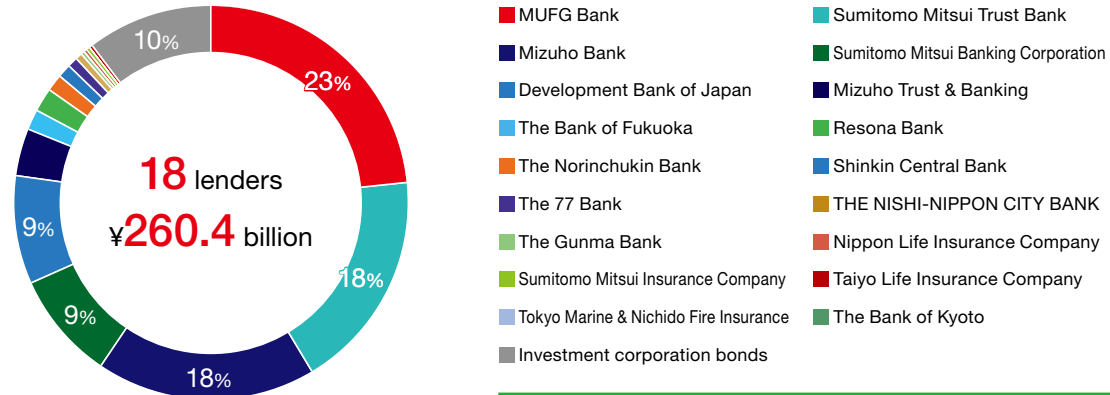


2. Disposition criteria

1) Profitability	◦ Properties with relatively low yield and limited upside potential
2) Building age	◦ Properties requiring a large amount of cash in future for maintenance and capital expenditures, etc.
3) Competitiveness	◦ Properties with a risk of significant rent decrease, long-term vacancy, etc.
Disposition method	◦ Asset replacement in principle to improve portfolio profitability ◦ Deliver stable DPU through methods such as asset disposition over multiple fiscal periods and internal reserves
Disposition size	◦ Up to several billions of yen/period (Disposition over multiple fiscal periods is an option) ◦ Unrealized gain to total appraisal value of assets at end of Nov. 2021 is 18% (47 properties/total unrealized gain of ¥100 bn)
Buyers	◦ Assets where profitability improvement by redevelopment can be expected → Dispose to Sponsor and acquire opportunity for external growth after redevelopment ◦ Assets where profitability improvement by redevelopment cannot be expected → Disposition to third parties is an option

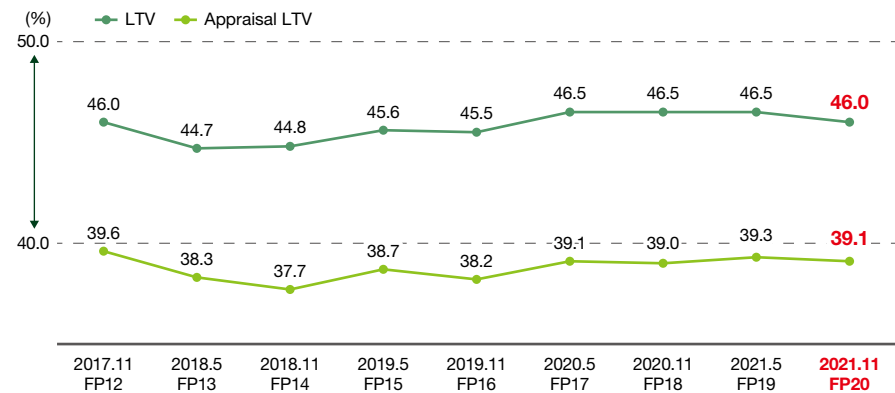
8 Status of Financial Management

List of lenders



Trend in LTV

LTV at the end of the FP20 ended November 2021 was **46.0%** (appraisal LTV was 39.1%), **being controlled within the guidance range of 40% to 50%**

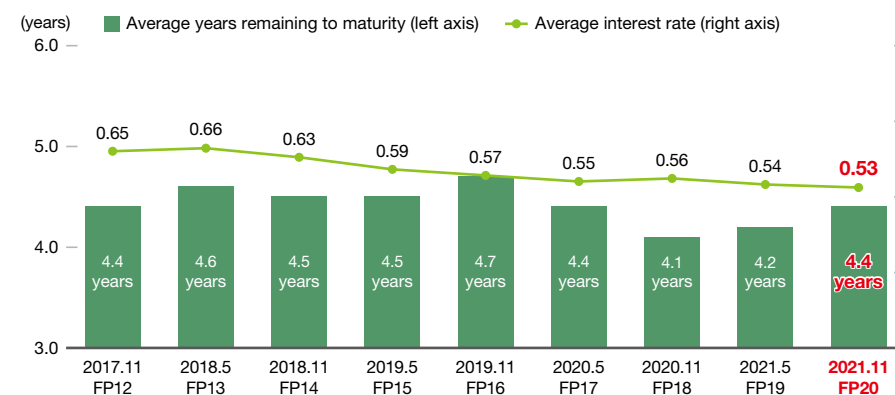


LTV	Appraisal LTV
46.0%	39.1%
Acquisition capacity	Rating (JCR)
¥45.6 billion *at LTV 50%	AA (Stable) *Purchased by Bank of Japan

* As of November 30, 2021

Trends in average period remaining to maturity and average interest rate

Realized lowered average interest rate and longer average remaining period to maturity. We will continue to work for debt cost reduction

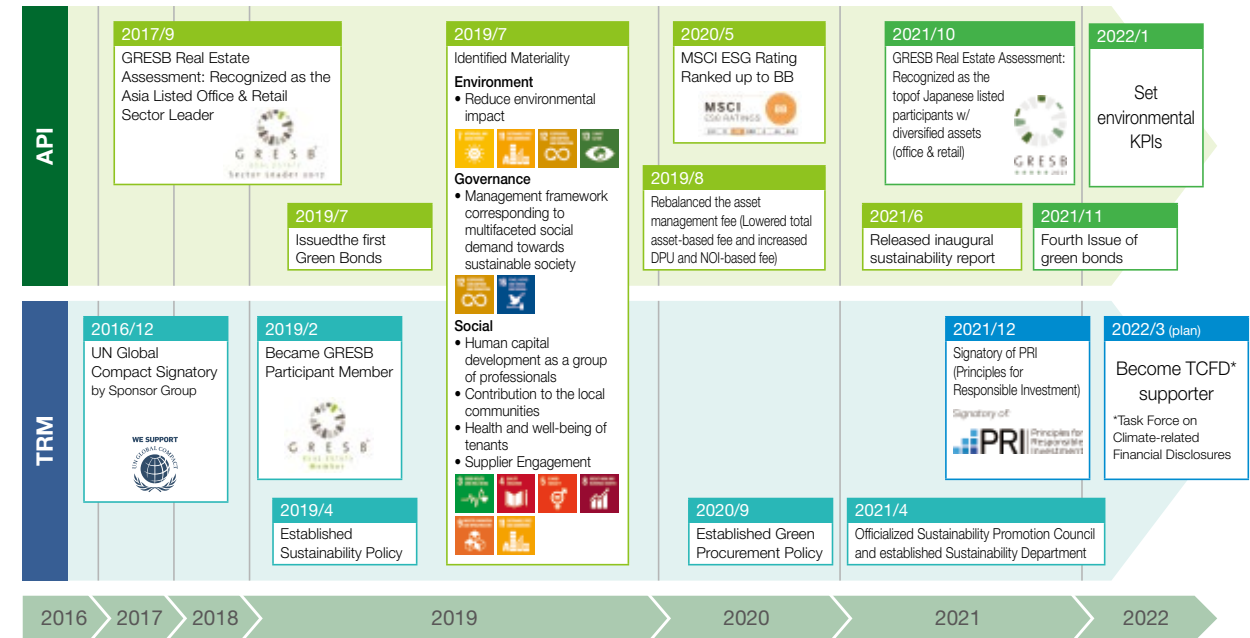


Average interest rate	Fixed interest rate ratio
0.53%	96.6%
Average remaining period to maturity	Long-term borrowing ratio
4.4 years	100%

* As of November 30, 2021

9 Initiatives for ESG

- Actively promoted ESG efforts such as continuous participation to GRESB as well as issuance of Green Bonds
- Became a **signatory** to **PRI** as an asset manager in December 2021 and plan to **support TCFD** in Spring 2022



Setting KPIs

- Set KPIs** to translate our environmental policy aligned with our materiality into concrete initiatives
- Accelerate** and **deepen** initiatives to achieve performance targets

Renewable Energy Procurement

- Accelerate procurement of renewable energy (Plan to set up the KPI by July 2022 after cost estimation)
- Reduce CO₂ emissions through renewable energy

Portfolio Greening

- 70% or more** green-certified assets by 2030
- Promote green leases for **100%** of new contracts

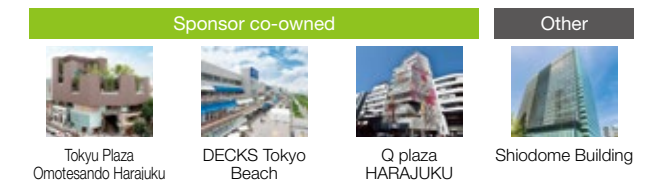
Sustainable Finance

- 100%** green bonds for new issues of investment corporation bonds*
 - Consider diversification of sustainable finance methods
- *Based on the issuance within current framework

Adoption of renewable energy

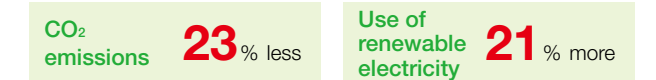
- Renewable energy adoption will start** with four properties from the period ending in May 2022
- Adoption to the entire portfolio** will be promoted after close examination of associated costs, with careful attention to unitholder value.

Scheduled transition to renewable electricity in four buildings from the period ending in May 2022

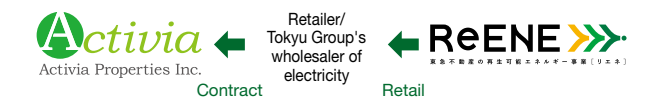


Estimated impact on portfolio's environmental performance

*based on FY2020 performance





- Three buildings co-owned with our sponsor will use renewable electricity generated by the **sponsor's group**



9 Initiatives for ESG

1. Green certifications (As of the end of November 2021)

GRESB Real Estate Assessment		Green-certified assets	
		Newly certified	3 properties
Global rating 5 stars for four consecutive years Top among Japanese listed participants w/diversified assets (office/retail)	Disclosure Highest A rank for four consecutive years	Green-certified assets	29 properties
		GFA	65 %

2. Green bonds (As of November 30, 2021)

Outstanding	¥ 17.4 bn
Remaining capacity	¥ 115.9 bn

3. Green leases (green clauses in lease contracts)

New leases contracted in FP ended Nov. 2021	62
Green lease ratio	100 %

4. Measures taken at properties

Resource recycling within the premises (Tokyu Plaza Omotesando Harajuku)

- Compost raw garbage generated in restaurants
- Manure will be utilized for **strawberry plants** in rooftop garden on the premises. Strawberries will be used in the dishes in restaurants
- Participating in project to collect and recycle **plastic materials** in retail facilities in Tokyo
- Verifying **recycle system** for packaging waste from clothing/apparel shops



5. For local communities

Donation through regional revitalization support tax system by our asset manager

- Made a second donation following last year to the fundraising program to **support medical staff** and to **set up medical infrastructure** in Hokkaido where A-FLAG SAPPORO is located
- Contribution to regional communities** through donation



6. For investors

J-REIT glossary on API website

- Glossaries for J-REITs in general and API-specific vocabularies are posted on our **website** (Japanese only)



7. Measures taken at properties

Perks for tenant employees working in API's office properties

- Various perks for tenant employees such as discount coupon for **sponsor group's** commercial facilities and hotels
- Tenants can **enhance employee benefits** which represents an opportunity for API to be tenants' first choice



Shared bicycles

- (Tokyu Plaza Omotesando Harajuku, Q plaza SHINSAIBASHI, Q plaza HARAJUKU, A-PLACE Shibuya Konnoh)
- For an **electric bicycle-sharing program**, docking stations are installed at four properties
- Support a **sustainable** public transportation



Food trucks (A-PLACE Aoyama)




- Demand for food takeout on the rise during COVID-19
- Contributes to **improved tenant satisfaction**, as there are few restaurants in the neighborhood



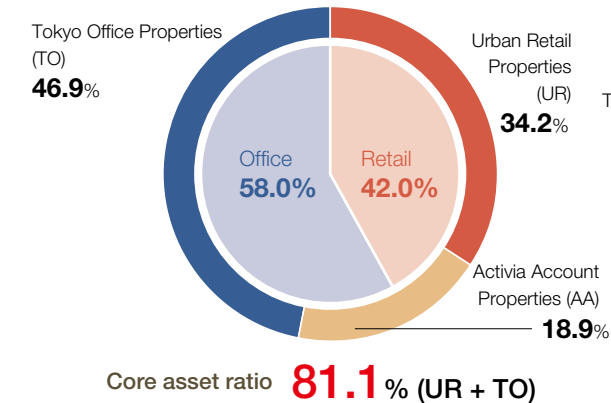
API's Strengths

1. Portfolio composition policy

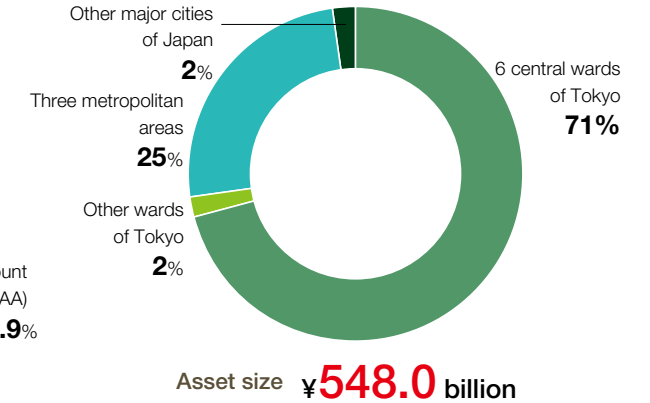
- We intend to maintain a competitive portfolio in the medium to long term by investing primarily in Urban Retail Properties and Tokyo Office Properties upon careful consideration of location as the most important factor, followed by other factors such as size, quality, specifications and suitability of tenants.

		
Urban Retail Properties Urban retail properties that are easily recognized and located either near major train stations or popular areas in Tokyo, government-designated major cities within Japan's three major metropolitan areas and other major cities in Japan	Tokyo Office Properties Office properties within the 23 wards of Tokyo in areas with a high concentration of offices and located near major train stations	Activia Account Properties To enhance the stability and profitability of our portfolio, we rigorously select commercial facilities other than Urban Retail Properties and office building other than Tokyo Office Properties, assessing the attributes and competitiveness of each property
Target investment ratio (based on acquisition price) 70 % or more		Target investment ratio (based on acquisition price) 30 % or less

Investment ratio (by category)



Investment ratio (by area)

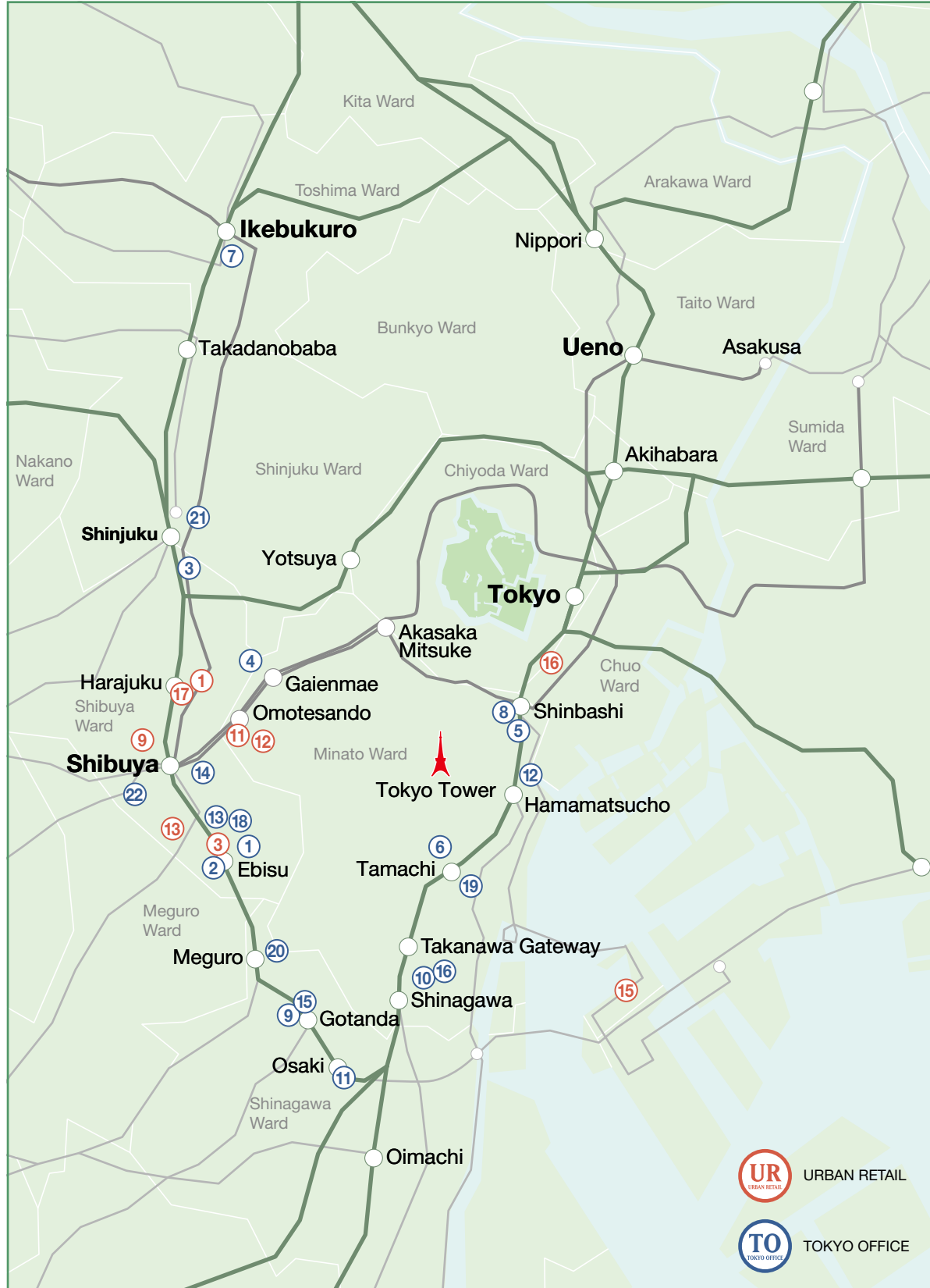


2. Utilizing sponsor's value chain

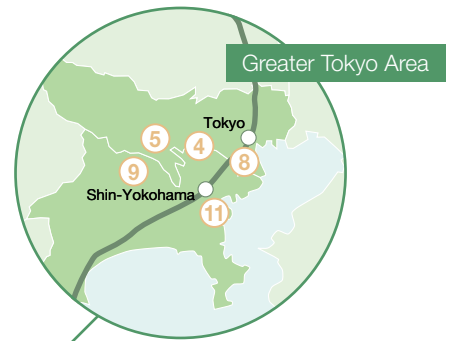
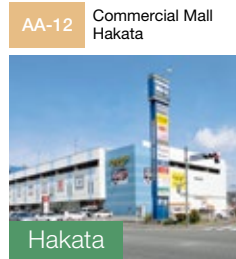
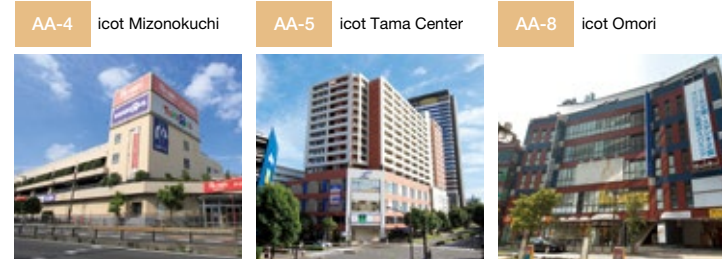
- We utilize the support and capabilities of Tokyu Fudosan Holdings Group companies' value chain during the various phases of managing our assets, including at acquisition of competitive assets (external growth) and by maximizing the profitability of our assets under management (internal growth).

TOKYU FUDOSAN HOLDINGS Listed on the 1st section of Tokyo Stock Exchange with securities code 3289, Operating revenue: ¥907.7 bn; Operating profit: ¥56.5 bn (Result FY2021)

TOKYU LAND CORPORATION								TOKYU COMPANY CORP.		
Residence	Hotel	Wellness	Office	Commercial properties	Logistics properties	Renewable energy	Oversea business	Building management	Brokerage	Retail
TOKYU RESORTS & STAYS TOKYU SPORTS				TOKYU LAND SC MANAGEMENT CORPORATION						



UR-1 Tokyu Plaza Omotesando Harajuku	UR-3 Q plaza EBISU	UR-9 A-FLAG SHIBUYA	UR-11 A-FLAG KOTTO DORI	UR-12 A-FLAG BIJUTSUKAN DORI
UR-13 A-FLAG DAIKANYAMA WEST	UR-15 DECKS Tokyo Beach	UR-16 Tokyu Plaza Ginza (Land)	UR-17 Q plaza HARAJUKU	TO-1 TLC Ebisu Building
TO-2 A-PLACE Ebisu Minami	TO-3 A-PLACE Yoyogi	TO-4 A-PLACE Aoyama	TO-5 Luogo Shiodome	TO-6 TAMACHI SQUARE (Land)
TO-7 A-PLACE Ikebukuro	TO-8 A-PLACE Shinbashi	TO-9 A-PLACE Gotanda	TO-10 A-PLACE Shinagawa	TO-11 OSAKI WIZTOWER
TO-12 Shiodome Building	TO-13 A-PLACE Ebisu Higashi	TO-14 A-PLACE Shibuya Konnoh	TO-15 A-PLACE Gotanda Ekimae	TO-16 A-PLACE Shinagawa Higashi
TO-18 Ebisu Prime Square	TO-19 Tamachi East Building (Scheduled) <small>(Note 2)</small>	TO-20 Meguro Tokyu Building	TO-21 Q plaza Shinjuku-3chome	TO-22 A-PLACE Shibuya Nanpeidai



(As of November 30, 2021)

Category	Property number	Property name	Location	Acquisition price (In millions of yen)	Investment ratio	Total leasable area (m ²)	Completion (Note 1)	Occupancy rate	
UR URBAN RETAIL	UR-1	Tokyu Plaza Omotesando Harajuku ^(Note 2)	Jingumae, Shibuya-ku, Tokyo	45,000	8.2%	4,918.43	Mar. 2012	97.5%	
	UR-3	Q plaza EBISU	Ebisu, Shibuya-ku, Tokyo	8,430	1.5%	4,024.88	Aug. 2008	100.0%	
	UR-5	Kyoto Karasuma Parking Building	Motohononjicho, Nakagyo-ku, Kyoto	8,860	1.6%	21,616.04	Jul. 2006	100.0%	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kyomachi, Chuo-ku, Kobe City, Hyogo	21,330	3.9%	19,653.90	Jan. 2010	98.0%	
	UR-8	A-FLAG SAPPORO	Minami-Yonjo-Nishi, Chuo-ku, Sapporo City, Hokkaido	4,410	0.8%	21,229.16	May 1980	96.1%	
	UR-9	A-FLAG SHIBUYA	Udagawacho, Shibuya-ku, Tokyo	6,370	1.2%	3,403.07	Jun. 1988	100.0%	
	UR-10	Q plaza SHINSAIBASHI	Shinsaibashi-suji, Chuo-ku, Osaka City, Osaka	13,350	2.4%	2,820.23	Nov. 2007	100.0%	
	UR-11	A-FLAG KOTTO DORI	Minami-Aoyama, Minato-ku, Tokyo	4,370	0.8%	2,656.53	Jan. 1992	88.9%	
	UR-12	A-FLAG BIJUTSUKAN DORI	Minami-Aoyama, Minato-ku, Tokyo	4,700	0.9%	1,994.65	Dec. 1998	100.0%	
	UR-13	A-FLAG DAIKANYAMA WEST	Sarugakucho, Shibuya-ku, Tokyo	2,280	0.4%	2,579.08	Apr. 1992	100.0%	
	UR-14	A-FLAG KITA SHINSAIBASHI	Minami-Senba, Chuo-ku, Osaka City, Osaka	4,725	0.9%	2,538.13	Mar. 2008	100.0%	
	UR-15	DECKS Tokyo Beach ^(Note 2)	Daiba, Minato-ku, Tokyo	12,740	2.3%	16,119.47	Jun. 1996 Nov. 2000 (Extension)	95.0%	
	UR-16	Tokyu Plaza Ginza (Land) ^(Note 2)	Ginza, Chuo-ku, Tokyo	37,500	6.8%	1,130.04	—	100.0%	
	UR-17	Q plaza HARAJUKU ^(Note 2)	Jingumae, Shibuya-ku, Tokyo	13,200	2.4%	3,378.49	Mar. 2015	93.0%	
	Urban Retail properties				187,265	34.2%	108,062.10	—	97.5%
	TO TOKYO OFFICE	TO-1	TLC Ebisu Building	Ebisu, Shibuya-ku, Tokyo	7,400	1.4%	7,342.60	Mar. 1993	82.2%
		TO-2	A-PLACE Ebisu Minami	Ebisu-Minami, Shibuya-ku, Tokyo	9,640	1.8%	7,950.49	Jan. 1995	100.0%
TO-3		A-PLACE Yoyogi	Sendagaya, Shibuya-ku, Tokyo	4,070	0.7%	3,106.17	Feb. 2007	100.0%	
TO-4		A-PLACE Aoyama	Kita-Aoyama, Minato-ku, Tokyo	8,790	1.6%	7,303.69	Sep. 1966	100.0%	
TO-5		Luogo Shiodome	Higashi-Shinbashi, Minato-ku, Tokyo	4,540	0.8%	4,476.35	Jul. 2004	79.1%	
TO-6		TAMACHI SQUARE (Land) ^(Note 3)	Shiba, Minato-ku, Tokyo	2,338	0.4%	1,287.96	—	100.0%	
TO-7		A-PLACE Ikebukuro	Minami-Ikebukuro, Toshima-ku, Tokyo	3,990	0.7%	3,409.73	Oct. 2011	100.0%	
TO-8		A-PLACE Shinbashi	Shinbashi, Minato-ku, Tokyo	5,650	1.0%	5,054.19	Mar. 1999	100.0%	
TO-9		A-PLACE Gotanda	Nishi-Gotanda, Shinagawa-ku, Tokyo	5,730	1.0%	4,028.69	Feb. 2012	89.3%	
TO-10		A-PLACE Shinagawa	Konan, Minato-ku, Tokyo	3,800	0.7%	2,986.36	Sep. 1991	100.0%	
TO-11		OSAKI WIZTOWER	Osaki, Shinagawa-ku, Tokyo	10,690	2.0%	7,193.28	Jan. 2014	100.0%	
TO-12		Shiodome Building ^(Note 2)	Kaigan, Minato-ku, Tokyo	71,600	13.1%	28,136.05	Dec. 2007	99.5%	
TO-13		A-PLACE Ebisu Higashi	Higashi, Shibuya-ku, Tokyo	7,072	1.3%	4,010.69	Jan. 1992	100.0%	
TO-14		A-PLACE Shibuya Konnoh	Shibuya, Shibuya-ku, Tokyo	4,810	0.9%	3,010.53	Mar. 1992	100.0%	
TO-15		A-PLACE Gotanda Ekimae	Nishi-Gotanda, Shinagawa-ku, Tokyo	7,280	1.3%	4,333.64	Nov. 1993	100.0%	
TO-16	A-PLACE Shinagawa Higashi	Konan, Minato-ku, Tokyo	18,800	3.4%	14,658.98	Aug. 1985 (Main building) Sep. 1999 (Annex)	95.2%		
TO-18	Ebisu Prime Square ^(Note 2)	Hiroo, Shibuya-ku, Tokyo	30,700	5.6%	18,063.03	Jan. 1997	93.2%		
TO-19	A-PLACE Tamachi East	Shibaura, Minato-ku, Tokyo	6,800	1.2%	4,288.88	Apr. 2003	98.8%		
TO-20	Meguro Tokyu Building	Kami-osaki, Shinagawa-ku, Tokyo	16,300	3.0%	6,993.70	Dec. 2002	100.0%		
TO-21	Q plaza Shinjuku-3chome	Shinjuku, Shinjuku-ku, Tokyo	18,400	3.4%	4,528.01	Sep. 1992	100.0%		
TO-22	A-PLACE Shibuya Nampoedai	Nampoedai-cho, Shibuya-ku, Tokyo	8,800	1.6%	4,373.54	Jul. 1989	100.0%		
Tokyo Office properties				257,200	46.9%	146,536.56	—	96.7%	
AA ACTIVA ACCOUNT	AA-1	Amagasaki Q's MALL (Land)	Shioe, Amagasaki City, Hyogo	12,000	2.2%	27,465.44	—	100.0%	
	AA-2	icot Nakamozu	Nakamozucho, Kita-ku, Sakai City, Osaka	8,500	1.6%	28,098.02	Jun. 2007	100.0%	
	AA-4	icot Mizonokuchi	Mizonokuchi, Takatsu-ku, Kawasaki City, Kanagawa	2,710	0.5%	14,032.05	Jul. 1998	100.0%	
	AA-5	icot Tama Center	Ochiai, Tama City, Tokyo	2,840	0.5%	5,181.58	Mar. 2006	98.6%	
	AA-6	A-PLACE Kanayama	Kanayama, Naka-ku, Nagoya City, Aichi	6,980	1.3%	9,314.90	Feb. 2009	100.0%	
	AA-7	Osaka Nakanoshima Building	Nakanoshima, Kita-ku, Osaka City, Osaka	11,100	2.0%	20,226.77	Mar. 1984	99.5%	
	AA-8	icot Omori	Omorikita, Ota-ku, Tokyo	5,790	1.1%	6,209.78	Mar. 2007	100.0%	
	AA-9	Market Square Sagami-hara	Shimokuzawa, Chuo-ku, Sagami-hara City, Kanagawa	4,820	0.9%	15,152.42	Jun. 2014	100.0%	
	AA-10	Umeda Gate Tower	Tsurunocho, Kita-ku, Osaka City, Osaka	19,000	3.5%	13,566.95	Jan. 2010	85.5%	
	AA-11	A-PLACE Bashamichi	Honcho, Naka-ku, Yokohama City, Kanagawa	3,930	0.7%	9,710.91	May 1975	100.0%	
	AA-12	Commercial Mall Hakata	Tokojimachi, Hakata-ku, Fukuoka City, Fukuoka	6,100	1.1%	9,612.88	Nov. 2005	89.7%	
	AA-13	EDGE Shinsaibashi	Nishi-Shinsaibashi, Chuo-ku, Osaka City, Osaka	19,800	3.6%	15,897.10	Apr. 1986	100.0%	
	Activia Account properties				103,570	18.9%	174,468.80	—	98.2%
Total				548,035	100.0%	429,067.46	—	97.5%	

(Note 1) The completion date is the date of construction of the main building as described in the property registry. For properties with multiple main buildings, the construction date of the oldest building is listed. However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection that confirms the completion of construction written on the certificate of inspection is provided.

(Note 2) Figures provided for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square are in proportion to our pro rata share of the co-ownership interests (75%, 49%, 30%, 60%, 35% and 51%, respectively).

(Note 3) The acquisition price of TAMACHI SQUARE (Land) is the land acquisition price at the time of the initial acquisition (June 13, 2012).

Asset Management Report for the 20th Fiscal Period (Semi-Annual Report)

From June 1, 2021 to November 30, 2021

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II.	Balance Sheets
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	Independent Auditor's Report

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

I. Asset Management Report

1. Review of Asset Management

(1) Investment Performance of the Investment Corporation

Fiscal period		16th period	17th period	18th period	19th period	20th period
Business period		From June 1, 2019 to November 30, 2019	From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021
Operating revenue	(millions of yen)	15,542	15,073	15,073	14,715	15,646
[Lease business revenue]	(millions of yen)	[14,063]	[14,009]	[14,009]	[13,765]	[14,283]
Operating expenses	(millions of yen)	6,862	6,778	6,845	6,614	6,887
[Expenses related to rent business]	(millions of yen)	[5,464]	[5,470]	[5,588]	[5,369]	[5,551]
Operating profit	(millions of yen)	8,680	8,228	8,228	8,101	8,758
Ordinary profit	(millions of yen)	7,818	7,363	7,363	7,250	7,781
Profit	(millions of yen)	7,817	7,363	7,363	7,249	7,753
Net assets	(millions of yen)	256,198	255,700	255,705	255,581	278,716
[Change from the previous period]	(%)	[0.0]	[−0.2]	[0.0]	[−0.0]	[9.1]
Total assets	(millions of yen)	515,480	525,686	525,378	525,379	566,257
[Change from the previous period]	(%)	[0.2]	[2.0]	[−0.1]	[0.0]	[7.8]
Unitholders' capital	(Note4) (millions of yen)	248,370	248,370	248,370	248,370	270,963
Number of units issued and outstanding	(units)	771,224	771,224	771,224	771,224	822,754
Net assets per unit	(yen)	332,196	331,558	331,558	331,397	338,760
Total distributions	(millions of yen)	7,817	7,362	7,362	7,250	7,700
Basic earnings per unit	(Note1) (yen)	10,136	9,547	9,547	9,400	9,754
Cash distributions per unit	(yen)	10,137	9,508	9,547	9,401	9,360
[Earnings distributions per unit]	(yen)	[10,137]	[9,504]	[9,514]	[9,386]	[9,360]
[Distributions per unit in excess of earnings]	(yen)	[−]	[4]	[33]	[15]	[−]
Ordinary profit to total assets	(Note2) (%)	1.5	1.4	1.4	1.4	1.4
Return on unitholders' equity	(Note2) (%)	3.1	2.9	2.9	2.8	2.9
Unitholders' equity to total assets	(Note2) (%)	49.7	48.7	48.7	48.6	49.2
[Change from the previous period]	(%)	[−0.1]	[0.1]	[0.1]	[−0.1]	[0.6]
Payout ratio	(Note2) (%)	100.0	99.7	99.7	99.8	99.3
[Other reference]						
Number of properties	(properties)	44	44	44	44	47
Total leasable area	(Note3) (m ²)	414,008.41	425,490.09	425,490.09	425,493.08	429,067.46
Occupancy rate at end of period	(%)	99.8	98.9	98.9	98.1	97.5
Depreciation	(millions of yen)	1,298	1,335	1,335	1,352	1,374
Capital expenditure	(millions of yen)	640	650	650	678	810
NOI	(Note2) (millions of yen)	11,034	10,803	10,803	10,705	11,224

(Note1) Basic earnings per unit is calculated by dividing profit by the daily weighted average number of investment units issued and outstanding (771,224 units, 771,224 units, 771,224 units, 771,224 units, and 794,871 units for the 16th, 17th, 18th, 19th and 20th fiscal periods, respectively).

(Note2) The indicators are calculated as follows:

Ordinary profit to total assets: $\text{Ordinary profit} \div \text{Average total assets} \times 100$; Average total assets = $(\text{Total assets at beginning of period} + \text{Total assets at end of period}) \div 2$
 Return on unitholders' equity: $\text{Profit} \div \text{Average net assets} \times 100$; Average net assets = $(\text{Net assets at beginning of period} + \text{Net assets at end of period}) \div 2$
 Unitholders' equity to total assets: $\text{Net assets at end of period} \div \text{Total assets at end of period} \times 100$
 Payout ratio: $\text{Total distribution amount (excluding distributions in excess of earnings)} \div \text{Profit} \times 100$ (rounded down to the first decimal place)
 NOI: $\text{Rental operating income (Lease business revenue} + \text{Other lease business revenue} - \text{Expenses related to rental business)} + \text{Depreciation} + \text{Loss on retirement of non-current assets}$

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

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

(2) Asset Management during the Fiscal Period under Review

1) Transition of Investment Corporation

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

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

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

In the fiscal period under review, which ended on November 30, 2021, the Investment Corporation acquired three “Tokyo Office Properties,” through publicly offered capital increase, etc., which are categorized as its focused investment properties. The Investment Corporation also took steps to reshuffle its asset portfolio which involved transferring Tokyu Plaza Akasaka (50% co-ownership interest) and acquiring one “Tokyo Office Property” on October 29, 2021. Consequently, the Investment Corporation held 47 properties (with the total acquisition price of ¥548,035 million) at the end of the fiscal period under review.

2) Investment Environment and Investment Performance

In the Japanese economy in the fiscal period under review, weakness continued to be seen in the trend of recovery despite the difficult environment, which was caused by COVID-19, softening steadily.

With respect to the environment surrounding retail properties, a trend of recovery has been seen in consumer sentiment, such as signs of recovery in contact service consumption due to the complete lifting of state of emergency, etc.

In the rental office market, there is a continuing trend of office consolidations and relocations to smaller offices due to COVID-19 leading to the adoption of telework and trend of cost reduction. Meanwhile, the average vacancy rate in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) as of November 30, 2021, according to data published by Miki Shoji Co., Ltd., was 6.35%, an increase of 0.45 percentage points from the period ended May 31, 2021. Rent levels have dropped for 16 consecutive months starting in August 2020. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of November 30, 2021, was ¥20,686. Even in major cities outside Tokyo, vacancy rates are trending upward and rent levels have fallen moderately or remain unchanged.

The J-REIT market was firm due to expectation that economic activity will normalize due to the lifting of the state of emergency. However, prices declined toward November 30, 2021 due to an increasing sense of caution because of new COVID-19 variants.

The Investment Corporation acquired three properties, namely Meguro Tokyu Building, Q plaza Shinjuku-3chome and A-PLACE Shibuya Nampeidai (Note 1) (with the total acquisition price of ¥43,500 million) on September 10, 2021, by publicly offered capital increase in accordance with the basic asset management policy set forth in the Articles of Incorporation. On October 29, 2021, the Investment Corporation also transferred Tokyu Plaza Akasaka (50% co-ownership interest) (with the transfer price of ¥11,800 million) and acquired A-PLACE Tamachi East (Note 2) (with the acquisition price of ¥6,800 million) on the same day.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 47 properties (with the total acquisition price of ¥548,035 million) with the total leasable area of 429,067.46 m² (129,791 *tsubo*).

(Note 1) Although the name of “A-PLACE Shibuya Nampeidai” as of the date of this financial report is “Nikko Shibuya Nampeidai Building,” it will be changed as of September 1, 2022.

(Note 2) Although the name of “A-PLACE Tamachi East” as of the date of this financial report is “Tamachi East Building,” it will be changed as of November 1, 2022.

3) Initiatives Regarding Sustainability

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

Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System of TLC REIT Management Inc., our Asset Manager. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program. As works to reduce environmental load for the fiscal period under review, the lighting was upgraded to LED lighting at common areas of icot Omori, some common areas of A-PLACE Yoyogi, A-PLACE Ikebukuro, A-PLACE Shinagawa, A-PLACE Ebisu Higashi and Ebisu Prime Square Tower, some private areas of Shiodome Building and Ebisu Prime Square. In addition, water-saving toilet bowls were used to promote effective utilization of water resources in the renovation of toilets of A-PLACE Shinagawa, and energy-saving performance was improved by using highly efficient outdoor air conditioning units in the replacement of air conditioning units of Luogo Shiodome.

Moreover, we continue to engage in annual initiatives geared to acquiring green building certifications, and during the fiscal period under review, we have acquired the BELS certifications for Umeda Gate Tower (two stars) and OSAKI WIZTOWER (two stars). As such, a total of 29 of our properties have acquired green building certification, which amounted to 65.4% of our holdings calculated on the basis of gross floor area (as of November 30, 2021).

Furthermore, an umbrella sharing service has been newly introduced at Luogo Shiodome, A-PLACE Shinagawa Higashi, A-PLACE Gotanda, A-PLACE Aoyama, A-PLACE Yoyogi, A-PLACE Shibuya Konoh, TLC Ebisu Building and Ebisu Prime Square. At the same time, Tokyu Plaza Omotesando Harajuku has started a project aiming for self-sufficiency resource circulation within the facilities in which raw garbage generated from restaurants within the facilities is turned into compost and then used for cultivation of strawberries in the field at the roof garden, and the restaurants offer a menu using cultivated strawberries. The Investment Corporation will contribute to achieving a sustainable society by engaging in such initiatives geared to the environment and society.

4) Overview of Financing

In the fiscal period under review, in order to cover a part of the acquisition costs for beneficial interests in real estate trust to the above three properties and related costs, the Investment Corporation additionally issued investment units (49,030 units) through a public offering on September 7, 2021, issued new investment units (2,500 units) by a third-party allotment on September 28, 2021, and borrowed funds of ¥16,200 million on September 10, 2021. The Investment Corporation also refinanced a total of ¥13,750 million largely in order to cover repayment of borrowings and investment corporation bonds that had come due. In addition, the Investment Corporation issued green bonds (unsecured investment corporation bonds) of ¥3,900 million on November 16, 2021, and used the funds to cover repayment of short-term borrowings. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥260,350 million (borrowings of ¥233,650 million and investment corporation bonds of ¥26,700 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.0% as of the end of the fiscal period under review. The long-term debt ratio and the ratio of fixed-interest debt to total interest-bearing debt were 100% and 96.6%, respectively.

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

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

5) Overview of Financial Results and Distributions

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥15,646 million, ¥8,758 million, and ¥7,781 million, respectively, for the fiscal period under review, and profit was ¥7,753 million.

As for distributions for the fiscal period under review, internal reserve of ¥53,379,899 was provided for stabilization of future distributions in view of ¥250,323,186 of gain on sale of real estate properties arising, and the decision was made with respect to paying distributions of profit of ¥7,700,977,440, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations). Consequently, distributions per investment unit resulted in ¥9,360.

(3) Capital Increase, etc.

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

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

- (Note 1) The Investment Corporation was established through an investment of Tokyu Land Corporation, which underwrote the investment units with an offer price per unit of ¥500,000.
- (Note 2) API issued new investment units through a public offering at a price of ¥460,000 per unit (issue price of ¥445,050 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 3) Following the public offering on June 12, 2012, API issued new investment units through a third-party allotment at a price of ¥445,050 per unit.
- (Note 4) API issued new investment units through a public offering at a price of ¥782,925 per unit (issue price of ¥757,229 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 5) Following the public offering on December 16, 2013, API issued new investment units through a third-party allotment at a price of ¥757,229 per unit.
- (Note 6) API issued new investment units through a public offering at a price of ¥979,020 per unit (issue price of ¥948,051 per unit) to raise funds for the acquisition of new properties.
- (Note 7) Following the public offering on December 17, 2014, API issued new investment units through a third-party allotment at a price of ¥948,051 per unit.
- (Note 8) A 2-for-1 investment unit split was implemented with September 30, 2015 as the record date and October 1, 2015 as the effective date.
- (Note 9) API issued new investment units through a public offering at a price of ¥472,360 per unit (issue price of ¥457,418 per unit) to raise funds for the acquisition of new properties, etc.
- (Note 10) Following the public offering on December 15, 2015, API issued new investment units through a third-party allotment at a price of ¥457,418 per unit.
- (Note 11) API issued new investment units through a public offering at a price of ¥483,326 per unit (issue price of ¥468,283 per unit) to raise funds for the acquisition of new properties.
- (Note 12) Following the public offering on December 1, 2016, API issued new investment units through a third-party allotment at a price of ¥468,283 per unit.
- (Note 13) API issued new investment units through a public offering at a price of ¥458,150 per unit (issue price of ¥443,657 per unit) to raise funds for the acquisition of new properties.
- (Note 14) Following the public offering on December 13, 2017, API issued new investment units through a third-party allotment at a price of ¥443,657 per unit.
- (Note 15) API issued new investment units through a public offering at a price of ¥445,410 per unit (issue price of ¥431,320 per unit) to raise funds for the acquisition of new properties.
- (Note 16) Following the public offering on December 19, 2018, API issued new investment units through a third-party allotment at a price of ¥431,320 per unit.
- (Note 17) API issued new investment units through a public offering at a price of ¥452,760 per unit (issue price of ¥438,438 per unit) to raise funds for the acquisition of new properties.
- (Note 18) Following the public offering on September 7, 2021, API issued new investment units through a third-party allotment at a price of ¥438,438 per unit.
- (Note 19) The changes in unitholders' capital arising from the distributions in excess of earnings from allowance for temporary difference adjustments are not considered.

Fluctuation in Market Price of the Investment Securities

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

(yen)

Fiscal period	16th period	17th period	18th period	19th period	20th period
Business period	From June 1, 2019 to November 30, 2019	From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021
Highest	589,000	582,000	426,000	515,000	531,000
Lowest	461,000	227,400	335,000	390,500	425,500

(4) Distributions, etc.

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥15,646 million, ¥8,758 million, and ¥7,781 million, respectively, for the fiscal period under review, and profit was ¥7,753 million.

As for distributions for the fiscal period under review, internal reserve of ¥53,379,899 was provided for stabilization of future distributions in view of ¥250,323,186 of gain on sale of real estate properties arising, and the decision was made with respect to paying distributions of profit of ¥7,700,977,440, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations). Consequently, distributions per investment unit resulted in ¥9,360.

Fiscal period	16th period	17th period	18th period	19th period	20th period
Business period	From June 1, 2019 to November 30, 2019	From December 1, 2019 to May 31, 2020	From June 1, 2020 to November 30, 2020	From December 1, 2020 to May 31, 2021	From June 1, 2021 to November 30, 2021
Unappropriated retained earnings	¥7,829,267 thousand	¥7,333,243 thousand	¥7,366,549 thousand	¥7,278,928 thousand	¥7,793,594 thousand
Retained earnings	¥572 thousand	¥3,530 thousand	¥29,124 thousand	¥40,219 thousand	¥53,379 thousand
Total distributions	¥7,817,897 thousand	¥7,332,797 thousand	¥7,362,875 thousand	¥7,250,276 thousand	¥7,700,977 thousand
[Distributions per unit]	¥10,137	¥9,508	¥9,547	¥9,401	¥9,360
Of which, total distributions of profits	¥7,817,897 thousand	¥7,329,712 thousand	¥7,337,425 thousand	¥7,238,708 thousand	¥7,700,977 thousand
[Distributions of profits per unit]	¥10,137	¥9,504	¥9,514	¥9,386	¥9,360
Of which, total return on unitholders' capital	¥— thousand	¥3,084 thousand	¥25,450 thousand	¥11,568 thousand	¥— thousand
[Return on unitholders' capital per unit]	¥—	¥4	¥33	¥15	¥—
Of the total return on unitholders' capital, the total distribution payments from the allowance for temporary difference adjustment	¥— thousand	¥3,084 thousand	¥25,450 thousand	¥11,568 thousand	¥— thousand
[Of the return on unitholders' capital per unit, the distribution payment from the allowance for temporary difference adjustment per unit]	¥—	¥4	¥33	¥15	¥—
Of the total return on unitholders' capital, the total distribution payments from investments and other decreased distribution under tax laws	¥— thousand	¥— thousand	¥— thousand	¥— thousand	¥— thousand
[Of the return on unitholders' capital per unit, the distribution payments from investments and other decreased distribution under tax laws]	¥—	¥—	¥—	¥—	¥—

(5) Future Investment Policy and Issues to Address

With regard to the Japanese economy, the corporate sector and the household sector are both expected to recover due to the increase of external demand and the effects of economic policies as the impact of COVID-19 gradually eases because of factors such as the spread of vaccinations. However, it is necessary to closely observe the impact of the risks of a global downturn, such as the spread of COVID-19 variants as well as the prolonging of supply constraints, which include the stagnation of logistics and supply chain issues.

With respect to the environment surrounding retail properties, it is necessary to pay attention to risks that will restrict consumption again due to the spread of COVID-19 variants despite the expectation that pent-up demand for services, etc. will actualize because of the progression of consumer activities while the spread of infection is suppressed as a result of the spread of vaccinations, etc. In the rental office market, the Investment Corporation expects that the locations and quality of properties will continue to be tested as it is expected that supply and demand will continue to see a trend of easing due to relocations to smaller offices and partial contract cancellations despite benefitting from a limited amount of new supply. While the J-REIT market is expected to continue to move in prices due to a sense of caution regarding COVID-19 variants in the short term, we expect inflow of funds into REITs due to their relatively stable earnings and attractive high return levels in the medium to long term.

Amid this environment, the Investment Corporation will fulfill its social responsibility in preventing the spread of infections, etc. while minimizing the impact of the COVID-19 pandemic through its abundant management expertise, and in line with its medium- to long-term portfolio strategy, it will aim to return to the path of improving unitholder value by increasing portfolio revenue through asset replacement that leverages sponsor support.

1) Basic Policy

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

2) External Growth Strategy

The Investment Corporation will invest in Urban Retail and Tokyo Office properties as a main target. It will make its investment decisions carefully, concentrating on selecting properties in excellent locations, including surrounding areas, and thoroughly considering individual factors such as use, size, specifications and other qualities of properties, and credibility and name recognition of tenants, in order to construct a competitive portfolio in the medium to long term. To acquire these competitive assets on an ongoing basis, the Investment Corporation will work to maintain and improve the quality of its portfolio by rigorously selecting investment assets based on the information it receives under its sponsor support agreement with Tokyu Land Corporation regarding the Investment Corporation and its support agreement with five group companies in the Tokyu Fudosan Holdings Group. It will also acquire properties through the exclusive know-how and information-gathering network of the Asset Manager.

3) Internal Growth Strategy

The Investment Corporation will operate, manage, and refurbish its portfolio to maintain and improve the competitiveness of its facilities through a comprehensive understanding of the features of its overall portfolio and its individual assets under management, based on the unique expertise of its Asset Manager. The Investment Corporation will also seek to manage its portfolio in a stable manner and strengthen its earnings by establishing appropriate operational and management systems tailored to the specific characteristics of the assets it has invested in, and through regular and non-regular inspections by the property management company that has considerable experience in the operation and management of real estate. The Investment Corporation will also maintain and improve the value of its assets through its expertise in internal growth through operating and managing properties. It will maximize the competitiveness of its assets through the ongoing assistance of Tokyu Land Corporation and other support companies, which, through their face-to-face business with consumers, have rich information regarding consumer needs and developments in industries such as retail and services. With respect to the property management business for the assets under management, leasing support has been provided from Tokyu Land Corporation, Tokyu Land SC Management Corporation or Tokyu Community Corp.

4) Financial Strategy

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

(6) Significant Matters after Book Closing

Resolution regarding acquisition of investment units

The Investment Corporation has decided the acquisition of own investment units based on the Article 80-2 of Investment Trust Act applied upon reading the terms in the Article 80-5, Paragraph 2 of the Investment Trust Act at a meeting of the board of directors of the Investment Corporation held on February 17, 2022. The Investment Corporation will cancel all the acquired units in 21th fiscal period.

(1) Reason for acquisition of own investment units

Considering various facts such as the level of investment unit price, situation of cash in hand, financial situation and market environment, the Investment Corporation expects that improving capital efficiency and returning profit to investors through acquiring own investment units will improve the investors' value in mid-to long-term.

(2) Details of acquisition of own investment units

Total number of own investment units to be acquired : 13,000 units (maximum)

Total acquisition price : 4,000,000 thousand yen (maximum)

Acquisition period : From February 18, 2022 to May 13, 2022

Method of acquisition : The investment Corporation entrusts the market purchase of its own investment units at Tokyo Stock Exchange to a securities company by discretionary transaction contract.

2. Overview of the Investment Corporation

(1) Unitholders' Capital

	16th period As of November 30, 2019	17th period As of May 31, 2020	18th period As of November 30, 2020	19th period As of May 31, 2021	20th period As of November 30, 2021
Total number of authorized investment units (units)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total number of investment units issued (units)	771,224	771,224	771,224	771,224	822,754
Unitholders' capital (Note) (millions of yen)	¥248,370	¥248,370	¥248,370	¥248,370	¥270,963
Number of unitholders (persons)	6,914	7,758	7,542	7,542	8,164

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

(2) Matters Relating to Investment Units

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

Name	Number of units owned	Percentage of total units issued (%) (Note)
Custody Bank of Japan, Ltd. (Trust accounts)	182,799	22.21
The Master Trust Bank of Japan, Ltd. (Trust accounts)	133,018	16.16
Tokyu Land Corporation	81,137	9.86
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	35,595	4.32
Custody Bank of Japan, Ltd. (Securities investment trust accounts)	22,325	2.71
SMBC Nikko Securities Inc.	18,131	2.20
State Street Bank & Trust Company (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited. Tokyo office)	14,121	1.71
JAPAN SECURITIES FINANCE CO., LTD.	11,579	1.40
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	9,608	1.16
JP MORGAN CHASE BANK 385781	9,004	1.09
Total	517,317	62.87

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

(3) Matters Relating to Officers, etc.

1) Executive Director, Supervisory Directors, and Independent Auditor during the Fiscal Period under Review

Title	Name of officer, etc.	Major concurrent post, etc.	Total amount of compensation for each position during the business period under review (thousands of yen)
Executive Director (Note 1)	Nobuhide Kashiwagi	TLC REIT Management Inc., Chief Division Officer of Activia Management Division	—
Supervisory Directors (Note 1)	Yonosuke Yamada	Yamada, Goya and Suzuki Law Office Managing Partner	3,300
	Yoshinori Ariga	Ariga Yoshinori Accounting Office Managing Partner	
Independent Auditor	Ernst & Young ShinNihon LLC	—	35,671 (Note 2)

(Note 1) Executive director or supervisory directors do not hold any investment units of the Investment Corporation under their or another person's name. Supervisory directors may serve as directors of companies other than those mentioned above, but there are no mutual business interests whatsoever between such companies and the Investment Corporation.

(Note 2) Compensation for the independent auditor includes fees for preparing comfort letters related to the issuance of new investment units in September 2021 and new investment corporation bonds in November 2021.

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

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

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

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

3. Assets of the Investment Corporation

(1) Composition of Assets of the Investment Corporation

Type of assets	Category	19th period As of May 31, 2021		20th period As of November 30, 2021	
		Total amount of assets owned (millions of yen) (Note 1)	Ratio to total assets (%)	Total amount of assets owned (millions of yen) (Note 1)	Ratio to total assets (%)
Real estate	Urban Retail Properties	—	—	—	—
	Tokyo Office Properties	—	—	—	—
	Activia Account Properties	—	—	—	—
	Subtotal	—	—	—	—
Real estate in trust	Urban Retail Properties	198,195	37.7	186,299	32.9
	Tokyo Office Properties	204,632	38.9	255,093	45.0
	Activia Account Properties	102,196	19.5	102,044	18.0
	Subtotal	505,024	96.1	543,438	96.0
Total real estate, etc.		505,577	96.1	543,438	96.0
Deposits and other assets		19,801	3.9	22,818	4.0
Total assets (Note 2)		525,378 (505,577)	100.0 (96.1)	566,257 (543,438)	100.0 (96.0)

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

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

(2) Major Assets Owned

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

Property name	Book value at end of period (millions of yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Major use
Shiodome Building (Note 4)	70,380	28,136.05	28,002.58	99.5	9.8	Office
Tokyu Plaza Omotesando Harajuku (Note 4)	44,520	4,918.43	4,796.34	97.5	7.0	Retail
Tokyu Plaza Ginza (Land) (Note 4)	37,895	1,130.04	1,130.04	100.0	3.8	Retail
Ebisu Prime Square (Note 4)	31,010	18,063.03	16,834.23	93.2	5.2	Office
Kobe Kyu Kyoryuchi 25Bankan	20,103	19,653.90	19,265.71	98.0	4.5	Retail
EDGE Shinsaibashi	19,977	15,897.10	15,897.10	100.0	3.7	Office
Umeda Gate Tower	19,042	13,566.95	11,593.87	85.5	3.3	Office
A-PLACE Shinagawa Higashi	18,761	14,658.98	13,956.02	95.2	3.8	Office
Q plaza Shinjuku-3chome	18,524	4,528.01	4,528.01	100.0	1.3	Office
Meguro Tokyu Building	16,391	6,993.70	6,993.70	100.0	0.9	Office
Total	296,609	127,546.19	122,997.60	96.4	43.2	

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of November 30, 2021 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 2021.

(Note 2) Leased area refers to the leased area of each property based on lease agreements as of November 30, 2021. For properties with master lease agreements, leased area refers to leased areas of each property and is actually leased based on sublease agreements with end-tenants.

(Note 3) Occupancy rate refers to the percentage of total leased area for each property to total leasable area for each property as of November 30, 2021, rounding down to the first decimal place.

(Note 4) As for Shiodome Building, Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Ginza (Land) and Ebisu Prime Square, the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (35%, 75%, 30% and 51%, respectively).

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

A summary of properties owned and under management by the Investment Corporation as of the end of the fiscal period under review is as follows:

Property name	Location	Asset type	Total leasable area (m ²) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Tokyu Plaza Omotesando Harajuku (Note 4)	30-3 Jingu-mae 4-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,918.43	62,100	44,520
Q plaza EBISU	8-12 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,024.88	11,700	8,144
Kyoto Karasuma Parking Building	678 Motohonjicho, Nakagyo-ku, Kyoto City, Kyoto	Trust beneficiary interests	21,616.04	10,400	8,644
Kobe Kyu Kyoryuchi 25Bankan	25 Kyomachi, Chuo-ku, Kobe City, Hyogo	Trust beneficiary interests	19,653.90	26,700	20,103
A-FLAG SAPPORO	1, Minami-Yonjo-Nishi 5-chome, Chuo-ku, Sapporo City, Hokkaido	Trust beneficiary interests	21,229.16	7,670	4,708
A-FLAG SHIBUYA	32-13, Udagawa-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	3,403.07	7,910	6,353
Q plaza SHINSAIBASHI	1-10 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	2,820.23	14,300	13,365
A-FLAG KOTTO DORI	4-40, Minami-Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,656.53	4,850	4,383
A-FLAG BJUTSUKAN DORI	3-16, Minami-Aoyama 6-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,994.65	4,860	4,701
A-FLAG DAIKANYAMA WEST	11-6, Sarugakucho, Shibuya-ku, Tokyo	Trust beneficiary interests	2,579.08	2,300	2,434
A-FLAG KITA SHINSAIBASHI	10-11, Minami Senba 3-chome, Chuo-ku, Osaka city, Osaka	Trust beneficiary interests	2,538.13	4,670	4,832
DECKS Tokyo Beach (Note 4)	6-1, Daiba 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	16,119.47	12,054	12,904
Tokyu Plaza Ginza (Land) (Note 4)	2-1, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficiary interests	1,130.04	39,000	37,895
Q plaza HARAJUKU (Note 4)	28-6, Jingu-mae 6-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,378.49	12,800	13,307
Subtotal			108,062.10	221,314	186,299
TLC Ebisu Building	18-18 Ebisu 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,342.60	11,800	7,116
A-PLACE Ebisu Minami	15-1 Ebisu-minami 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	7,950.49	15,800	9,597
A-PLACE Yoyogi	23-15 Sendagaya 5-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,106.17	5,000	3,837
A-PLACE Aoyama	11-3 Kita-Aoyama 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	7,303.69	10,700	8,511
Luogo Shiodome	3-3 Higashi-Shinbashi 2-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,476.35	6,350	4,435
TAMACHI SQUARE (Land)	26-24 Shiba 5-chome, Minato-ku, Tokyo	Trust beneficiary interests	1,287.96	2,850	2,362
A-PLACE Ikebukuro	16-22 Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficiary interests	3,409.73	5,610	3,639
A-PLACE Shinbashi	11-1 Shinbashi 4-chome, Minato-ku, Tokyo	Trust beneficiary interests	5,054.19	7,330	5,731
A-PLACE Gotanda	27-3, Nishigotanda 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,028.69	8,180	5,374
A-PLACE Shinagawa	8-40, Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	2,986.36	6,320	3,770
OSAKI WIZTOWER	11-1 Osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	7,193.28	14,700	10,423
Shiodome Building (Note 4)	2-20 Kaigan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	28,136.05	77,350	70,380
A-PLACE Ebisu Higashi (Note 5)	13-11 Higashi 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	4,010.69	7,630	6,990
A-PLACE Shibuya Konnoh (Note 5)	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	3,010.53	5,730	4,909
A-PLACE Gotanda Ekimae	5-1 Nishigotanda 1-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	4,333.64	7,950	7,603
A-PLACE Shinagawa Higashi	7-18 Konan 1-chome, Minato-ku, Tokyo	Trust beneficiary interests	14,658.98	21,600	18,761
Ebisu Prime Square (Note 4)	1-9,39,40 Hiroo 1-chome, Shibuya-ku, Tokyo	Trust beneficiary interests	18,063.03	31,300	31,010
A-PLACE Tamachi East	2-16, Shibaura 3-chome, Minato-ku, Tokyo	Trust beneficiary interests	4,288.88	7,130	6,855
Meguro Tokyu Building	13-17, Kami-osaki 2-chome, Shinagawa-ku, Tokyo	Trust beneficiary interests	6,993.70	16,800	16,391
Q plaza Shinjuku-3chome	5-6 Shinjuku 3-chome, Shinjuku-ku, Tokyo	Trust beneficiary interests	4,528.01	19,200	18,524
A-PLACE Shibuya Nampedai	2-17 Nampedai-cho, Shibuya-ku, Tokyo	Trust beneficiary interests	4,373.54	9,050	8,862
Subtotal			146,536.56	298,380	255,093

Property name	Location	Asset type	Total leasable area (m ²) (Note 1)	Assessed value at end of period (millions of yen) (Note 2)	Book value at end of period (millions of yen) (Note 3)
Amagasaki Q's MALL (Land)	3-1 Shioe 1-chome, Amagasaki City, Hyogo (main building) 2-3 Shioe 1-chome, Amagasaki City, Hyogo (sports club)	Trust beneficiary interests	27,465.44	14,200	12,113
icot Nakamozu	428-2 Nakamozucho 3-cho, Kita-ku, Sakai City, Osaka	Trust beneficiary interests	28,098.02	10,600	8,138
icot Mizonokuchi	11-1 Mizonokuchi 6-chome, Takatsu-ku, Kawasaki City, Kanagawa	Trust beneficiary interests	14,032.05	3,240	2,587
icot Tama Center	35 Ochiai 1-chome, Tama City, Tokyo	Trust beneficiary interests	5,181.58	3,950	2,540
A-PLACE Kanayama	14-18 Kanayama 1-chome, Naka-ku, Nagoya City, Aichi	Trust beneficiary interests	9,314.90	8,660	6,080
Osaka Nakanoshima Building	2-2 Nakanoshima 2-chome, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	20,226.77	17,400	11,048
icot Omori	8-2, Omorikita 1-chome, Ota-ku, Tokyo	Trust beneficiary interests	6,209.78 (Note 5)	6,870	5,662
Market Square Sagamihara	777-2 Shimokuzawa, Chuo-ku, Sagamihara City, Kanagawa	Trust beneficiary interests	15,152.42	5,010	4,567
Uméda Gate Tower	1-9, Tsurunocho, Kita-ku, Osaka City, Osaka	Trust beneficiary interests	13,566.95	21,600	19,042
A-PLACE Bashamichi	43 Honcho 4-chome, Naka-ku, Yokohama City, Kanagawa	Trust beneficiary interests	9,710.91	4,760	4,012
Commercial Mall Hakata	6-40, Tokojimachi 2-chome, Hakata-ku, Fukuoka city, Fukuoka	Trust beneficiary interests	9,612.88	5,900	6,274
EDGE Shinsaibashi	2-3, Nishi Shinsaibashi 2-chome, Chuo-ku, Osaka City, Osaka	Trust beneficiary interests	15,897.10	21,500	19,977
Subtotal			174,468.80	123,690	102,044
Total			429,067.46	643,384	543,438

(Note 1) Total leasable area refers to leasable space for each property excluding properties for which we acquire only land, based on lease agreements for building or floor plans as of November 30, 2021 and leasable space for properties for which we acquire only land, based on lease agreements for land or land plans as of November 30, 2021.

(Note 2) The appraisal of each property is commissioned to the Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sogo Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Morii Valuation & Advisory K.K.. Assessed value at end of period stands for the appraised value described in each real estate appraisal report, with November 30, 2021 taken as the point of evaluation.

(Note 3) Book value at end of period stands for the book value minus depreciation as of November 30, 2021, rounded down to the nearest ¥ million.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 49%, 30%, 60%, 35%, and 51%, respectively).

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

Changes in key figures in the rental business (figures by property owned and under management by the Investment Corporation)

		19th period (From December 1, 2020 to May 31, 2021)				20th period (From June 1, 2021 to November 30, 2021)			
		Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Urban Retail Properties	Tokyu Plaza Omotesando Harajuku (Note 4)	32	99.3	934	6.4	30	97.5	1,074	7.0
	Tokyu Plaza Akasaka (Note 4)	90	96.8	509	3.5	—	—	437	2.8
	Q plaza EBISU	4	100.0	270	1.8	4	100.0	273	1.8
	Kyoto Karasuma Parking Building	2	100.0	(Note 5)	(Note 5)	2	100.0	(Note 5)	(Note 5)
	Kobe Kyu Kyoryuchi 25Bankan	7	100.0	691	4.7	6	98.0	697	4.5
	A-FLAG SAPPORO	12	96.0	396	2.7	13	96.1	376	2.4
	A-FLAG SHIBUYA	2	100.0	215	1.5	2	100.0	212	1.4
	Q plaza SHINSAIBASHI	6	100.0	345	2.3	6	100.0	356	2.3
	A-FLAG KOTTO DORI	7	88.9	116	0.8	7	88.9	103	0.7
	A-FLAG BIJUTSUKAN DORI	4	100.0	124	0.8	4	100.0	119	0.8
	A-FLAG DAIKANYAMA WEST	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-FLAG KITA SHINSAIBASHI	5	100.0	94	0.6	5	100.0	101	0.7
	DECKS Tokyo Beach (Note 4)	77	94.9	440	3.0	78	95.0	518	3.4
	Tokyu Plaza Ginza (Land) (Note 4)	1	100.0	581	3.9	1	100.0	581	3.8
	Q plaza HARAJUKU (Note 4)	14	95.2	229	1.6	14	93.0	227	1.5
	Subtotal	264	97.8	—	—	173	97.5	—	—
Tokyo Office Properties	TLC Ebisu Building	11	88.7	319	2.2	11	88.7	286	1.9
	A-PLACE Ebisu Minami	10	100.0	361	2.5	10	100.0	435	2.8
	A-PLACE Yoyogi	4	100.0	127	0.9	4	100.0	125	0.8
	A-PLACE Aoyama	8	100.0	299	2.0	8	100.0	282	1.8
	Luogo Shiodome	6	87.3	172	1.2	6	87.3	160	1.0
	TAMACHI SQUARE (Land)	1	100.0	62	0.4	1	100.0	62	0.4
	A-PLACE Ikebukuro	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
	A-PLACE Shinbashi	10	100.0	207	1.4	10	100.0	209	1.4
	A-PLACE Gotanda	11	100.0	201	1.4	11	100.0	197	1.3
	A-PLACE Shinagawa	8	100.0	142	1.0	8	100.0	144	0.9
	OSAKI WIZTOWER	6	100.0	372	2.5	6	100.0	347	2.3
	Shiodome Building (Note 4)	36	99.5	1,506	10.2	36	99.5	1,506	9.8
	A-PLACE Ebisu Higashi	7	100.0	188	1.3	7	100.0	188	1.2
	A-PLACE Shibuya Konnoh	4	100.0	134	0.9	4	100.0	149	1.0
	A-PLACE Gotanda Ekimae	11	100.0	170	1.2	11	100.0	199	1.3
	A-PLACE Shinagawa Higashi	7	95.2	563	3.8	7	95.2	579	3.8
	Ebisu Prime Square (Note 4)	103	89.6	804	5.5	103	89.6	795	5.2
	A-PLACE Tamachi East	—	—	—	—	23	98.8	31	0.2
	Meguro Tokyu Building	—	—	—	—	8	100.0	144	0.9
	Q plaza Shinjuku-3chome	—	—	—	—	4	100.0	197	1.3
A-PLACE Shibuya Nampaidai	—	—	—	—	13	100.0	88	0.6	
Subtotal	244	96.7	—	—	297	96.7	—	—	

	19th period (From December 1, 2020 to May 31, 2021)				20th period (From June 1, 2021 to November 30, 2021)			
	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)	Number of tenants (Note 1)	Occupancy rate (%) (Note 2)	Revenues related to rent business (millions of yen) (Note 3)	Ratio of rental revenue to total rental revenues (%)
Amagasaki Q's MALL (Land)	1	100.0	356	2.4	1	100.0	356	2.3
icot Nakamozu	2	100.0	310	2.1	2	100.0	311	2.0
icot Mizonokuchi	1	100.0	(Note 5)	(Note 5)	1	100.0	(Note 5)	(Note 5)
icot Tama Center	10	100.0	142	1.0	9	98.6	142	0.9
A-PLACE Kanayama	21	100.0	288	2.0	21	100.0	306	2.0
Osaka Nakanoshima Building	38	99.5	548	3.7	39	99.5	550	3.6
icot Omori	8	100.0	220	1.5	8	100.0	219	1.4
Market Square Sagamihara	3	100.0	(Note 5)	(Note 5)	3	100.0	(Note 5)	(Note 5)
Umeda Gate Tower	17	100.0	460	3.1	16	85.5	502	3.3
A-PLACE Bashamichi	36	100.0	196	1.3	36	100.0	203	1.3
Commercial Mall Hakata	17	87.0	192	1.3	17	89.7	192	1.3
EDGE Shinsaibashi	21	100.0	578	3.9	20	100.0	570	3.7
Subtotal	175	99.2	—	—	173	98.2	—	—
Total	683	98.1	14,715	100.0	643	97.5	15,396	100.0

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

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

(Note 3) Rental revenue includes other rental revenue.

(Note 4) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, A-FLAG Akasaka, DECKS Tokyo Beach, Tokyu plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square the figures are in proportion to a pro rata share of our trust beneficiary co-ownership interest of each property (75%, 50%, 50%, 49%, 30%, 60%, 35% and 51%, respectively). Tokyu Plaza Akasaka was disposed October 29, 2021.

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

(4) Details of Specified Transaction

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

(Thousands of yen)

Classification	Transaction	Notional contract amount (Note 1)		Fair value (Note 2) (Note 3)
			Over 1 year	
Over-the-counter	Interest rate swaps (Receive floating pay fixed)	30,140,000	30,140,000	(409)
	Total	30,140,000	30,140,000	(409)

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

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

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

(5) Other Assets

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

(6) Ownership of Assets by Country and Region

Not applicable for countries and regions other than Japan.

4. Capital Expenditure for Assets under Management

(1) Scheduled Capital Expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held in the 20th fiscal period as of November 30, 2021. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (First period)	From March 2022 to November 2022	560	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Second period)	From December 2023 to May 2024	520	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (Second period)	From November 2022 to May 2023	470	—	—
Osaka Nakanoshima Building (Shibuya, Tokyo)	Renovation of air conditioning (First period)	From June 2023 to November 2023	400	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Third period)	From June 2024 to November 2024	400	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Large-scale repair work	From December 2022 to May 2023	210	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renovation of air conditioning (Fourth period)	From December 2024 to May 2025	153	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of two emergency elevators	From July 2021 to November 2022	140	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Large-scale renovation of external wall	From June 2022 to November 2023	106	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of air conditioning equipment	From November 2022 to November 2022	85 (Note)	—	—
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Overhaul of air conditioning equipment	From October 2023 to November 2023	77	—	—
A-FLAG SHIBUYA (Shibuya, Tokyo)	Renewal of escalators	From January 2022 to March 2022	74	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of spray-painted tiles for SEASIDE Building (First period)	From February 2023 to May 2023	73 (Note)	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of vertical pipes for supply/pumped clean water and for black water	From June 2021 to November 2022	73	—	—
A-PLACE Aoyama (Minato, Tokyo)	Installation of LED lighting	From June 2022 to November 2022	70	—	—
icot Nakamozu (Sakai, Osaka)	Replacement of substation equipment (SC Building)	From May 2023 to May 2023	70	—	—
A-PLACE Kanayama (Nagoya, Aichi)	Installation of LED lighting in private areas	From January 2022 to May 2022	66	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Renovation work for mechanical parking facility	From May 2022 to May 2022	64	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (2 floors)	From June 2023 to October 2023	64 (Note)	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Readjustment (merging) of compartmentalization	From August 2022 to September 2022	59 (Note)	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 2nd to 5th floors	From May 2021 to May 2023	58	—	—
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Large-scale repair work	From December 2022 to May 2023	52	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Renovation of entrance	From December 2022 to May 2023	50	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Beautification of lavatory	From June 2023 to November 2023	50	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Installation of set-up office	From May 2022 to May 2022	48	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Replacement of automated fire alarm system	From September 2021 to March 2022	34 (Note)	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of air conditioning equipment (1 floor)	From December 2022 to April 2023	32 (Note)	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Third period)	From October 2021 to February 2022	28 (Note)	—	—

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Commercial Mall Hakata (Fukuoka, Fukuoka)	Replacement of air conditioning units	From December 2021 to December 2021	23	-	-
A-PLACE Ikebukuro (Toshima, Tokyo)	Installation of LED lighting	From January 2022 to May 2022	22	-	-
Osaka Nakanoshima Building (Osaka, Osaka)	Repair work of substation equipment according to facility planning	From February 2022 to February 2022	21	-	-
Luogo Shiodome (Minato, Tokyo)	Replacement of security system	From December 2021 to May 2022	18	-	-
A-FLAG SAPPORO (Sapporo, Hokkaido)	Disassembly and maintenance of centrifugal chillers	From November 2021 to February 2022	17	-	-
EDGE Shinsaibashi (Osaka, Osaka)	Replacement of mechanical security and entry/exit monitoring system	From November 2021 to December 2021	17	-	-
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of total heat exchangers and ventilation fans for 3rd to 9th floors	From April 2022 to May 2022	16	-	-
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of 5th floor air conditioning units	From January 2022 to January 2022	13	-	-
DECKS Tokyo Beach (Minato, Tokyo)	Compartmentalization	From December 2021 to January 2022	13 (Note)	-	-
EDGE Shinsaibashi (Osaka, Osaka)	Replacement of heat-transfer pipe of cooling water system	From May 2022 to May 2022	13	-	-
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation work for roof deck (Third period)	From May 2022 to May 2022	11 (Note)	-	-
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of automated fire alarm system	From February 2022 to May 2022	11	-	-

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

(2) Capital Expenditure during the Period

For assets held by the Investment Corporation in the 20th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2021 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2021 amounted to ¥810 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2021 came to ¥260 million. On aggregate, construction work of ¥1,070 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Large-scale repair work (First period and Second period)	From December 2020 to August 2021	298
icot Nakamozu (Sakai, Osaka)	Large-scale repair work (SC Building)	From April 2021 to October 2021	197
Luogo Shiodome (Minato, Tokyo)	Replacement of air conditioning units (Second period)	From December 2020 to November 2021	122
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Second period)	From April 2021 to August 2021	26 (Note)
A-PLACE Yoyogi (Shibuya, Tokyo)	Installation of LED lighting	From June 2021 to August 2021	20
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Replacement of horizontal drainage piping of air conditioning units (Second period)	From March 2021 to August 2021	12
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renovation of multilevel car park system (drive section)	From August 2021 to September 2021	10
Other			122
Total			810

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

(3) Money Accumulated for Long-Term Repair Plan

Not applicable

5. Expenses and Liabilities

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

(Thousands of yen)

Item	19th period (From December 1, 2020 to May 31, 2021)	20th period (From June 1, 2021 to November 30, 2021)
(a) Asset management fees (Note)	1,104,682	1,135,604
(b) Asset custody fees	14,884	15,281
(c) Administrative service fees	37,015	39,054
(d) Directors' compensation	3,300	3,300
(e) Other operating expenses	84,835	143,153
Total	1,244,717	1,336,393

(Note) Asset management fees contain acquisition fees that were included in the book value of acquired properties (20th fiscal period: ¥251,500 thousand)

(2) Borrowings

The status of borrowings from financial institutions as of November 30, 2021 is as follows:

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks						
	Lender													
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,920,000	—	0.20981%	July 12, 2021	(Note 3)	Unsecured, non-guaranteed						
	Mizuho Bank, Ltd.		3,920,000	—										
	MUFG Bank, Ltd.		1,970,000	—										
	Sumitomo Mitsui Banking Corporation	January 10, 2019	1,970,000	—	0.36607%	July 12, 2021	(Note 3)	Unsecured, non-guaranteed						
	Development Bank of Japan Inc.													
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	320,000	0.41931%	December 28, 2021	(Note 3)	Unsecured, non-guaranteed						
	MUFG Bank, Ltd.								640,000	640,000				
	Mizuho Bank, Ltd.								320,000	320,000				
	Sumitomo Mitsui Banking Corporation								160,000	160,000				
	Development Bank of Japan Inc.								160,000	160,000				
	Sumitomo Mitsui Trust Bank, Limited	January 9, 2015	840,000	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed						
	MUFG Bank, Ltd. (Note 6)								840,000	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.								840,000	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.								840,000	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation								420,000	420,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.								420,000	420,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	1,420,000	0.22365%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed							
Mizuho Bank, Ltd.								1,420,000	1,420,000					
MUFG Bank, Ltd.								720,000	720,000					
Sumitomo Mitsui Banking Corporation								720,000	720,000					
Development Bank of Japan Inc.	January 10, 2020	720,000	720,000	0.31571%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed							

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Shinkin Central Bank	500,000	500,000						
Tokio Marine & Nichido Fire Insurance Co. Ltd.	March 31, 2017	400,000	400,000	0.30630%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed	
The 77 Bank, Ltd.		400,000	400,000					
Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,500,000	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited		200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)	200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Mizuho Bank, Ltd.	200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
MUFG Bank, Ltd.	200,000	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Sumitomo Mitsui Banking Corporation	100,000	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Development Bank of Japan Inc.	100,000	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	1,560,000	1,560,000	0.44835%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,560,000	1,560,000					
MUFG Bank, Ltd.		1,560,000	1,560,000					
Sumitomo Mitsui Banking Corporation		160,000	160,000					
Development Bank of Japan Inc.		160,000	160,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Mizuho Bank, Ltd.	620,000	620,000						
MUFG Bank, Ltd.	620,000	620,000						
Sumitomo Mitsui Banking Corporation	320,000	320,000						
Development Bank of Japan Inc.	320,000	320,000						
Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,250,000	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	750,000	750,000	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		750,000	750,000					
MUFG Bank, Ltd.		750,000	750,000					
Sumitomo Mitsui Banking Corporation		375,000	375,000					
Development Bank of Japan Inc.	375,000	375,000						
Sumitomo Mitsui Trust Bank, Limited	October 6, 2016	800,000	800,000	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,600,000	1,600,000					
Mizuho Bank, Ltd.		800,000	800,000					
Sumitomo Mitsui Banking Corporation		400,000	400,000					
Development Bank of Japan Inc.	400,000	400,000						
Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,500,000	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed	
Development Bank of Japan Inc.		625,000	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	1,250,000	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		2,500,000	2,500,000					
Mizuho Bank, Ltd.		1,250,000	1,250,000					
Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	—	1,000,000	0.21198%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,000,000					
MUFG Bank, Ltd.		—	500,000					
Taiyo Life Insurance Company	March 31, 2017	500,000	500,000	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed	
Mitsui Sumitomo Insurance Company, Limited		500,000	500,000					
Resona Bank, Limited.	March 31, 2020	1,500,000	1,500,000	0.19990%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed	
The Gunma Bank, Ltd.	March 31, 2020	500,000	500,000	0.23990%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed	

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
MUFG Bank, Ltd.	3,600,000	3,600,000						
Mizuho Bank, Ltd.	1,800,000	1,800,000						
Sumitomo Mitsui Banking Corporation	900,000	900,000						
Development Bank of Japan Inc.	900,000	900,000						
Mizuho Trust & Banking Co.,LTD.	March 16, 2018	440,000	440,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed	
Resona Bank, Limited.		440,000	440,000					
The Bank of Fukuoka, Ltd.		440,000	440,000					
Shinkin Central Bank		440,000	440,000					
The Norinchukin Bank		440,000	440,000					
THE NISHI-NIPPON CITY BANK, LTD.		500,000	500,000					
The Bank of Kyoto, Ltd.		300,000	300,000					
Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	500,000	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		500,000	500,000					
MUFG Bank, Ltd.		500,000	500,000					
Sumitomo Mitsui Banking Corporation		250,000	250,000					
Development Bank of Japan Inc.		250,000	250,000					
Mizuho Trust & Banking Co.,LTD.	August 29, 2019	1,500,000	1,500,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed	
Shinkin Central Bank		1,500,000	1,500,000					
Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	2,100,000	2,100,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		4,200,000	4,200,000					
Mizuho Bank, Ltd.		2,100,000	2,100,000					
Sumitomo Mitsui Banking Corporation		1,050,000	1,050,000					
Development Bank of Japan Inc.	1,050,000	1,050,000						
Sumitomo Mitsui Banking Corporation	December 13, 2016	6,000,000	6,000,000	0.69796%	June 12, 2026	(Note 4)	Unsecured, non-guaranteed	
Mizuho Trust & Banking Co.,LTD.	March 7, 2019	1,100,000	1,100,000	0.35765%	September 7, 2026	(Note 4)	Unsecured, non-guaranteed	
Resona Bank, Limited.		1,100,000	1,100,000					
The Bank of Fukuoka, Ltd.		1,100,000	1,100,000					
The Norinchukin Bank		1,100,000	1,100,000					
The 77 Bank, Ltd.	600,000	600,000						
Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,750,000	1,750,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		3,500,000	3,500,000					
Mizuho Bank, Ltd.		1,750,000	1,750,000					
Mizuho Trust & Banking Co.,LTD.	June 28, 2019	1,200,000	1,200,000	0.23004%	December 28, 2026	(Note 4)	Unsecured, non-guaranteed	
The Norinchukin Bank		1,200,000	1,200,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
MUFG Bank, Ltd.	1,560,000	1,560,000						
Mizuho Bank, Ltd.	780,000	780,000						
Sumitomo Mitsui Banking Corporation	390,000	390,000						
Development Bank of Japan Inc.	390,000	390,000						
Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		950,000	950,000					
MUFG Bank, Ltd.		950,000	950,000					
Sumitomo Mitsui Banking Corporation		475,000	475,000					
Development Bank of Japan Inc.		475,000	475,000					
Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	2,200,000	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		2,200,000	2,200,000					
MUFG Bank, Ltd.		2,200,000	2,200,000					
Sumitomo Mitsui Banking Corporation		200,000	200,000					
Development Bank of Japan Inc.		200,000	200,000					
Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		640,000	640,000					
Mizuho Bank, Ltd.		320,000	320,000					
Sumitomo Mitsui Banking Corporation		160,000	160,000					
Development Bank of Japan Inc.		160,000	160,000					
Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,000,000	1,000,000					
MUFG Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation		500,000	500,000					
Development Bank of Japan Inc.	April 19, 2019	500,000	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed	
The Bank of Fukuoka, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,210,000	3,210,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		3,210,000	3,210,000					
MUFG Bank, Ltd.		1,610,000	1,610,000					
Sumitomo Mitsui Banking Corporation		1,610,000	1,610,000					
Development Bank of Japan Inc.		1,610,000	1,610,000					
Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,165,000	1,165,000					
MUFG Bank, Ltd.		590,000	590,000					
Sumitomo Mitsui Banking Corporation		590,000	590,000					
Development Bank of Japan Inc.		590,000	590,000					
Development Bank of Japan Inc.		590,000	590,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Mizuho Bank, Ltd.	420,000	420,000						
MUFG Bank, Ltd.	420,000	420,000						
Sumitomo Mitsui Banking Corporation	220,000	220,000						
Development Bank of Japan Inc.	220,000	220,000						
Mizuho Trust & Banking Co.,LTD.	January 12, 2021	1,500,000	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed	
The Bank of Fukuoka, Ltd.		1,500,000	1,500,000					
The 77 Bank, Ltd.		1,000,000	1,000,000					
THE NISHI-NIPPON CITY BANK, LTD.		1,000,000	1,000,000					
Development Bank of Japan Inc.	June 13, 2019	6,000,000	6,000,000	0.56511%	December 13,2028	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited		—	1,200,000					
Mizuho Bank, Ltd.	July 12, 2021	—	1,200,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		—	600,000					
Sumitomo Mitsui Banking Corporation		—	600,000					
Development Bank of Japan Inc.		—	600,000					
Sumitomo Mitsui Trust Bank, Limited		—	1,400,000					
Mizuho Bank, Ltd.	September 10, 2021	—	1,400,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		—	700,000					
Sumitomo Mitsui Banking Corporation		—	700,000					
Development Bank of Japan Inc.		—	700,000					
Sumitomo Mitsui Trust Bank, Limited		—	700,000					
Mizuho Bank, Ltd.	December 21,2020	1,320,000	1,320,000	0.45403%	December 21,2029	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,320,000	1,320,000					
Sumitomo Mitsui Banking Corporation		670,000	670,000					
Development Bank of Japan Inc.		670,000	670,000					
Sumitomo Mitsui Trust Bank, Limited		1,670,000	1,670,000					
Mizuho Bank, Ltd.	January 12, 2021	1,670,000	1,670,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,670,000	1,670,000					
Sumitomo Mitsui Banking Corporation		845,000	845,000					
Development Bank of Japan Inc.		845,000	845,000					
Sumitomo Mitsui Trust Bank, Limited		—	2,720,000					
Mizuho Bank, Ltd.	July 12, 2021	—	2,720,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		—	1,370,000					
Sumitomo Mitsui Banking Corporation		—	1,370,000					
Development Bank of Japan Inc.		—	1,370,000					
Sumitomo Mitsui Trust Bank, Limited		—	1,400,000					
Mizuho Bank, Ltd.	September 10, 2021	—	1,400,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		—	700,000					
Sumitomo Mitsui Banking Corporation		—	700,000					
Development Bank of Japan Inc.		—	700,000					
Development Bank of Japan Inc.		—	700,000					
Total			221,350,000	233,650,000				

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

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

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

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

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

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

Investment Corporation Bonds

Name of bonds	Issuance date	Balance as of November 30, 2020 (millions of yen)	Balance as of May 31, 2021 (millions of yen)	Interest rate (%)	Maturity date	Repayment method	Use of proceeds	Remarks
The 3rd Unsecured Investment Corporation Bond	April 21, 2015	2,000	2,000	0.726	April 21, 2025	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 4th Unsecured Investment Corporation Bond	February 3, 2016	2,000	2,000	0.770	February 3, 2026	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 6th Unsecured Investment Corporation Bond	February 2, 2017	1,000	1,000	0.480	February 2, 2027	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 7th Unsecured Investment Corporation Bond	February 2, 2017	1,000	1,000	0.810	February 2, 2032	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 8th Unsecured Investment Corporation Bond	February 13, 2018	1,000	1,000	0.160	August 12, 2022	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 9th Unsecured Investment Corporation Bond	February 13, 2018	1,000	1,000	1.050	February 12, 2038	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 10th Unsecured Investment Corporation Bond (Green Bond)	July 9, 2019	5,000	5,000	0.220	July 9, 2024	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 11th Unsecured Investment Corporation Bond (Green Bond)	November 18, 2019	4,000	4,000	0.530	November 16, 2029	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 12th Unsecured Investment Corporation Bond (Green Bond)	October 21, 2020	4,500	4,500	0.510	October 21, 2030	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 13th Unsecured Investment Corporation Bond	February 9, 2021	1,300	1,300	0.750	February 8, 2036	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
The 14th Unsecured Investment Corporation Bond (Green Bond)	November 16, 2021	—	3,900	0.400	November 14, 2031	Lump sum (Note)	Repayment of outstanding loans payable	Unsecured and unguaranteed
Total		22,800	26,700					

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

(3) Short-Term Investment Corporation Bonds

Not applicable

(4) Subscription Rights for New Investment Units

Not applicable

6. Buying and Selling during the Period

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

Category	Asset type	Property name	Acquisition		Disposal			
			Acquisition date	Acquisition price (millions of yen)	Disposal date (Note1)	Disposal amount (millions of yen)	Book value (millions of yen)	Gain (loss) on disposal (millions of yen)
Tokyo Office Properties	Trust beneficiary interests	A-PLACE Tamachi East	October 29, 2021	6,800	—	—	—	—
Tokyo Office Properties	Trust beneficiary interests	Meguro Tokyu Building	September 7, 2021	16,300	—	—	—	—
Tokyo Office Properties	Trust beneficiary interests	Q plaza Shinjuku-3chome	September 7, 2021	18,400	—	—	—	—
Tokyo Office Properties	Trust beneficiary interests	A-PLACE Shibuya Nampeidai	September 7, 2021	8,800	—	—	—	—
Urban Retail Properties	Trust beneficiary interests	Tokyu Plaza Akasaka (Note 2) (Note 3)	—	—	October 29, 2021	11,800	11,540	250
Total			—	50,300	—	11,800	11,540	250

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

(Note2) The disposition amount of Tokyu Plaza Akasaka represents figure equivalent to the percentage of the Investment Corporation's co-ownership interest (50%).

(Note3) Regarding the disposal of Tokyu Plaza Akasaka, in addition to the above, there were "Other disposal expenses" of ¥8 million and the gain (loss) on disposal reflects such expenses.

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

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

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

1) Real Estate

Acquisition / Disposal	Property name	Date of acquisition / disposal	Acquisition / Disposal amount (millions of yen) (Note 1)	Appraisal value (millions of yen)	Name of appraiser	Date of appraisal
Acquisition	A-PLACE Tamachi East	October 29, 2021	6,800	7,130	Japan Valuers Co., Ltd.	March 31, 2021
Acquisition	Meguro Tokyu Building	September 10, 2021	16,300	16,700	Japan Real Estate Institute	July 1, 2021
Acquisition	Q plaza Shinjuku-3chome	September 10, 2021	18,400	19,200	Japan Valuers Co., Ltd.	July 1, 2021
Acquisition	A-PLACE Shibuya Nampeidai	September 10, 2021	8,800	9,020	Japan Valuers Co., Ltd.	July 1, 2021
Disposal	Tokyu Plaza Akasaka (Note 2)	October 29, 2021	11,800	10,800	Tanizawa Sogo Appraisal Co., Ltd.	March 31, 2021

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

(Note 2) The disposition amount of Tokyu Plaza Akasaka represents figure equivalent to the percentage of the Investment Corporation's co-ownership interest (50%).

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

2) Others

Not applicable

(4) Transactions between Interested Parties

Category	Purchase and sale amounts	
	Purchase amounts	Sale amounts
Total amount	¥50,300 million	¥11,800 million
Details of transactions between interested parties		
CANAL INVESTMENT	¥6,800 million (100.0%)	— million (—%)
PARK VIEW INVESTMENT Y.K.	¥16,300 million (100.0%)	— million (—%)
Tokyu Land Corporation	¥27,200 million (100.0%)	— million (—%)
Exsim Limited Liability Company	— million (—%)	¥11,800 million (100.0%)
Total	¥50,300 million (100.0%)	¥11,800 million (100.0%)

Commissions Paid

Category	Total amount (A) (thousands of yen)	Breakdown of transactions with interested parties		(B) / (A) (%)
		Paid to	Amount (B) (thousands of yen)	
Property management fee	451,779	Tokyu Community Corp.	176,821	39.1
		Tokyu Land SC Management Corporation	130,219	28.8
		Tokyu Land Corporation	101,527	22.5
		Tokyu Housing Leace Corporation	3,792	0.8
Building management fee	785,886	Tokyu Community Corp.	660,569	84.1
Construction management fee	9,206	Tokyu Community Corp.	5,449	59.2
		Tokyu Land SC Management Corporation	1,606	17.4
		Tokyu Land Corporation	627	6.8
Other management operation expenses	60,995	Tokyu Community Corp.	8,426	13.8
Other lease business expenses	326,250	Tokyu Community Corp.	88,287	27.1
		Tokyu Land SC Management Corporation	3,102	1.0
		TOKYU LIVABLE STAFF,INC.	2,203	0.7
		Ishikatsu Exterior Inc	798	0.2
		HANDS LAB INC.	760	0.2
		Tokyu Re · design Corporation	640	0.2

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

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

Tokyu Community Corp.	¥110,062 thousand
Tokyu Re · design Corporation	¥17,736 thousand
Tokyu Land SC Management Corporation	¥9,907 thousand

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

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

7. Accounting Status

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

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

(2) Changes in the Calculation Method of Depreciation Expenses

Not applicable

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

Not applicable

8. Other

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

Not applicable

(2) Announcements

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

Date of approval	Item	Summary
August 24, 2021	Conclusion of an underwriting agreement for new investment units	We entrusted the underwriters (Note) with general administration related to the issuance of new investment units and the secondary offering of investment units, which was approved by the Board of Directors of the Investment Corporation on the same day.
September 24, 2021	Comprehensive approval of issuance of investment corporation bonds and appointment of administrators	The Board of Directors of the Investment Corporation made a comprehensive resolution regarding the issuance of investment corporation bonds (total amount: ¥50 billion or less; issuance period: October 4, 2021 to October 3, 2022); approved the appointment of candidate companies for the entrustment of affairs and administrative works, such as issuing agent, financial agent, and paying agent regarding the placing of investment corporation bonds; and entrusted the decision of other necessary matters to the Executive Director.

(Note) The underwriters in Japan are Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd., Daiwa Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc., and SBI SECURITIES Co., Ltd. The underwriters overseas are Nomura International plc, Daiwa Capital Markets Europe Limited, Morgan Stanley & Co. International plc.

(3) Status of Companies Owning Real Estate Overseas

Not applicable

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

Not applicable

(5) Other

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

Financial Statements
II. Balance Sheets

(Unit: Thousands of yen)

	As of May 31, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	14,227,970	15,986,135
Cash and deposits in trust	3,653,881	4,071,575
Operating accounts receivable	601,413	911,525
Prepaid expenses	569,141	388,238
Other	6,566	14,324
Total current assets	19,058,973	21,371,798
Non-current assets		
Property, plant and equipment		
Buildings in trust	85,760,008	87,070,366
Accumulated depreciation	(16,450,302)	(17,086,807)
Buildings in trust, net	69,309,705	69,983,558
Structures in trust	805,357	783,513
Accumulated depreciation	(252,555)	(259,824)
Structures in trust, net	552,802	523,689
Machinery and equipment in trust	1,422,969	1,464,287
Accumulated depreciation	(462,948)	(501,805)
Machinery and equipment in trust, net	960,021	962,481
Tools, furniture and fixtures in trust	302,469	290,941
Accumulated depreciation	(181,133)	(182,233)
Tools, furniture and fixtures in trust, net	121,335	108,707
Land in trust	424,862,322	462,769,582
Construction in progress in trust	163,000	35,061
Total property, plant and equipment	495,969,188	534,383,081
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	678	423
Total intangible assets	9,055,764	9,055,510
Investments and other assets		
Long-term prepaid expenses	1,144,625	1,278,079
Deferred tax assets	2	2,765
Other	38,322	38,322
Total investments and other assets	1,182,950	1,319,167
Total non-current assets	506,207,903	544,757,758
Deferred assets		
Investment corporation bond issuance costs	112,210	127,469
Total deferred assets	112,210	127,469
Total assets	525,379,087	566,257,027

(Unit: Thousands of yen)

	As of May 31, 2021	As of November 30, 2021
Liabilities		
Current liabilities		
Operating accounts payable	1,078,246	928,758
Current portion of investment corporation bonds	–	1,000,000
Current portion of long-term borrowings	27,850,000	26,100,000
Accounts payable - other	13,719	64,640
Accrued expenses	918,728	981,085
Income taxes payable	637	31,233
Accrued consumption taxes	263,790	199,558
Advances received	695,615	784,759
Deposits received	753	74,548
Total current liabilities	30,821,491	30,164,583
Non-current liabilities		
Investment corporation bonds	22,800,000	25,700,000
Long-term borrowings	193,500,000	207,550,000
Leasehold and guarantee deposits received in trust	22,636,356	24,125,396
Derivatives liabilities	39,646	409
Total non-current liabilities	238,976,003	257,375,805
Total liabilities	269,797,494	287,540,389
Net assets		
Unitholders' equity		
Unitholders' capital	248,370,846	270,963,556
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (28,535)	*3 (40,103)
Total deduction from unitholders' capital	(28,535)	(40,103)
Unitholders' capital, net	248,342,311	270,923,453
Surplus		
Unappropriated retained earnings (undisposed loss)	7,278,928	7,793,594
Total surplus	7,278,928	7,793,594
Total unitholders' equity	255,621,239	278,717,047
Valuation and translation adjustments		
Deferred gains or losses on hedges	(39,646)	(409)
Total valuation and translation adjustments	(39,646)	(409)
Total net assets	*2 255,581,592	*2 278,716,638
Total liabilities and net assets	525,379,087	566,257,027

III. Statements of Operations

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2020 to May 31, 2021)		Current fiscal period (From June 1, 2021 to November 30, 2021)	
Operating revenue				
Leasing business revenue	*1, *3	13,765,352	*1, *3	14,283,556
Other leasing business revenue	*1, *3	950,325	*1, *3	1,112,460
Gain on sales of real estate properties		–	*2	250,323
Total operating revenue		14,715,678		15,646,339
Operating expenses				
Expenses related to leasing business	*1	5,369,825	*1	5,551,549
Asset management fee		1,104,682		1,135,604
Asset custody fee		14,884		15,281
Administrative service fees		37,015		39,054
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		84,835		143,153
Total operating expenses		6,614,543		6,887,943
Operating profit		8,101,135		8,758,396
Non-operating income				
Interest income		85		82
Reversal of distributions payable		1,188		1,113
Insurance claim income		–		857
Total non-operating income		1,273		2,052
Non-operating expenses				
Interest expenses		598,377		616,195
Interest expenses on investment corporation bonds		57,807		60,629
Amortization of investment corporation bond issuance costs		8,841		9,186
Investment unit issuance expenses		–		93,250
Borrowing related expenses		186,412		198,829
Other		500		500
Total non-operating expenses		851,939		978,591
Ordinary profit		7,250,469		7,781,857
Profit before income taxes		7,250,469		7,781,857
Income taxes - current		650		31,245
Income taxes - deferred		14		(2,763)
Total income taxes		665		28,482
Profit		7,249,804		7,753,375
Retained earnings brought forward		29,124		40,219
Unappropriated retained earnings (undisposed loss)		7,278,928		7,793,594

IV. Statements of Changes in Unitholders' Equity

Previous fiscal period (From December 1, 2020 to May 31, 2021)

(Unit: Thousands of yen)

	Unitholders' equity						Total unitholders' equity
	Unitholders' capital			Surplus		Total surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)			
Balance at beginning of period	248,370,846	(3,084)	(3,084)	248,367,761	7,366,549	7,366,549	255,734,310
Changes during period							
Dividends of surplus					(7,337,425)	(7,337,425)	(7,337,425)
Distributions in excess of earnings from allowance for temporary difference adjustments		(25,450)	(25,450)	(25,450)			(25,450)
Profit					7,249,804	7,249,804	7,249,804
Net changes in items other than unitholders' equity							
Total changes during period	–	(25,450)	(25,450)	(25,450)	(87,620)	(87,620)	(113,071)
Balance at end of period	248,370,846	(28,535)	(28,535)	248,342,311	7,278,928	7,278,928	255,621,239

(Unit: Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(28,584)	(28,584)	255,705,726
Changes during period			
Dividends of surplus			(7,337,425)
Distributions in excess of earnings from allowance for temporary difference adjustments			(25,450)
Profit			7,249,804
Net changes in items other than unitholders' equity	(11,062)	(11,062)	(11,062)
Total changes during period	(11,062)	(11,062)	(124,133)
Balance at end of period	(39,646)	(39,646)	255,581,592

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

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
Allowance for temporary difference adjustments		Total deduction from unitholders' capital					
Balance at beginning of period	248,370,846	(28,535)	(28,535)	248,342,311	7,278,928	7,278,928	255,621,239
Changes during period							
Issuance of new investment units	22,592,710			22,592,710			22,592,710
Dividends of surplus					(7,238,708)	(7,238,708)	(7,238,708)
Distributions in excess of earnings from allowance for temporary difference adjustments		(11,568)	(11,568)	(11,568)			(11,568)
Profit					7,753,375	7,753,375	7,753,375
Net changes in items other than unitholders' equity							
Total changes during period	22,592,710	(11,568)	(11,568)	22,581,141	514,666	514,666	23,095,808
Balance at end of period	270,963,556 ^{*1}	(40,103)	(40,103)	270,923,453	7,793,594	7,793,594	278,717,047

(Unit: Thousands of yen)

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

V. Statements of Cash Distributions

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
	Amount	Amount
I Unappropriated retained earnings	¥7,278,928,158	¥7,793,594,694
II Additional amount of cash distributions in excess of earnings	¥11,568,360	¥-
Of which, allowance for temporary difference adjustments	¥11,568,360	¥-
III Amount incorporated into unitholders' capital	¥-	¥39,237,355
Of which, reversal of allowance for temporary difference adjustments	¥-	¥39,237,355
IV Distributions	¥7,250,276,824	¥7,700,977,440
[Cash distributions per unit]	[¥9,401]	[¥9,360]
Of which, distributions of earnings	¥7,238,708,464	¥7,700,977,440
[Of which, distributions of earnings per unit]	[¥9,386]	[¥9,360]
Of which, allowance for temporary difference adjustments	¥11,568,360	¥-
[Of which, cash distributions in excess of earnings per unit (Related to allowance for temporary difference adjustments)]	[¥15]	[¥-]
V Earnings carried forward	¥40,219,694	¥53,379,899
Calculation method for distributions	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, we will pay distributions of profits of ¥7,238,708,464, which is the amount of the net profit defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, except a fraction of less than ¥1 of distributions per investment unit.</p> <p>Based on the policy on distribution of cash exceeding net profit set forth in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥11,568,360 as distributions related to allowance for temporary difference adjustments, calculated as the amount equivalent to ¥11,111,618, which is calculated by deducting ¥28,535,288 of temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations) from deferred losses on hedges of ¥39,646,906. As a result, distributions are to amount to ¥7,250,276,824 for the fiscal period under review.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, internal reserve of ¥53,379,899 was provided for stabilization of future distributions in view of ¥250,323,186 of gain on sale of real estate properties arising, and we will pay distributions of profits of ¥7,700,977,440, which is the entire amount of the unappropriated retained earnings less the amount equivalent to the internal reserve and the reversal of allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations), for the fiscal period under review.</p>

VI. Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Cash flows from operating activities		
Profit before income taxes	7,250,469	7,781,857
Depreciation	1,352,409	1,374,955
Loss on retirement of non-current assets	7,860	5,229
Amortization of investment corporation bond issuance costs	8,841	9,186
Interest income and interest on securities	(85)	(82)
Interest expenses	656,185	676,825
Investment unit issuance expenses	–	93,250
Borrowing related expenses	186,412	198,829
Decrease (increase) in operating accounts receivable	44,474	(310,112)
Increase (decrease) in accrued consumption taxes	(54,509)	(64,232)
Decrease (increase) in prepaid expenses	(205,702)	203,964
Decrease in property, plant and equipment in trust due to sale	–	11,540,850
Increase (decrease) in operating accounts payable	18,685	(50,957)
Increase (decrease) in accrued expenses	(19,264)	37,228
Increase (decrease) in advances received	157,127	89,143
Decrease (increase) in long-term prepaid expenses	15,412	1,091
Other, net	(1,979)	63,838
Subtotal	9,416,336	21,650,868
Interest received	85	82
Interest paid	(670,357)	(647,967)
Income taxes paid	(954)	(650)
Net cash provided by (used in) operating activities	8,745,109	21,002,333
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(850,086)	(51,376,826)
Refund of leasehold and guarantee deposits received in trust	(1,191,268)	(1,190,565)
Proceeds from leasehold and guarantee deposits received in trust	1,474,589	2,679,605
Net cash provided by (used in) investing activities	(566,765)	(49,887,787)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	3,898,245
Repayments of short-term borrowings	(6,518,000)	(3,900,000)
Proceeds from long-term borrowings	17,268,352	25,723,217
Repayments of long-term borrowings	(12,500,000)	(13,750,000)
Proceeds from issuance of investment corporation bonds	1,286,500	3,879,871
Proceeds from issuance of investment units	–	22,499,459
Distributions paid	(7,364,538)	(7,254,890)
Other, net	(19,887)	(34,589)
Net cash provided by (used in) financing activities	(7,847,572)	31,061,312
Net increase (decrease) in cash and cash equivalents	330,772	2,175,858
Cash and cash equivalents at beginning of period	17,551,079	17,881,851
Cash and cash equivalents at end of period	*1 17,881,851	*1 20,057,710

VII. Notes to Financial Statements

Notes on Assumption of Going Concern

Not applicable

Notes on Important Accounting Policies

1. Method of depreciation of non-current assets	(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. Buildings 2 to 70 years Structures 2 to 66 years Machinery and equipment 2 to 33 years Tools, furniture and fixtures 2 to 15 years (2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years). (3) Long-term prepaid expenses The straight-line method is used.
2. Accounting method for deferred assets	(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred. (2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.
3. Accounting for income and expenses	(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. 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. 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. (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. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥56,701 thousand.
4. Method of hedge accounting	(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. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings (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. (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.
5. Scope of cash (cash and cash equivalents) in the statements of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.

6. Other important matters related to the preparation of financial statements	<p>(1) Accounting method for beneficiary interests in trust with real estate, etc. as trust asset With regard to beneficiary 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 sheets and statements of operations. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheets.</p> <p>i) Cash and deposits in trust 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 iii) Leasehold and guarantee deposits received in trust</p> <p>(2) Accounting method for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for non-current assets, etc. are included in acquisition cost for each asset.</p>
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Notes on Changes in Accounting Policies

1. Application of Accounting Standard for Fair Value Measurement, Etc.

The Investment Corporation has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal period under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The impact of these changes on the financial statements is immaterial.

2. Application of Accounting Standard for Revenue Recognition, Etc.

The Investment Corporation has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the fiscal period under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The impact of the application of the accounting standard, etc. on the financial statements is immaterial. In accordance with the transitional measures provided for in paragraph 89-3 of the Accounting Standard for Revenue Recognition, the note on “Revenue Recognition” for the previous fiscal period is not provided.

Additional information

Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments

Previous fiscal period (From December 1, 2020 to May 31, 2021)

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

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Deferred gains or losses on hedges	Recognition of loss on valuation of interest rate swaps	11,568

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

Notes to Balance Sheets

1. Commitment Line Contracts

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

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

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

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

*3. Allowance for Temporary Difference Adjustments

Previous fiscal period (From December 1, 2020 to May 31, 2021)

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

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Initial amount	Balance at beginning of period	Amount of provision for period	Amount of reversal for period	Balance at end of period	Reason for reversal
Deferred gains or losses on hedges	Recognition of loss on valuation of interest rate swaps	28,535	3,084	25,450	–	28,535	–

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

Notes to Statements of Operations
***1. Breakdown of Profit (Loss) from Real Estate Leasing Business**

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2020 to May 31, 2021)		Current fiscal period (From June 1, 2021 to November 30, 2021)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,674,111		13,170,192	
Common service fees	712,876		706,032	
Parking lot fees	281,003		307,780	
Other rent revenue	97,361	13,765,352	99,550	14,283,556
Other leasing business revenue		950,325		1,112,460
Total real estate leasing business revenues		14,715,678		15,396,016
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,325,956		1,307,867	
Utilities expenses	722,712		873,305	
Tax and public dues	1,281,248		1,374,652	
Insurance	13,031		13,324	
Repair and maintenance expenses	384,062		276,218	
Depreciation	1,352,155		1,374,701	
Loss on retirement of non-current assets	7,860		5,229	
Other expenses related to leasing business	282,797	5,369,825	326,250	5,551,549
Total real estate leasing business expenses		5,369,825		5,551,549
C. Profit (loss) from real estate leasing business (A – B)		9,345,853		9,844,466

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

Previous fiscal period (From December 1, 2020 to May 31, 2021)

Not applicable.

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

(Unit: Thousands of yen)

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

***3. Transactions with Major Unitholders**

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Operating transactions		
Operating revenue	1,863,166	974,811

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

Notes to Statements of Changes in Unitholders' Equity

*1. Total number of authorized investment units and total number of investment units issued are as follows:

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
*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	771,224 units	822,754 units

Notes to Statements of Cash Flows

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

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Cash and deposits	¥14,227,970 thousand	¥15,986,135 thousand
Cash and deposits in trust	¥3,653,881 thousand	¥4,071,575 thousand
Cash and cash equivalents	¥17,881,851 thousand	¥20,057,710 thousand

Notes to Lease Rental Revenues

The Investment Corporation leases properties on which rental revenues are earned. As of May 31, 2021 and November 30, 2021, future lease revenues under non-cancelable operating leases are summarized as follows:

	As of May 31, 2021	As of November 30, 2021
Due within one year	¥15,597,084 thousand	¥16,071,889 thousand
Due after one year	¥108,742,775 thousand	¥116,746,698 thousand
Total	¥124,339,859 thousand	¥132,818,588 thousand

Notes on Financial Instruments

1. Matters Regarding Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

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

2. Matters Regarding Fair Values of Financial Instruments

Carrying amounts, fair values, and the differences between the two values as of May 31, 2021, are as shown below. Notes on "cash and deposits," "cash and deposits in trust" and "short-term borrowings" are omitted, because they are settled in cash and in a short time and therefore the fair value approximates the book value. A note on "leasehold and guarantee deposits received in trust" is omitted because it is immaterial.

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term borrowings	27,850,000	27,891,765	41,765
(2) Investment corporation bonds	22,800,000	22,975,707	175,707
(3) Long-term borrowings	193,500,000	195,464,522	1,964,522
Total liabilities	244,150,000	246,331,994	2,181,994
Derivative transactions	(39,646)	(39,646)	–

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

(Unit: Thousands of yen)

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

(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"

(Note 2) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2021)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Investment corporation bonds	–	1,000,000	–	7,000,000	2,000,000	12,800,000
Long-term borrowings	27,850,000	26,500,000	32,750,000	24,500,000	27,500,000	82,250,000
Total	27,850,000	27,500,000	32,750,000	31,500,000	29,500,000	95,050,000

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

(Unit: Thousands of yen)

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

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2021)

Not applicable.

(As of November 30, 2021)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 2021)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	(39,646)	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	18,140,000	*	–

(As of November 30, 2021)

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

(Unit: Thousands of yen)

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

* 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)”))

Notes on Deferred Tax Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of May 31, 2021	As of November 30, 2021
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥2 thousand	¥2,765 thousand
Deferred gains or losses on hedges	¥12,472 thousand	¥141 thousand
Subtotal of deferred tax assets	¥12,475 thousand	¥2,906 thousand
Valuation allowance	¥(12,472) thousand	¥(141) thousand
Total deferred tax assets	¥2 thousand	¥2,765 thousand
Net deferred tax assets	¥2 thousand	¥2,765 thousand

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

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

Notes on Transactions with Related Parties

1. Parent Company and Major Corporate Unitholders

Previous fiscal period (From December 1, 2020 to May 31, 2021)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit holder	Tokyu Land Corporation	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.52%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	170,771	Leasehold and guarantee deposits received in trust	2,459,904
								Refund of leasehold and guarantee deposits received	95,433		
								Rental revenues, etc.	1,863,166		
										Operating accounts receivable	48,685
										Advances received	196,033

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

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

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

2. Affiliates, etc.

Previous fiscal period (From December 1, 2020 to May 31, 2021)

Not applicable.

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

Not applicable.

3. Sister companies, etc.

Previous fiscal period (From December 1, 2020 to May 31, 2021)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)	
						Interlocking officers, etc.	Business relationship					
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	-	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	16,924	Leasehold and guarantee deposits received in trust	6,195,007	
								Refund of leasehold and guarantee deposits received	61,835			
								Rental revenues, etc.	3,968,534	Operating accounts receivable		186,630
										Advances received		42,441
Subsidiary of major unitholder	Tokyu Community Corp.	10-1, Yoga 4-chome, Setagaya-ku, Tokyo	1,653	Real estate management business	-	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	1,066,671	Leasehold and guarantee deposits received in trust	9,445,453	
								Refund of leasehold and guarantee deposits received	845,808			
								Rental revenues, etc.	5,914,339	Operating accounts receivable		204,877
										Advances received		38,366
										Real estate management fee		905,983
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	-	None	Asset Manager	Asset management fee	1,104,682	Accrued expenses	494,734	

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

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

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)	
						Interlocking officers, etc.	Business relationship					
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	-	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	4,597	Leasehold and guarantee deposits received in trust	6,162,971	
								Refund of leasehold and guarantee deposits received	36,633			
								Rental revenues, etc.	2,051,470	Operating accounts receivable		290,903
										Advances received	8,234	
Subsidiary of major unitholder	Tokyu Community Corp.	10-1, Yoga 4-chome, Setagaya-ku, Tokyo	1,653	Real estate management business	-	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	258,190	Leasehold and guarantee deposits received in trust	9,573,583	
								Refund of leasehold and guarantee deposits received	130,060			
								Rental revenues, etc.	3,004,802	Operating accounts receivable		268,057
										Advances received		16,840
										Real estate management fee		412,899
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	-	None	Asset Manager	Payment of asset management fee	567,802	Other accrued expenses	262,394	

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

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

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

4. Directors and Major Individual Unitholders

Previous fiscal period (From December 1, 2020 to May 31, 2021)

Not applicable

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

Not applicable

Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

Use		Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Urban Retail Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	198,465,968	198,195,674
	Changes during period	(270,294)	(11,896,039)
	Balance at end of period	198,195,674	186,299,634
	Fair value at end of period	232,977,000	221,314,000
Tokyo Office Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	204,673,488	204,632,303
	Changes during period	(41,185)	50,461,329
	Balance at end of period	204,632,303	255,093,632
	Fair value at end of period	246,570,000	298,380,000
Activia Account Properties	Carrying amount on the balance sheets		
	Balance at beginning of period	102,437,930	102,196,027
	Changes during period	(241,903)	(151,126)
	Balance at end of period	102,196,027	102,044,900
	Fair value at end of period	122,380,000	123,690,000
Total	Carrying amount on the balance sheets		
	Balance at beginning of period	505,577,388	505,024,005
	Changes during period	(553,383)	38,414,162
	Balance at end of period	505,024,005	543,438,167
	Fair value at end of period	601,927,000	643,384,000

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

(Note 2) The main reason for the increase in the current fiscal period is the acquisition of four properties (A-PLACE Tamachi East, Meguro Tokyu Building, Q plaza Shinjuku-3chome and A-PLACE Shibuya Nampeidai) worth ¥50,650,190 thousand. The decrease is mainly due to the disposition of Tokyu Plaza Akasaka worth ¥11,540,850 thousand and the provision of depreciation worth ¥1,374,701 thousand.

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

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

Segment Information

Segment Information for the fiscal periods ended June 1, 2021 and November 30, 2021 is as follows:

1. Operating Segment Information

Disclosure is omitted as the Investment Corporation is comprised of a single reportable segment engaged in the property rental business.

2. Enterprise-wide Disclosures
(1) Information about Products and Services

Disclosure is not required as revenues from external customers for the single segment is in excess of 90% of total revenues.

(2) Information about Geographic Areas

Revenues from Overseas Customers:

Disclosure is not required as revenues from external customers attributed to Japan are in excess of 90% of total revenues.

Property, plant and equipment:

Disclosure is not required as Property, plant and equipment located in Japan are in excess of 90% of total Property, plant and equipment.

3. Information about Major Customers

Previous fiscal period (From December 1, 2020 to May 31, 2021)

(Unit: Thousands of yen)

Name of Customer	Revenues	Related Segment
Tokyu Community Corp.	5,914,339	Property rental business
Tokyu Land SC Management Corporation	3,968,534	Property rental business
Tokyu Land Corporation	1,863,166	Property rental business

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

(Unit: Thousands of yen)

Name of Customer	Revenues	Related Segment
Tokyu Community Corp.	6,119,946	Property rental business
Tokyu Land SC Management Corporation	4,194,567	Property rental business
Tokyu Land Corporation	2,112,992	Property rental business

Notes on Revenue Recognition

Information on disaggregation of revenue from contracts with customers

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

(Unit: Thousands of yen)

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

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

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

Per Unit Information

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Net assets per unit	¥331,397	¥338,760
Basic earnings per unit	¥9,400	¥9,754

(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 771,224 units; current fiscal period 794,871 units). Diluted earnings per unit is not stated, as there is no potential investment unit.

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

	Previous fiscal period (From December 1, 2020 to May 31, 2021)	Current fiscal period (From June 1, 2021 to November 30, 2021)
Profit (Thousands of yen)	7,249,804	7,753,375
Amount not attributable to common unitholders (Thousands of yen)	–	–
Profit attributable to common investment units (Thousands of yen)	7,249,804	7,753,375
Average number of investment units for the period (Units)	771,224	794,871

Significant Subsequent Events

Resolution regarding acquisition of investment units

The Investment Corporation has decided the acquisition of own investment units based on the Article 80-2 of Investment Trust Act applied upon reading the terms in the Article 80-5, Paragraph 2 of the Investment Trust Act at a meeting of the board of directors of the Investment Corporation held on February 17, 2022. The Investment Corporation will cancel all the acquired units in 21th fiscal period.

(1) Reason for acquisition of own investment units

Considering various facts such as the level of investment unit price, situation of cash in hand, financial situation and market environment, the Investment Corporation expects that improving capital efficiency and returning profit to investors through acquiring own investment units will improve the investors' value in mid-to long-term.

(2) Details of acquisition of own investment units

Total number of own investment units to be acquired : 13,000 units (maximum)

Total acquisition price : 4,000,000 thousand yen (maximum)

Acquisition period : From February 18, 2022 to May 13, 2022

Method of acquisition : The investment Corporation entrusts the market purchase of its own investment units at Tokyo Stock Exchange to a securities company by discretionary transaction contract.

Omission of Disclosure

As the need for disclosing notes on securities, retirement benefits, equity in earnings of affiliates, and asset retirement obligations in this financial report is not material or applicable, the disclosure of these items is omitted.

VIII. Schedule of Financial Statements

Securities

1. Shares

Not applicable

2. Securities Other Than Shares

Not applicable

Derivative Transactions

(Unit: Thousands of yen)

Classification	Type of derivative transactions	Amount of contract (Note 1)		Fair value (Note 2) (Note 3)
			Portion due after one year	
Over-the-counter	Interest rate swaps	30,140,000	30,140,000	(409)
	Receive floating Pay fixed			
Total		30,140,000	30,140,000	(409)

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

(Note 2) The interest rate swaps which qualify for hedge accounting and meet specific criteria are not measured at fair value in the balance sheets and the interest received or paid under the interest rate swap contracts is recognized on an accrual basis.

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

Property and Equipment

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

(Unit: Thousands of yen)

		Beginning balance	Increase	Decrease	Ending Balance	Accumulated depreciation	Depreciation for the period	Net property, plant and equipment
Tangible Assets	Buildings in trust	85,760,008	2,740,579	1,430,222	87,070,366	17,086,807	1,296,259	69,983,558
	Structures in trust	805,357	6,447	28,291	783,513	259,824	20,471	523,689
	Machinery and equipment in trust	1,422,969	41,522	204	1,464,287	501,805	39,061	962,481
	Tools, furniture and fixtures in trust	302,469	8,819	20,348	290,941	182,233	18,909	108,707
	Land in trust (Note1)	424,862,322	48,665,244	10,757,984	462,769,582	-	-	462,769,582
	Construction in progress in trust	163,000	-	127,939	35,061	-	-	35,061
	Subtotal	513,316,128	51,462,613	12,364,990	552,413,751	18,030,670	1,374,701	534,383,081
Intangible Assets	Leasehold rights in trust	9,055,086	-	-	9,055,086	-	-	9,055,086
	Other (Note2)	7,153	-	-	7,153	6,729	254	423
	Subtotal	9,062,239	-	-	9,062,239	6,729	254	9,055,510
Total		522,378,368	51,462,613	12,364,990	561,475,991	18,037,400	1,374,955	543,438,591

(Note1) The main reason for the fiscal period ended November 30,2021 is the acquisition of 3properties (Meguro Tokyu Building,Q plaza Shinjuku 3-home,A-PLACE Shibuya Nampeidai).The decrease is mainly due to the transfer of Tokyu Plaza Akasaka.

(Note2) "Other" is software (non-real estate asset).

Other Specified Assets

Not applicable

Investment Corporation Bonds

(Unit: Thousands of yen)

Issue	Issue Date	Beginning balance	Decrease	Ending balance	Interest Rate	Redemption Date	Use of funds	Remarks
3rd unsecured bonds (with pari passu conditions among specified investment corporation bonds)	April 21, 2015	2,000,000	—	2,000,000	0.726%	April 21, 2025	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
4th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 3, 2016	2,000,000	—	2,000,000	0.770%	February 3, 2026	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
6th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.480%	February 2, 2027	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
7th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 2, 2017	1,000,000	—	1,000,000	0.810%	February 2, 2032	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
8th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	—	1,000,000	0.160%	August 12, 2022	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
9th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 13, 2018	1,000,000	—	1,000,000	1.050%	February 12, 2038	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
10th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	July 9, 2019	5,000,000	—	5,000,000	0.220%	July 9, 2024	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
11th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 18, 2019	4,000,000	—	4,000,000	0.530%	November 16, 2029	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
12th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	October 21, 2020	4,500,000	—	4,500,000	0.510%	October 21, 2030	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
13th unsecured bonds (with pari passu conditions among specified investment corporation bonds)	February 9, 2021	1,300,000	—	1,300,000	0.750%	February 8, 2036	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
14th unsecured bonds (with pari passu conditions among specified investment corporation bonds)(Green Bonds)	November 16, 2021	—	—	3,900,000	0.400%	November 14, 2031	Partial repayment of the long-term borrowings	Unsecured, non-guaranteed
Total	—	22,800,000	—	26,700,000	—	—	—	—

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

(Unit: Thousands of yen)

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

Loans Payable

The following tables show the details of loans payable.

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Mizuho Bank, Ltd.		—	1,560,000	1,560,000	—				
	MUFG Bank, Ltd.		—	780,000	780,000	—				
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,920,000	—	3,920,000	—	0.20981%	July 12, 2021	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		3,920,000	—	3,920,000	—				
	MUFG Bank, Ltd.		1,970,000	—	1,970,000	—				
	Sumitomo Mitsui Banking Corporation		1,970,000	—	1,970,000	—				
	Development Bank of Japan Inc.	January 10, 2019	1,970,000	—	1,970,000	—	0.36607%	July 12, 2021	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	—	320,000	0.41931%	December 28, 2021	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		640,000	—	—	640,000				
	Mizuho Bank, Ltd.		320,000	—	—	320,000				
	Sumitomo Mitsui Banking Corporation		160,000	—	—	160,000				
	Development Bank of Japan Inc.		160,000	—	—	160,000				
	Sumitomo Mitsui Trust Bank, Limited	January 9, 2022	840,000	—	—	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd. (Note 6)	January 9, 2022	840,000	—	—	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.	January 9, 2022	840,000	—	—	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.	January 9, 2022	840,000	—	—	840,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Banking Corporation	January 9, 2022	420,000	—	—	420,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Development Bank of Japan Inc.	January 9, 2022	420,000	—	—	420,000	0.73690%	January 9, 2022	(Note 3)	Unsecured, non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	1,420,000	—	—	1,420,000	0.22365%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed
	Mizuho Bank, Ltd.		1,420,000	—	—	1,420,000				
	MUFG Bank, Ltd.		720,000	—	—	720,000				
	Sumitomo Mitsui Banking Corporation		720,000	—	—	720,000				
Development Bank of Japan Inc.	January 10, 2020	720,000	—	—	720,000	0.31571%	January 11, 2022	(Note 4)	Unsecured, non-guaranteed	

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks	
											Long-term loans payable (Note 2)
Shinkin Central Bank	500,000	—	—	500,000							
Tokio Marine & Nichido Fire Insurance Co., Ltd.	March 31, 2017	400,000	—	—	400,000	0.30630%	March 31, 2022	(Note 4)	Unsecured, non-guaranteed		
The 77 Bank, Ltd.		400,000	—	—	400,000						
Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed		
MUFG Bank, Ltd. (Note 6)		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed		
Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed		
MUFG Bank, Ltd.		1,500,000	—	—	1,500,000	0.94688%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed		
Sumitomo Mitsui Trust Bank, Limited		December 16, 2015	200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)			200,000	—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.	200,000		—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
MUFG Bank, Ltd.	200,000		—	—	200,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Sumitomo Mitsui Banking Corporation	June 13, 2018	100,000	—	—	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Development Bank of Japan Inc.		100,000	—	—	100,000	0.65691%	June 15, 2022	(Note 3)	Unsecured, non-guaranteed		
Sumitomo Mitsui Trust Bank, Limited		June 13, 2018	1,560,000	—	—	1,560,000	0.44835%	June 15, 2022	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.			1,560,000	—	—	1,560,000					
MUFG Bank, Ltd.	1,560,000		—	—	1,560,000						
Sumitomo Mitsui Banking Corporation	160,000		—	—	160,000						
Development Bank of Japan Inc.	160,000	—	—	160,000							

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Mizuho Bank, Ltd.	620,000	—	—	620,000						
MUFG Bank, Ltd.	620,000	—	—	620,000						
Sumitomo Mitsui Banking Corporation	320,000	—	—	320,000						
Development Bank of Japan Inc.	320,000	—	—	320,000						
Sumitomo Mitsui Trust Bank, Limited	September 30, 2015	1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,250,000	—	—	1,250,000	0.61330% (Note 5)	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	750,000	—	—	750,000	0.44804%	March 30, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		750,000	—	—	750,000					
MUFG Bank, Ltd.		750,000	—	—	750,000					
Sumitomo Mitsui Banking Corporation		375,000	—	—	375,000					
Development Bank of Japan Inc.	375,000	—	—	375,000						
Sumitomo Mitsui Trust Bank, Limited	October 6, 2016	800,000	—	—	800,000	0.38472%	April 6, 2023	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,600,000	—	—	1,600,000					
Mizuho Bank, Ltd.		800,000	—	—	800,000					
Sumitomo Mitsui Banking Corporation		400,000	—	—	400,000					
Development Bank of Japan Inc.		400,000	—	—	400,000					
Sumitomo Mitsui Trust Bank, Limited	June 15, 2015	1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd. (Note 6)		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		1,500,000	—	—	1,500,000	1.06316%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Banking Corporation	December 16, 2015	625,000	—	—	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed	
Development Bank of Japan Inc.		625,000	—	—	625,000	0.75387%	June 15, 2023	(Note 3)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,250,000	—	—	1,250,000	0.46400%	June 15, 2023	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		2,500,000	—	—	2,500,000					
Mizuho Bank, Ltd.		1,250,000	—	—	1,250,000					
Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	—	1,000,000	—	1,000,000	0.21198%	September 10, 2023	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,000,000	—	1,000,000					
MUFG Bank, Ltd.		—	500,000	—	500,000					
Taiyo Life Insurance Company	March 31, 2017	500,000	—	—	500,000	0.35998%	September 29, 2023	(Note 4)	Unsecured, non-guaranteed	
Mitsui Sumitomo Insurance Company, Limited		500,000	—	—	500,000					
Resona Bank, Limited.	March 31, 2020	1,500,000	—	—	1,500,000	0.19990%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed	
The Gunma Bank, Ltd.	March 31, 2020	500,000	—	—	500,000	0.23990%	September 30, 2023	(Note 4)	Unsecured, non-guaranteed	

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

	Category	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
	Lender									
Long-term loans payable (Note 2)	Sumitomo Mitsui Trust Bank, Limited	March 16, 2017	1,800,000	—	—	1,800,000	0.70169%	September 16, 2025	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		3,600,000	—	—	3,600,000				
	Mizuho Bank, Ltd.		1,800,000	—	—	1,800,000				
	Sumitomo Mitsui Banking Corporation		900,000	—	—	900,000				
	Development Bank of Japan Inc.		900,000	—	—	900,000				
	Mizuho Trust & Banking Co.,LTD.		440,000	—	—	440,000				
	Resona Bank, Limited.	March 16, 2018	440,000	—	—	440,000	0.46453%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	The Bank of Fukuoka, Ltd.		440,000	—	—	440,000				
	Shinkin Central Bank		440,000	—	—	440,000				
	The Norinchukin Bank		440,000	—	—	440,000				
	THE NISHI-NIPPON CITY BANK, LTD.		500,000	—	—	500,000				
	The Bank of Kyoto, Ltd.		300,000	—	—	300,000				
	Sumitomo Mitsui Trust Bank, Limited	March 30, 2018	500,000	—	—	500,000	0.58630%	September 16, 2025	(Note 4)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		500,000	—	—	500,000				
	Mizuho Bank, Ltd.		500,000	—	—	500,000				
	Sumitomo Mitsui Banking Corporation		250,000	—	—	250,000				
	Development Bank of Japan Inc.		250,000	—	—	250,000				
	Mizuho Trust & Banking Co.,LTD.	August 29, 2019	1,500,000	—	—	1,500,000	0.09313%	February 27, 2026	(Note 4)	Unsecured, non-guaranteed
	Shinkin Central Bank		1,500,000	—	—	1,500,000				
	Sumitomo Mitsui Trust Bank, Limited	September 21, 2016	2,100,000	—	—	2,100,000	0.61942%	March 19, 2026	(Note 3)	Unsecured, non-guaranteed
	MUFG Bank, Ltd.		4,200,000	—	—	4,200,000				
	Mizuho Bank, Ltd.		2,100,000	—	—	2,100,000				
	Sumitomo Mitsui Banking Corporation		1,050,000	—	—	1,050,000				
	Development Bank of Japan Inc.		1,050,000	—	—	1,050,000				
	Sumitomo Mitsui Banking Corporation		December 13, 2016	6,000,000	—	—				
	Mizuho Trust & Banking Co.,LTD.	March 7, 2019	1,100,000	—	—	1,100,000	0.35765%	September 7, 2026	(Note 4)	Unsecured, non-guaranteed
	Resona Bank, Limited.		1,100,000	—	—	1,100,000				
	The Bank of Fukuoka, Ltd.		1,100,000	—	—	1,100,000				
	The Norinchukin Bank		1,100,000	—	—	1,100,000				
	The 77 Bank, Ltd.	600,000	—	—	600,000					
Sumitomo Mitsui Trust Bank, Limited	June 13, 2017	1,750,000	—	—	1,750,000	0.71015%	December 14, 2026	(Note 4)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		3,500,000	—	—	3,500,000					
Mizuho Bank, Ltd.		1,750,000	—	—	1,750,000					
Mizuho Trust & Banking Co.,LTD.	June 28, 2019	1,200,000	—	—	1,200,000	0.23004%	December 28, 2026	(Note 4)	Unsecured, non-guaranteed	
The Norinchukin Bank		1,200,000	—	—	1,200,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
MUFG Bank, Ltd.	1,560,000	—	—	1,560,000						
Mizuho Bank, Ltd.	780,000	—	—	780,000						
Sumitomo Mitsui Banking Corporation	390,000	—	—	390,000						
Development Bank of Japan Inc.	390,000	—	—	390,000						
Sumitomo Mitsui Trust Bank, Limited	January 10, 2020	950,000	—	—	950,000	0.43349%	January 12, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		950,000	—	—	950,000					
MUFG Bank, Ltd.		950,000	—	—	950,000					
Sumitomo Mitsui Banking Corporation		475,000	—	—	475,000					
Development Bank of Japan Inc.		475,000	—	—	475,000					
Sumitomo Mitsui Trust Bank, Limited	June 13, 2018	2,200,000	—	—	2,200,000	0.73360%	June 13, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		2,200,000	—	—	2,200,000					
MUFG Bank, Ltd.		2,200,000	—	—	2,200,000					
Sumitomo Mitsui Banking Corporation		200,000	—	—	200,000					
Development Bank of Japan Inc.		200,000	—	—	200,000					
Sumitomo Mitsui Trust Bank, Limited	January 5, 2018	320,000	—	—	320,000	0.74869%	July 5, 2027	(Note 3)	Unsecured, non-guaranteed	
MUFG Bank, Ltd.		640,000	—	—	640,000					
Mizuho Bank, Ltd.		320,000	—	—	320,000					
Sumitomo Mitsui Banking Corporation		160,000	—	—	160,000					
Development Bank of Japan Inc.		160,000	—	—	160,000					
Sumitomo Mitsui Trust Bank, Limited	April 19, 2019	1,000,000	—	—	1,000,000	0.54375% (Note 5)	July 5, 2027	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,000,000	—	—	1,000,000					
MUFG Bank, Ltd.		1,000,000	—	—	1,000,000					
Sumitomo Mitsui Banking Corporation		500,000	—	—	500,000					
Development Bank of Japan Inc.	April 19, 2019	500,000	—	—	500,000	0.58821%	July 5, 2027	(Note 4)	Unsecured, non-guaranteed	
The Bank of Fukuoka, Ltd.		1,000,000	—	—	1,000,000					
The Norinchukin Bank	March 31, 2020	500,000	—	—	500,000	0.28500%	September 30, 2027	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	January 10, 2019	3,210,000	—	—	3,210,000	0.55800% (Note 5)	January 11, 2028	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		3,210,000	—	—	3,210,000					
MUFG Bank, Ltd.		1,610,000	—	—	1,610,000					
Sumitomo Mitsui Banking Corporation		1,610,000	—	—	1,610,000					
Development Bank of Japan Inc.	January 10, 2019	1,610,000	—	—	1,610,000	0.65264%	January 11, 2028	(Note 3)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	May 31, 2019	1,165,000	—	—	1,165,000	0.56127%	May 31, 2028	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,165,000	—	—	1,165,000					
MUFG Bank, Ltd.		590,000	—	—	590,000					
Sumitomo Mitsui Banking Corporation		590,000	—	—	590,000					
Development Bank of Japan Inc.		590,000	—	—	590,000					
Development Bank of Japan Inc.		590,000	—	—	590,000					

(Unit: Thousands of yen)

Category	Lender	Draw down date	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Maturity date	Use of funds	Remarks
Mizuho Bank, Ltd.	420,000	—	—	420,000						
MUFG Bank, Ltd.	420,000	—	—	420,000						
Sumitomo Mitsui Banking Corporation	220,000	—	—	220,000						
Development Bank of Japan Inc.	220,000	—	—	220,000						
Mizuho Trust & Banking Co., LTD.	January 12, 2021	1,500,000	—	—	1,500,000	0.27935%	July 12, 2028	(Note 4)	Unsecured, non-guaranteed	
The Bank of Fukuoka, Ltd.		1,500,000	—	—	1,500,000					
The 77 Bank, Ltd.		1,000,000	—	—	1,000,000					
THE NISHI-NIPPON CITY BANK, LTD.		1,000,000	—	—	1,000,000					
Development Bank of Japan Inc.	June 13, 2019	6,000,000	—	—	6,000,000	0.56511%	December 13, 2028	(Note 4)	Unsecured, non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	—	1,200,000	—	1,200,000	0.36806%	July 12, 2029	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,200,000	—	1,200,000					
MUFG Bank, Ltd.		—	600,000	—	600,000					
Sumitomo Mitsui Banking Corporation		—	600,000	—	600,000					
Development Bank of Japan Inc.		—	600,000	—	600,000					
Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	—	1,400,000	—	1,400,000	0.40809%	September 10, 2029	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,400,000	—	1,400,000					
MUFG Bank, Ltd.		—	700,000	—	700,000					
Sumitomo Mitsui Banking Corporation		—	700,000	—	700,000					
Development Bank of Japan Inc.		—	700,000	—	700,000					
Sumitomo Mitsui Trust Bank, Limited	December 21, 2020	1,320,000	—	—	1,320,000	0.45403%	December 21, 2029	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,320,000	—	—	1,320,000					
MUFG Bank, Ltd.		1,320,000	—	—	1,320,000					
Sumitomo Mitsui Banking Corporation		670,000	—	—	670,000					
Development Bank of Japan Inc.	670,000	—	—	670,000						
Sumitomo Mitsui Trust Bank, Limited	January 12, 2021	1,670,000	—	—	1,670,000	0.45882%	January 12, 2030	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		1,670,000	—	—	1,670,000					
MUFG Bank, Ltd.		1,670,000	—	—	1,670,000					
Sumitomo Mitsui Banking Corporation		845,000	—	—	845,000					
Development Bank of Japan Inc.		845,000	—	—	845,000					
Sumitomo Mitsui Trust Bank, Limited	July 12, 2021	—	2,720,000	—	2,720,000	0.42436%	July 12, 2030	(Note 4)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	2,720,000	—	2,720,000					
MUFG Bank, Ltd.		—	1,370,000	—	1,370,000					
Sumitomo Mitsui Banking Corporation		—	1,370,000	—	1,370,000					
Development Bank of Japan Inc.	—	1,370,000	—	1,370,000						
Sumitomo Mitsui Trust Bank, Limited	September 10, 2021	—	1,400,000	—	1,400,000	0.46690%	September 10, 2030	(Note 3)	Unsecured, non-guaranteed	
Mizuho Bank, Ltd.		—	1,400,000	—	1,400,000					
MUFG Bank, Ltd.		—	700,000	—	700,000					
Sumitomo Mitsui Banking Corporation		—	700,000	—	700,000					
Development Bank of Japan Inc.		—	700,000	—	700,000					
Total			221,350,000	26,050,000	13,750,000	233,650,000				

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

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

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

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

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

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

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Long-term loans payable	26,100,000	32,250,000	29,500,000	26,500,000	24,500,000

Independent Auditor's Report



Ernst & Young ShinNihon LLC
Hibiya Mitsui Tower, Tokyo Midtown Hibiya
1-1-2 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan

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Independent Auditor's Report

The Board of Directors
Activia Properties Inc.

Opinion

We have audited the accompanying financial statements of Activia Properties Inc. (the Investment Corporation), which comprise the balance sheet as at November 30, 2021, and the statements of operations, changes in unitholders' equity, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at November 30, 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and the Supervisory Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

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

Overview of API



Ernst & Young ShinNihon LLC
Tokyo, Japan

February 18, 2022

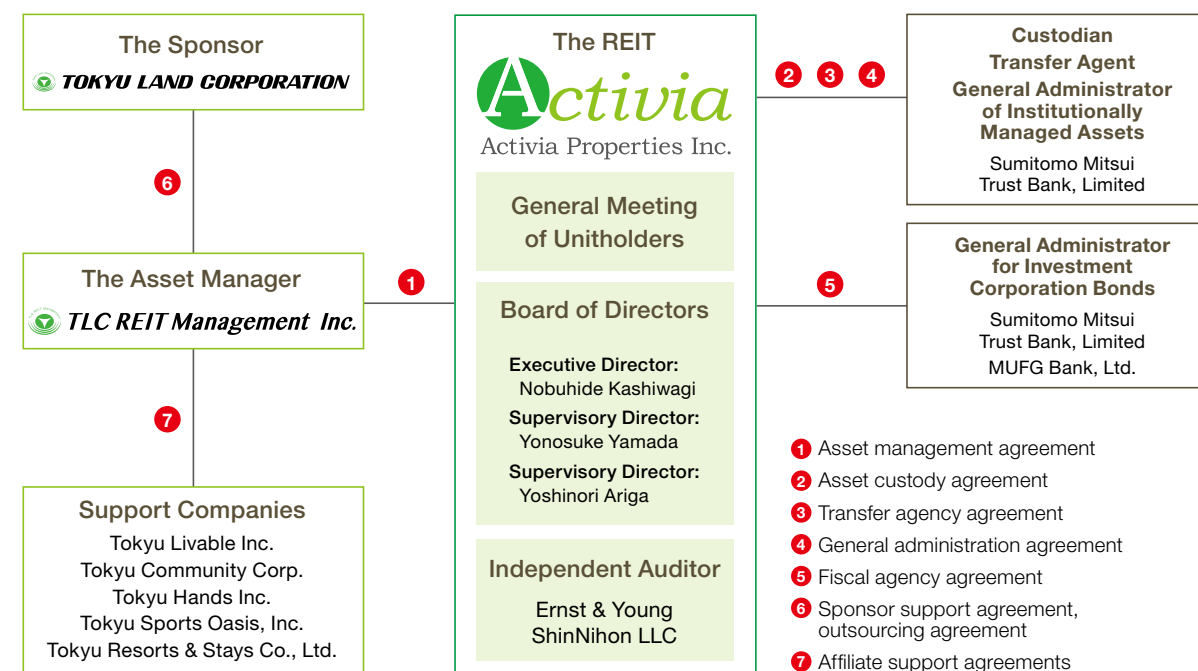
向出男治

Yuji Mukaide
Designated Engagement Partner
Certified Public Accountant

新居 幹也

Mikiya Arai
Designated Engagement Partner
Certified Public Accountant

Structure



Profile

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

History

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

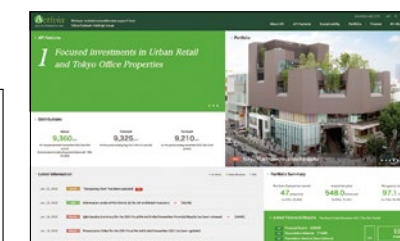
API Website

We provide all appropriate information on our website in a timely and reliable manner.

URL

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

Accessible from smartphone as well.



Overview of the Asset Manager

Overview of the Asset Manager

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

DNA of Tokyu Land Corporation

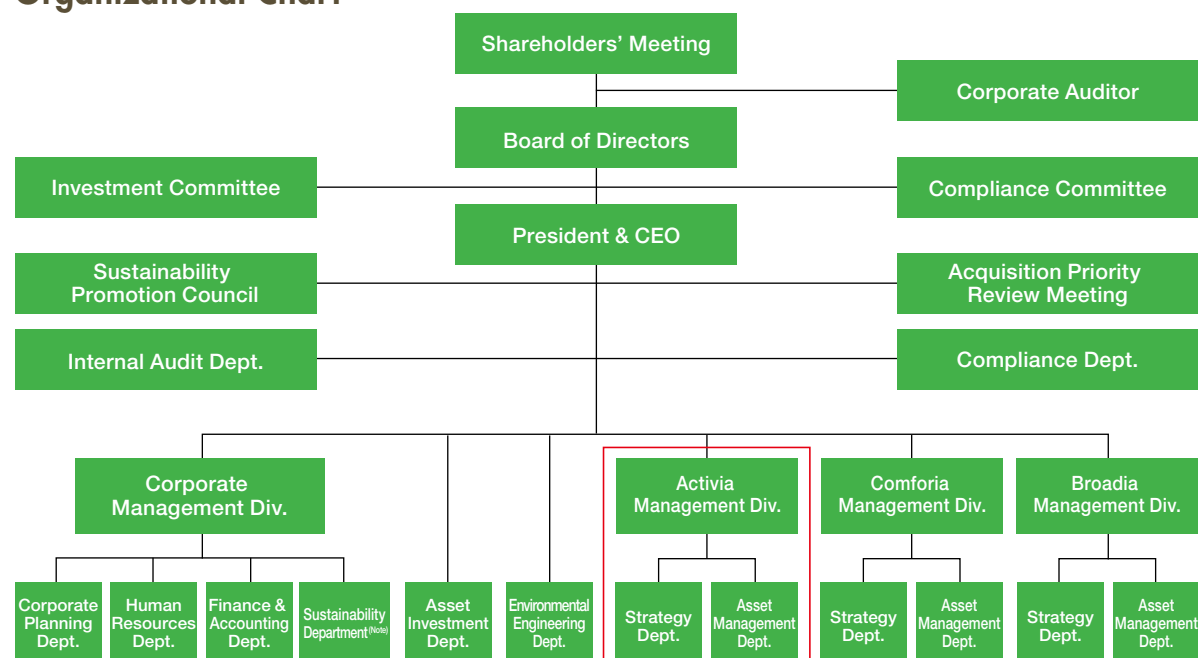
The Tokyu Fudosan Holdings Group generally carries on the frontier spirit and development capabilities of Tokyu Land Corporation in undertaking development mainly in the Tokyo metropolitan area and major cities nationwide. The Group has built up a strong track record as a pioneer in creating businesses ahead of the times in anticipation of customer demands, for example by opening Tokyu Plaza as the forefront of a building complex near the station and Tokyu Hands as a specialty store for daily-life materials.

The Asset Manager staff, with abundant experience in many fields of the Tokyu Fudosan Holdings Group, engage in J-REIT operations to meet the needs of unitholders.

Proactive Behavior

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

Organizational Chart



(Note) Newly established in April 2021

Information on Unitholders

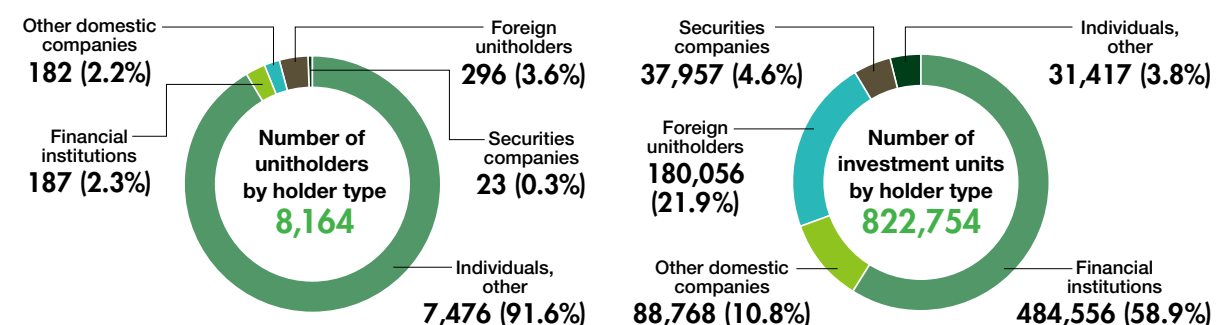
Trends in Unit Prices



(Note 1) Performance of TSE REIT index is indexed to API unit price as of June 13, 2012 being 100.

(Note 2) As API implemented a 2-for-1 investment unit split effected as of October 1, 2015, the closing prices from the listing date to the end of May 2015 are indicated as half as adjusted for the unit split.

Distribution of Unitholders



(Note 1) API implemented a 2-for-1 investment unit split effected as of October 1, 2015.

(Note 2) "Individuals, other" includes governments and local public entities.

Unitholder Memo

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

■ **Change of registered address, name or seal, etc., or designation or change of account for receipt of dividends:**

Please contact the securities company.

■ **Dividends**

You can receive dividends by presenting a dividend receipt to the nearest head office/branch/office of Japan Post Bank (bank agency). If the period for receipt has already expired, please specify how you wish to receive dividends on the back of the dividend receipt, and then mail it to the Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, or receive dividends directly at the service counter of the head office/branch of the bank.

In addition, with respect to future dividends, if you wish to receive dividends through transfer to a bank account, etc., please take the necessary procedures at your securities company.

Telephone inquiries	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited ☎ 0120-782-031 (toll-free, available within Japan only)
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Withholding tax rate on dividends of listed investment corporations

Commencement date of the dividend payment	From January 1, 2014 through December 31, 2037		From January 1, 2038		
Dividend tax rate of listed investment corporations	20.315%			20%	
	Breakdown	Income tax 15% + Reconstruction special income tax 0.315% ^(Note)		Breakdown	Income tax 15%
		Residence tax 5%			Residence tax 5%

(Note) 15% × reconstruction special income tax rate 2.1% = 0.315%.

During the period from January 1, 2013 through December 31, 2037 (25 years), the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (2011 Law No. 117) is in force. As a result, there is a reconstruction special income tax of 2.1%.

This reconstruction special income tax will be imposed together when income tax is withheld at the source on dividends paid by listed investment corporations.

Additional issues to be aware of are as follows.

■ **Matters to be noted regarding the withholding tax on dividends of listed investment corporations**

- In the case of an individual unitholder who holds 3% or more of the outstanding investment, the income tax rate is 20.42% (income tax 20% + reconstruction special income tax 0.42% ^(Note)). However, with regard to residence tax, a separate procedure is required.
- If a corporate unitholder receives dividends, no residence tax will be imposed.

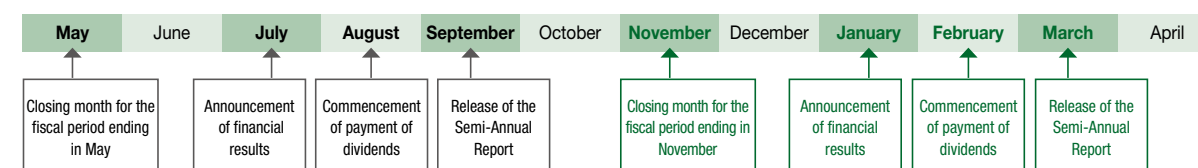
(Note) 20% × reconstruction special income tax rate 2.1% = 0.42%.

■ **Matters to be noted regarding the Reconstruction Special Income Tax**

- In cases where income tax is non-taxable or exempt, or where the income tax rate is less than the rate provided by domestic laws due to the application of a tax treaty, the reconstruction special income tax will not be imposed.
- With regard to taxes in the case where you have selected the method of allocation in proportion to the number of shares held, please ask your securities company.

For more details, please ask the tax office with jurisdiction over the place of tax payment.

Annual Schedule





API 3279



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