

Financial Report for the Fiscal Period Ended November 30, 2019 (June 1, 2019 – November 30, 2019)

Activia Properties Inc.

Listing: Tokyo Stock Exchange
 Securities code: 3279
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(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended November 30, 2019 (June 1, 2019 – November 30, 2019)

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

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended November 30, 2019	15,542	4.7	8,680	0.9	7,818	1.2	7,817	1.2
Fiscal period ended May 31, 2019	14,843	7.4	8,599	14.0	7,726	15.4	7,725	15.4

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended November 30, 2019	10,136	3.1	1.5	50.3
Fiscal period ended May 31, 2019	10,118	3.2	1.6	52.1

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (763,508 units and 771,224 units for the fiscal period ended May 31, 2019, and the fiscal period ended November 30, 2019, respectively).

(2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions (excluding excess of earnings)	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Cash distributions per unit (including excess of earnings)	Total distributions (including excess of earnings)
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen
Fiscal period ended November 30, 2019	10,137	7,817	–	–	10,137	7,817
Fiscal period ended May 31, 2019	10,003	7,714	14	10	10,017	7,725

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

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

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

(3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2019	515,480	256,198	49.7	332,196
As of May 31, 2019	514,359	256,085	49.8	332,050

(Reference) Unitholders' equity

As of November 30, 2019: ¥256,198 million

As of May 31, 2019: ¥256,085 million

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended November 30, 2019	11,533	(169)	(7,978)	16,185
Fiscal period ended May 31, 2019	10,426	(69,832)	59,116	12,800

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

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

	Operating revenue		Operating profit		Ordinary profit		Profit		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending May 31, 2020	15,628	0.6	8,590	(1.0)	7,621	(2.5)	7,620	(2.5)	9,880	–
Fiscal period ending November 30, 2020	15,822	1.2	8,667	0.9	7,659	0.5	7,658	0.5	9,930	–

(Reference) Forecasted profit per unit (forecasted profit / total projected number of investment units issued at end of period)
for the fiscal period ending May 31, 2020: ¥9,880
for the fiscal period ending November 30, 2020: ¥9,930

* Other

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

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

(2) Total number of units issued

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

As of November 30, 2019	771,224 units
As of May 31, 2019	771,224 units
- Number of treasury units at end of period

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

(Note) Please refer to “Per Unit Information” on page 34 for the number of investment units used as the basis for calculating basic earnings per unit.

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

* Other special items

Forward-looking statements presented in this financial report including forecasts of results are based on information currently available to us and on certain assumptions we deem to be reasonable. As such, actual operating and other results may differ materially due to a number of factors. Furthermore, these forecasts are in no way a guarantee of any distribution amount. Please refer to “Assumptions for Forecasts of Investment Performance for the 17th Fiscal Period from December 1, 2019 to May 31, 2020 and the 18th Fiscal Period from June 1, 2020 to November 30, 2020” on pages 12 through 14 for information on assumptions for the forecasts.

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

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1. Asset Management Status

(1) Asset Management Status

i) Summary of Results for the Current Fiscal Period

(A) Transition of Investment Corporation

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

After that, the Investment Corporation was listed on the real estate investment trust securities market of Tokyo Stock Exchange, Inc. (Securities code 3279) on June 13, 2012. On December 19, 2018, the Investment Corporation carried out a publicly offered capital increase for the sixth consecutive year, and on January 7, 2019, it carried out a third-party allotment.

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

In the fiscal period under review, which ended on November 30, 2019, the Investment Corporation transferred beneficiary interests of real estate in trust of A-FLAG AKASAKA (50% co-ownership interest) (Note). Consequently, the Investment Corporation held 44 properties (with the total acquisition price of ¥498,985 million) at the end of the fiscal period under review.

(Note) Co-ownership interests of 50% had already been transferred as of March 1, 2019 and the remaining 50% co-ownership interest has now been transferred as of June 3, 2019.

(B) Investment Environment in the Fiscal Period under Review

In the fiscal period under review, the Japanese economy continued on a trend of gradual recovery on the whole amid factors that included corporate earnings holding steadily at high levels and improving employment and income environments although concerns of recession in the global economy sparked by Sino-American trade talks resulted in continued weakness in exports and cautious business sentiment particularly in the manufacturing industry.

With respect to the environment surrounding retail properties, consumer sentiment has remained firm amid a current scenario where the consumer confidence index has increased for two consecutive months running up to November, and despite concerns regarding effects of October’s consumption tax hike as well as typhoons and other natural disasters, according to the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan. Moreover, according to the Consumption Trend Survey for Foreigners Visiting Japan released by the Japan Tourism Agency, the Ministry of Land, Infrastructure, Transport and Tourism, demand related to inbound tourism has remained strong with tourism consumption by overseas visitors to Japan having reached a record-high over the months January to September 2019, despite a downturn in the number of tourists from South Korea due to discord between Japan and South Korea.

In the rental office market, supply has continued to tighten relative to demand. In that regard, according to data published by Miki Shoji Co., Ltd., the average vacancy rate of the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku) has been hovering just above the 1% range since November 2018, thereby currently marking a new record low. Meanwhile, rent levels have been continuing on an upward trajectory as they encounter their longest upward phase of gains ever with the average rent having been increasing for 71 consecutive months. The market has also remained favorable in major cities outside Tokyo as vacancy rates hold to their lowest ever

levels, having decreased to the 1% range in Osaka, for instance, along with ongoing moderate increases in rent levels.

The J-REIT market has been maintaining an upward trend overall partially due to an inflow of funds targeting earnings stability and relatively high yields, against a backdrop of interest-rate environment remaining at low levels and a strong real estate market. Financing activities through publicly offered capital increase and property acquisition have been continuously and actively conducted, and this has led to an ongoing expansion in J-REIT asset sizes.

(C) Investment Performance

On June 3, 2019, the Investment Corporation transferred beneficiary interests of real estate in trust of A-FLAG AKASAKA (50% co-ownership interest) (with the transfer price of ¥1,875 million) as trust assets in accordance with the basic asset management policy set forth in the Articles of Incorporation.

Consequently, total assets held by the Investment Corporation at the end of the fiscal period under review were 44 properties (with the total acquisition price of ¥498,985 million) with the total leasable area of 414,008 m² (125,235 *tsubo*).

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

	June 30, 2019	July 31, 2019	August 31, 2019	September 30, 2019	October 31, 2019	November 30, 2019
Urban Retail Properties	99.9%	99.9%	99.9%	99.9%	99.8%	99.8%
Tokyo Office Properties	100.0%	100.0%	100.0%	100.0%	99.9%	99.9%
Activia Account Properties	99.1%	99.0%	99.3%	99.3%	99.7%	99.7%
Total	99.6%	99.5%	99.7%	99.6%	99.8%	99.8%

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

(D) Initiatives Regarding Sustainability

In order to build a portfolio consisting of “real estate capable of sustaining customer demand” with the aim of maximizing medium- and long-term unitholder value, the Investment Corporation has been promoting various initiatives with its sights set on lowering environmental loads and contributing to our nearby surroundings and local communities, thereby extending beyond considerations such as location, use, size and qualities. Based on such initiatives, the Investment Corporation’s asset management company TLC REIT Management Inc. established the “Sustainability Policy,” clearly stating our approach in contributing to sustainable development of society. In July 2019, as material issues that the Investment Corporation needs to address, we released quantitative targets encompassing a wider range of performance benchmarks from an environmental standpoint, and also clearly stated practical management policy to such ends. This involves daily effort to achieve our basic objective of reducing four items, including cutting unit energy consumption and greenhouse gases (GHG) by an annual average of 1% over the medium to long term. Initiatives carried out in the fiscal period under review include upgrading to LED lighting at some common areas of Tokyu Plaza Akasaka, DECKS Tokyo Beach, Luogo Shiodome, A-PLACE Gotanda Ekimae, A-PLACE Bashamichi and EDGE Shinsaibashi, and some private areas at A-PLACE Ebisu Minami, A-PLACE Shinagawa, A-PLACE Ebisu Higashi, A-PLACE Gotanda Ekimae, A-PLACE Kanayama and EDGE Shinsaibashi. Other initiatives included replacing escalators with those that consume less power and replacing air conditioning units with those offering greater energy efficiency at A-FLAG SAPPORO; replacing air conditioning units with those that use environmentally sound refrigerants at DECKS Tokyo Beach; installing energy-saving glass at A-PLACE Shinbashi; replacing toilets with those that use water-saving equipment, and replacing elevators with those that consume less power and generate lower carbon dioxide emissions at Osaka Nakanoshima Building.

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 the one property Q plaza HARAJUKU (two stars). As such, a total of 25 of our properties have

acquired green building certification, which amounted to 59.0% of our holdings calculated on the basis of gross floor area (as of November 30, 2019).

Furthermore, at Tokyu Plaza Omotesando Harajuku, we continued the “Yasai-no-mori (garden of vegetables) Project,” which entails the property growing vegetables in cooperation with NPOs, sponsor companies, and neighboring nursery schools. We also cooperated in community activities to coexist with nearby businesses, residents and cities as part of initiatives for local society, which during the fiscal period under review included Shiodome Building acting as special sponsor of the Hamasite Summer Festival and Kyoto Karasuma Parking Building taking part in the Gion Festival.

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

(E) Overview of Financing

In the fiscal period under review, the Investment Corporation diversified repayment dates on debt, extended the average maturity, and diversified means of financing. Also, with the aims of further promoting its sustainability initiatives and expanding its range of investors by fueling demand from new investors who are interested in ESG investment, the Investment Corporation issued its first green bonds (unsecured investment corporation bonds) of ¥5,000 million and ¥4,000 million in July and November, 2019, respectively, and used the funds to cover repayment of short-term borrowings. In addition, the Investment Corporation refinanced borrowings amounting to a total of ¥18,100 million largely in order to cover repayment of borrowings and investment corporation bonds that had come due, and worked to otherwise maintain a stable financial base through ongoing moves that have included diversifying repayment dates. As of the end of the fiscal period under review, the balance of interest-bearing debt was ¥234,350 million (borrowings of ¥211,350 million and investment corporation bonds of ¥23,000 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 45.5% 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 97.9% and 92.8%, respectively.

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

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

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

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥15,542 million, ¥8,680 million, and ¥7,818 million, respectively, for the fiscal period under review, and profit was ¥7,817 million.

In accordance with the distribution policy set forth by the Investment Corporation (Article 35 of the Articles of Incorporation), it was decided that the amount obtained by subtracting reversal of allowance for temporary difference adjustments from all of the amount of unappropriated retained earnings would be distributed except a fraction of less than ¥1 of distributions per investment unit, with the aim that as greatest as possible distributions of profits would be included in tax deductible expenses under Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions; hereinafter referred to as the “Special Taxation Measures Act”). Consequently, distributions per investment unit resulted in ¥10,137.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

In the Japanese economy going forward, we are observing a firm underpinning supported by robustness in corporate earnings and the employment and income environments on the domestic front despite a lack of clarity on what effect global economic slowdown will have on exports and capital expenditure. Meanwhile, we will need to closely monitor developments, particularly those involving the progress of Sino-American trade negotiations, monetary policy in Europe and the U.S., and the direction being taken regarding the U.K.'s withdrawal from the European Union.

In the rental office market, a scenario of vacancy rates remaining at low levels and moderately rising rent levels is likely to persist amid strong office demand particularly due to factors that include continuing office environment improvements, and office space expansion by the relocation or extension of facilities due to workforce increases, against a backdrop of robust corporate performance. With respect to the environment surrounding retail properties, we will need to closely monitor effects of the consumption tax hike and other such concerns, despite prevailing signs of recovery in consumer sentiment and a trend of brisk spending by overseas visitors to Japan. The J-REIT market is likely to remain firm in part given the likelihood of low interest rates due to ongoing monetary easing, and also against a backdrop of factors that include consistent J-REIT performance and relatively high dividend yields. Amid this environment, the Investment Corporation will continue to promote internal growth by leveraging the competitiveness of its assets under management, while also working to achieve external growth through careful investment decisions, with the aim of improving unitholder value.

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

a. Basic Policy

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

b. External Growth Strategy

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

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

c. Internal Growth Strategy

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

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

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

d. Financial Strategy

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

(C) Significant Subsequent Events

Not applicable.

< Reference Information >

a. Acquisition of Properties

The Investment Corporation acquired the property listed below through borrowings, etc. in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(TO-18) Ebisu Prime Square (acquisition of 51% co-ownership interest)

Type of assets	Trust beneficiary interest
Acquisition price	¥30,700 million
Acquisition date	January 10, 2020
Location	i) 1-39, Hiroo 1-chome, Shibuya-ku, Tokyo ii) 1-40, Hiroo 1-chome, Shibuya-ku, Tokyo iii) 1-7, Hiroo 1-chome, Shibuya-ku, Tokyo
Use	i) Office, retail, parking lots ii) Retail, parking lots iii) Residence, sports club, parking lots
Land area	12,179.49 m ²
Gross floor area (Note)	67,581.00 m ²
Structure	i) Steel frame, reinforced concrete, steel-framed reinforced concrete / 22 floors above and 3 floors underground ii) Reinforced concrete / 2 floors above and 2 floors underground iii) Steel-framed reinforced concrete, reinforced concrete / 13 floors above and 2 floors underground
Month and year of completion	January 1997
Ownership	Land: Owned (51% co-ownership interest) Building: Owned (51% co-ownership interest)

(Note) Total gross floor areas of the three buildings.

b. Transfer of Properties

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

(TO-17) A-PLACE Shinbashi Ekimae

Type of assets	Trust beneficiary interest
Scheduled transfer price	¥21,000 million
Scheduled delivery date (Note)	March 19, 2020
Location	12-9, Shinbashi 1-chome, Minato-ku, Tokyo
Use	Retail, office and parking lots
Land area	1,001.39 m ²
Gross floor area	8,541.44 m ²
Structure	Steel frame, steel-framed reinforced concrete / 10 floors above and 1 floor underground
Month and year of completion	April 2008 / partial demolition and extension in May 2018
Ownership	Land: Owned Building: Owned

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

(D) Outlook of Investment Performance

For the fiscal period ending May 31, 2020 (17th fiscal period: December 1, 2019 to May 31, 2020), investment performance is estimated as follows. For the assumptions used for the estimation of investment performance, please refer to “Assumptions for Forecasts of Investment Performance for the 17th Fiscal Period from December 1, 2019 to May 31, 2020 and the 18th Fiscal Period from June 1, 2020 to November 30, 2020” on pages 12 through 14.

Operating revenue	¥15,628 million
Operating profit	¥8,590 million
Ordinary profit	¥7,621 million
Profit	¥7,620 million
Cash distributions per unit	¥9,880
Cash distributions in excess of earnings per unit	¥-

If it is assumed that there are no changes in “Assumptions for Forecasts of Investment Performance for the 17th Fiscal Period from December 1, 2019 to May 31, 2020 and the 18th Fiscal Period from June 1, 2020 to November 30, 2020” on pages 12 through 14, the outlook of investment performance for the fiscal period ending November 30, 2020 (18th fiscal period: June 1, 2020 to November 30, 2020) is estimated as follows.

Operating revenue	¥15,822 million
Operating profit	¥8,667 million
Ordinary profit	¥7,659 million
Profit	¥7,658 million
Cash distributions per unit	¥9,930
Cash distributions in excess of earnings per unit	¥-

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

Assumptions for Forecasts of Investment Performance for the 17th Fiscal Period from December 1, 2019 to May 31, 2020 and the 18th Fiscal Period from June 1, 2020 to November 30, 2020

Item	Assumptions
Period	<ul style="list-style-type: none"> • 17th fiscal period (December 1, 2019 to May 31, 2020) (183 days) • 18th fiscal period (June 1, 2020 to November 30, 2020) (183 days)
Investment portfolio	<ul style="list-style-type: none"> • Whereas the Investment Corporation holds trust beneficiary interests in 45 properties as of today (the “Assets Currently Held”), it will hold trust beneficiary interests in 44 properties upon disposition of A-PLACE Shinbashi Ekimae (the “Asset to be Transferred”) slated for March 19, 2020. Other than the aforementioned, our forecasts of investment performance assume that there will be no material changes to the composition of our investment portfolio, including acquisition of new properties or transfer of portfolio properties, before the end of the 18th fiscal period (November 30, 2020). • Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> • We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc. • Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants. • We expect to record gains on sales amounting to ¥158 million in the fiscal period ending May 31, 2020 (17th fiscal period), in association with the transfer of the Asset to be Transferred. This may change, however, depending on outcomes of the sales, transfer prices, transfer dates and other conditions.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors. Expenses for Ebisu Prime Square (51% co-ownership interest) (the “Acquired Assets”) are calculated based on the information provided by the former owner (seller) and upon considering variable factors and others. • In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. The total amount of property tax and city planning tax on assets planned for acquisition that are treated as a part of the acquisition cost is assumed to be ¥135 million. For property tax and city planning tax, ¥1,099 million and ¥1,270 million for the Assets Currently Held will be expensed in the fiscal period ending May 31, 2020 (17th fiscal period) and in the fiscal period ending November 30, 2020 (18th fiscal period), respectively. With regard to the Acquired Assets, for fiscal 2021, property tax and city planning tax will be expensed from the fiscal period ending November 30, 2021 (20th fiscal period). • Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period. • We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,334 million and ¥1,334 million for the 17th fiscal period ending May 31, 2020 and the 18th fiscal period ending November 30, 2020, respectively.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> With respect to the Asset to be Transferred, operating accounts receivable amounting to ¥234 million recorded during the free rent period will be reclassified as other expenses related to leasing business and recognized as an expense. At the Investment Corporation's Unitholders' Meeting held on August 9, 2019, changes were implemented to the rules regarding the management fee including the lowering of the upper limit of the type I management fee (based on the amounts of the total assets of the Investment Corporation under management) from 0.4% to 0.3% and the lifting of the upper limit of type II management fee (based on DPU and NOI) from 0.0002% to 0.00021%. The changes will take effect from the period ending May 31, 2020 (17th fiscal period), and under the asset management fee structure after said change, a type I management fee of 0.25% and a type II management fee of 0.00021% will be applied.
Non-operating expenses	<ul style="list-style-type: none"> We expect interest and other borrowing-related expenses of ¥968 million and ¥1,007 million for the 17th fiscal period ending May 31, 2020 and the 18th fiscal period ending November 30, 2020, respectively.
Interest-bearing debt	<ul style="list-style-type: none"> As of today, we have a balance of ¥265,350 million in interest-bearing debt (borrowings of ¥242,350 million and investment corporation bonds of ¥23,000 million). However, we assume that a balance of interest-bearing debt will be ¥244,350 million after making repayment of ¥21,000 million from the proceeds associated with the sale of the Asset to be Transferred on March 19, 2020. We assume that repayment will be made of ¥21,000 million in short-term borrowings coming due in the 17th fiscal period on March 19, 2020 (17th fiscal period), and that there will be refinancing of all remaining interest-bearing debt coming due before the end of the 17th fiscal period (May 31, 2020) and the 18th fiscal period (November 30, 2020) (17th fiscal period: short-term borrowings of ¥21,000 million, long-term borrowings of ¥3,500 million and investment corporation bonds of ¥6,000 million; 18th fiscal period: short-term borrowings of ¥4,000 million). We assume the LTV ratios as of May 31, 2020 and November 30, 2020 are both to be 46.6%. The LTV ratio is obtained by the following formula: $\text{LTV} = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100$
Units	<ul style="list-style-type: none"> The number is based on our assumption of total of 771,224 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 18th fiscal period (November 30, 2020). The cash distributions per unit for the 17th fiscal period ending May 31, 2020 and the 18th fiscal period ending November 30, 2020 have been calculated in accordance with the total projected number of investment units issued as of the end of each of the fiscal periods which are 771,224 units.
Cash distributions per unit	<ul style="list-style-type: none"> Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs. Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> As stated above, deferred losses on hedges, which are counted as a deduction in net assets, are calculated assuming no fluctuation. Accordingly, we do not anticipate distributions in excess of earnings (allowance for temporary difference adjustments) for the 17th fiscal period ending May 31, 2020 or the 18th fiscal period ending November 30, 2020.

Item	Assumptions
	<ul style="list-style-type: none"> • Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.
Other	<ul style="list-style-type: none"> • We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts. • We assume that there will be no material changes in general economic conditions or real estate markets.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	9,257,380	12,670,027
Cash and deposits in trust	3,542,901	3,515,426
Operating accounts receivable	866,251	804,474
Prepaid expenses	507,244	355,113
Other	7,987	6,749
Total current assets	14,181,766	17,351,791
Non-current assets		
Property, plant and equipment		
Buildings in trust	84,710,063	84,986,537
Accumulated depreciation	(12,065,901)	(13,256,431)
Buildings in trust, net	72,644,162	71,730,105
Structures in trust	698,826	703,696
Accumulated depreciation	(185,296)	(201,554)
Structures in trust, net	513,529	502,142
Machinery and equipment in trust	1,406,968	1,434,131
Accumulated depreciation	(359,497)	(388,834)
Machinery and equipment in trust, net	1,047,471	1,045,296
Tools, furniture and fixtures in trust	222,204	247,197
Accumulated depreciation	(113,714)	(128,828)
Tools, furniture and fixtures in trust, net	108,489	118,368
Land in trust	415,408,426	414,174,855
Construction in progress in trust	5,928	5,928
Total property, plant and equipment	489,728,007	487,576,696
Intangible assets		
Land leasehold interests in trust	9,092,591	9,055,086
Other	1,695	1,441
Total intangible assets	9,094,287	9,056,527
Investments and other assets		
Long-term prepaid expenses	1,258,702	1,350,026
Derivatives	-	8,954
Deferred tax assets	24	5
Other	38,322	38,322
Total investments and other assets	1,297,049	1,397,309
Total non-current assets	500,119,344	498,030,533
Deferred assets		
Investment corporation bond issuance costs	58,103	98,652
Total deferred assets	58,103	98,652
Total assets	514,359,213	515,480,977

(Unit: Thousands of yen)

	As of May 31, 2019	As of November 30, 2019
Liabilities		
Current liabilities		
Operating accounts payable	614,988	1,265,123
Short-term borrowings	14,000,000	5,000,000
Current portion of investment corporation bonds	6,000,000	6,000,000
Current portion of long-term borrowings	20,400,000	7,300,000
Accounts payable - other	375,773	198,011
Accrued expenses	929,635	963,509
Income taxes payable	1,099	605
Accrued consumption taxes	165,430	379,062
Advances received	574,299	581,577
Deposits received	11,019	1,390
Other	0	–
Total current liabilities	43,072,245	21,689,281
Non-current liabilities		
Investment corporation bonds	8,000,000	17,000,000
Long-term borrowings	185,950,000	199,050,000
Leasehold and guarantee deposits received in trust	21,239,977	21,543,424
Derivatives liabilities	11,474	–
Total non-current liabilities	215,201,452	237,593,424
Total liabilities	258,273,697	259,282,705
Net assets		
Unitholders' equity		
Unitholders' capital	248,370,846	248,370,846
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	–	*3 (10,797)
Total deduction from unitholders' capital	–	(10,797)
Unitholders' capital, net	248,370,846	248,360,049
Surplus		
Unappropriated retained earnings (undisposed loss)	7,726,143	7,829,267
Total surplus	7,726,143	7,829,267
Total unitholders' equity	256,096,990	256,189,316
Valuation and translation adjustments		
Deferred gains or losses on hedges	(11,474)	8,954
Total valuation and translation adjustments	(11,474)	8,954
Total net assets	*2 256,085,515	*2 256,198,271
Total liabilities and net assets	514,359,213	515,480,977

(2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2018 to May 31, 2019)		Current fiscal period (From June 1, 2019 to November 30, 2019)	
Operating revenue				
Leasing business revenue	*1	13,472,375	*1	14,063,573
Other leasing business revenue	*1	1,030,063	*1	1,136,219
Gain on sales of real estate properties	*2	341,051	*2	343,063
Total operating revenue		14,843,490		15,542,856
Operating expenses				
Expenses related to leasing business	*1	4,973,578	*1	5,464,545
Asset management fee		1,127,058		1,249,529
Asset custody fee		14,021		14,641
Administrative service fees		35,168		37,874
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		90,830		92,843
Total operating expenses		6,243,957		6,862,734
Operating profit		8,599,533		8,680,122
Non-operating income				
Interest income		73		59
Reversal of distributions payable		913		967
Insurance claim income		–		663
Total non-operating income		986		1,690
Non-operating expenses				
Interest expenses		634,549		636,203
Interest expenses on investment corporation bonds		36,262		35,543
Amortization of investment corporation bond issuance costs		9,542		9,905
Investment unit issuance expenses		25,013		–
Borrowing related expenses		167,716		181,347
Other		500		500
Total non-operating expenses		873,583		863,501
Ordinary profit		7,726,936		7,818,311
Profit before income taxes		7,726,936		7,818,311
Income taxes - current		1,110		614
Income taxes - deferred		(6)		19
Total income taxes		1,104		634
Profit		7,725,832		7,817,677
Retained earnings brought forward		311		11,589
Unappropriated retained earnings (undisposed loss)		7,726,143		7,829,267

(3) Statement of Unitholders' Equity

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

(Unit: Thousands of yen)

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

Current fiscal period (From June 1, 2019 to November 30, 2019)

(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	–	–	248,370,846	7,726,143	7,726,143	256,096,990
Changes in items during period							
Dividends of surplus					(7,714,553)	(7,714,553)	(7,714,553)
Distribution in excess of net earnings from allowance for temporary difference adjustments		(10,797)	(10,797)	(10,797)			(10,797)
Profit					7,817,677	7,817,677	7,817,677
Net changes in items other than unitholders' equity							
Total changes in items during period	–	(10,797)	(10,797)	(10,797)	103,123	103,123	92,326
Balance at end of period	*1 248,370,846	(10,797)	(10,797)	248,360,049	7,829,267	7,829,267	256,189,316

(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	(11,474)	(11,474)	256,085,515
Changes in items during period			
Dividends of surplus			(7,714,553)
Distribution in excess of net earnings from allowance for temporary difference adjustments			(10,797)
Profit			7,817,677
Net changes in items other than unitholders' equity	20,429	20,429	20,429
Total changes in items during period	20,429	20,429	112,756
Balance at end of period	8,954	8,954	256,198,271

(4) Statement of Cash Distributions

	Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
	Amount	Amount
I Unappropriated retained earnings	¥7,726,143,417	¥7,829,267,374
II Additional amount of cash distributions in excess of earnings	¥10,797,136	—
Of which, allowance for temporary difference adjustments	¥10,797,136	—
III Amount incorporated into unitholders' capital	—	¥10,797,136
Of which, reversal of allowance for temporary difference adjustments	—	¥10,797,136
IV Distributions	¥7,725,350,808	¥7,817,897,688
[Cash distributions per unit]	[¥10,017]	[¥10,137]
Of which, distributions of profits	¥7,714,553,672	¥7,817,897,688
[Of which, distributions of profits per unit]	[¥10,003]	[¥10,137]
Of which, allowance for temporary difference adjustments	¥10,797,136	—
[Of which, cash distributions in excess of earnings per unit (Related to allowance for temporary difference adjustments)]	[¥14]	[¥—]
V Earnings carried forward	¥11,589,745	¥572,550

<p>Calculation method for distributions</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, we will pay distributions of profits of ¥7,714,553,672, 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.</p> <p>During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥10,797,136 as distributions related to allowance for temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations), calculated to exclude a fraction of less than ¥1 of distributions in excess of earnings per investment unit, with the amount equivalent to deferred losses on hedges of ¥11,474,393. As a result, distributions are to amount to ¥7,725,350,808 for the fiscal period under review.</p>	<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 ¥7,817,897,688, which is the amount of the unappropriated retained earnings less 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), except a fraction of less than ¥1 of distributions per investment unit.</p>
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
Cash flows from operating activities		
Profit before income taxes	7,726,936	7,818,311
Depreciation	1,295,168	1,299,058
Loss on retirement of non-current assets	3,793	–
Amortization of investment corporation bond issuance costs	9,542	9,905
Interest income and interest on securities	(73)	(59)
Interest expenses	670,811	671,747
Investment unit issuance expenses	25,013	–
Borrowing related expenses	167,716	181,347
Decrease (increase) in operating accounts receivable	(17,425)	61,777
Increase (decrease) in accrued consumption taxes	(291,956)	213,632
Decrease (increase) in prepaid expenses	(172,582)	165,699
Decrease in property, plant and equipment in trust due to sale	1,495,081	1,493,070
Decrease in intangible assets in trust due to sale	37,505	37,505
Increase (decrease) in operating accounts payable	(75,397)	303,762
Increase (decrease) in accrued expenses	72,335	19,133
Increase (decrease) in advances received	145,410	7,278
Decrease (increase) in long-term prepaid expenses	9,113	(83,861)
Other, net	(5,940)	(10,040)
Subtotal	11,095,053	12,188,268
Interest received	73	59
Interest paid	(668,083)	(653,684)
Income taxes paid	(987)	(1,108)
Net cash provided by (used in) operating activities	10,426,056	11,533,534
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(71,588,974)	(472,822)
Refund of leasehold and guarantee deposits received in trust	(326,192)	(345,198)
Proceeds from leasehold and guarantee deposits received in trust	2,082,892	648,645
Net cash provided by (used in) investing activities	(69,832,274)	(169,375)
Cash flows from financing activities		
Proceeds from short-term borrowings	18,095,107	4,997,750
Repayments of short-term borrowings	(13,200,000)	(14,000,000)
Proceeds from long-term borrowings	40,234,648	12,925,779
Repayments of long-term borrowings	(6,500,000)	(13,100,000)
Proceeds from issuance of investment corporation bonds	–	8,953,594
Redemption of investment corporation bonds	(4,000,000)	–
Proceeds from issuance of investment units	31,199,767	–
Distributions paid	(6,695,537)	(7,723,513)
Other, net	(17,847)	(32,598)
Net cash provided by (used in) financing activities	59,116,138	(7,978,987)
Net increase (decrease) in cash and cash equivalents	(290,079)	3,385,171
Cash and cash equivalents at beginning of period	13,090,361	12,800,282
Cash and cash equivalents at end of period	*1 12,800,282	*1 16,185,454

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Important Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is used. The useful lives of major property, plant and equipment are listed below.</p> <table border="0"><tr><td>Buildings</td><td>2 to 70 years</td></tr><tr><td>Structures</td><td>2 to 66 years</td></tr><tr><td>Machinery and equipment</td><td>2 to 33 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 70 years	Structures	2 to 66 years	Machinery and equipment	2 to 33 years	Tools, furniture and fixtures	2 to 15 years
Buildings	2 to 70 years								
Structures	2 to 66 years								
Machinery and equipment	2 to 33 years								
Tools, furniture and fixtures	2 to 15 years								
2. Accounting method for deferred assets	<p>(1) Investment unit issuance expenses The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs Amortized by the straight-line method over the period until maturity.</p>								
3. Accounting for income and expenses	<p>Property-related taxes</p> <p>For property tax, city planning tax, depreciable asset tax for real properties held, the amount of tax levied corresponding to the calculation period is recorded as expenses related to leasing business.</p> <p>The settlement money for property tax that is paid to the transferor for acquisition of real properties (so-called “amount equivalent to property tax”) is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings</p> <p>(3) Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation.</p> <p>(4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>								

5. Scope of cash (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.
6. Other important matters related to the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interest with real estate, etc. as trust asset</p> <p>With regard to trust beneficiary interest with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheet and statement of income.</p> <p>Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheet.</p> <p>i) Cash and deposits in trust</p> <p>ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and land leasehold interests in trust</p> <p>iii) Leasehold and guarantee deposits received in trust</p> <p>(2) Accounting method for consumption tax and local consumption tax</p> <p>Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Consumption taxes unqualified for deduction for tax purposes for non-current assets, etc. are included in acquisition cost for each asset.</p>

Additional information

Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

Current fiscal period (From June 1, 2019 to November 30, 2019)

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

(Unit: Thousands of yen)

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

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

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

(8) Notes to Financial Statements

Notes to Balance Sheet

1. Commitment Line Contracts

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

	As of May 31, 2019	As of November 30, 2019
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	—	—
Net balance	¥21,000,000 thousand	¥21,000,000 thousand

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

	As of May 31, 2019	As of November 30, 2019
	¥50,000 thousand	¥50,000 thousand

*3. Allowance for Temporary Difference Adjustments

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

Not applicable.

Current fiscal period (From June 1, 2019 to November 30, 2019)

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	10,797	—	10,797	—	10,797	—

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

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

Notes to Statement of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From December 1, 2018 to May 31, 2019)		Current fiscal period (From June 1, 2019 to November 30, 2019)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,235,271		12,896,071	
Common service fees	836,999		754,640	
Parking lot fees	291,993		295,863	
Other rent revenue	108,110	13,472,375	116,997	14,063,573
Other leasing business revenue		1,030,063		1,136,219
Total real estate leasing business revenues		14,502,439		15,199,792
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,235,835		1,252,752	
Utilities expenses	940,529		1,011,981	
Tax and public dues	998,158		1,087,694	
Insurance	9,402		11,227	
Repair and maintenance expenses	189,963		436,542	
Depreciation	1,294,914		1,298,804	
Loss on retirement of non-current assets	3,793		-	
Other expenses related to leasing business	300,981	4,973,578	365,542	5,464,545
Total real estate leasing business expenses		4,973,578		5,464,545
C. Profit (loss) from real estate leasing business (A – B)		9,528,861		9,735,247

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

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

(Unit: Thousands of yen)

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

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

Current fiscal period (From June 1, 2019 to November 30, 2019)

(Unit: Thousands of yen)

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

Income from sales of real estate properties	1,875,000	
Costs of sales of real estate properties	1,530,575	
Other costs of sales	1,360	
Gain on sales of real estate properties		343,063

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
*1. Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued	771,224 units	771,224 units

Notes to Statement of Cash Flows

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

	Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
Cash and deposits	¥9,257,380 thousand	¥12,670,027 thousand
Cash and deposits in trust	¥3,542,901 thousand	¥3,515,426 thousand
Cash and cash equivalents	¥12,800,282 thousand	¥16,185,454 thousand

Notes on Financial Instruments

1. Matters Regarding Financial Instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

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

2. Matters Regarding Fair Values of Financial Instruments

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

(Unit: Thousands of yen)

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

Carrying amounts, fair values, and the differences between the two values as of November 30, 2019, are as shown below. Financial instruments whose fair value is considered to be extremely difficult to determine are not included in this table (please refer to (Note 2)).

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	12,670,027	12,670,027	–
(2) Cash and deposits in trust	3,515,426	3,515,426	–
Total assets	16,185,454	16,185,454	–
(1) Short-term borrowings	5,000,000	5,000,000	–
(2) Current portion of investment corporation bonds	6,000,000	6,004,836	4,836
(3) Current portion of long-term borrowings	7,300,000	7,320,691	20,691
(4) Investment corporation bonds	17,000,000	17,504,805	504,805
(5) Long-term borrowings	199,050,000	201,308,615	2,258,615
Total liabilities	234,350,000	237,138,949	2,788,949
Derivative transactions	8,954	8,954	–

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

Assets

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

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

Liabilities

(1) Short-term borrowings

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

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

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

(3) Current portion of long-term borrowings, (5) Long-term borrowings

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

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 31 and 32.

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

(Unit: Thousands of yen)

Category	As of May 31, 2019	As of November 30, 2019
Leasehold and guarantee deposits received in trust *	21,239,977	21,543,424

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

(Note 3) Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (May 31, 2019)

(Unit: Thousands of yen)

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

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (November 30, 2019)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	12,670,027	-	-	-	-	-
Deposits in trust	3,515,426	-	-	-	-	-
Total	16,185,454	-	-	-	-	-

(Note 4) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2019)

(Unit: Thousands of yen)

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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 2019)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Short-term borrowings	5,000,000	–	–	–	–	–
Investment corporation bonds	6,000,000	–	1,000,000	–	5,000,000	11,000,000
Long-term borrowings	7,300,000	26,250,000	21,100,000	27,750,000	24,500,000	99,450,000
Total	18,300,000	26,250,000	22,100,000	27,750,000	29,500,000	110,450,000

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of May 31, 2019)

Not applicable.

(As of November 30, 2019)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of May 31, 2019)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	14,400,000	12,000,000	(11,474)	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	18,140,000	*	–

(As of November 30, 2019)

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

(Unit: Thousands of yen)

Hedge accounting	Type of derivative transactions	Major hedged items	Amount of contract		Fair value	Calculation method for fair value
				Portion due after 1 year		
Deferred hedge accounting	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	12,000,000	12,000,000	8,954	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	18,140,000	*	—

* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (5)” on page 29.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of May 31, 2019	As of November 30, 2019
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥24 thousand	¥5 thousand
Total deferred tax assets	¥24 thousand	¥5 thousand
Net deferred tax assets	¥24 thousand	¥5 thousand

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

	As of May 31, 2019	As of November 30, 2019
Effective statutory tax rate	31.51%	31.51%
Adjustments		
Distributions paid included in deductibles	(31.50)%	(31.51)%
Other	0.00%	0.01%
Effective income tax rate after application of tax effect accounting	0.01%	0.01%

Notes on Transactions with Related Parties

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

Not applicable.

Current fiscal period (From June 1, 2019 to November 30, 2019)

Not applicable.

Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

Use		Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	151,044,711	200,524,577
	Changes during period	49,479,865	(1,642,755)
	Balance at end of period	200,524,577	198,881,821
	Fair value at end of period	242,147,000	241,282,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	195,900,898	195,556,130
	Changes during period	(344,767)	(454,598)
	Balance at end of period	195,556,130	195,101,532
	Fair value at end of period	228,760,000	232,420,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	83,038,644	102,739,890
	Changes during period	19,701,246	(91,462)
	Balance at end of period	102,739,890	102,648,428
	Fair value at end of period	119,660,000	120,550,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	429,984,254	498,820,598
	Changes during period	68,836,344	(2,188,816)
	Balance at end of period	498,820,598	496,631,782
	Fair value at end of period	590,567,000	594,252,000

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

(Note 2) The main reason for the decrease in the current fiscal period is the transfer of A-FLAG AKASAKA worth ¥1,530,575 thousand and the provision of depreciation worth ¥1,298,804 thousand.

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

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

Per Unit Information

	Previous fiscal period (From December 1, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
Net assets per unit	¥332,050	¥332,196
Basic earnings per unit	¥10,118	¥10,136

(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 763,508 units; current fiscal period 771,224 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, 2018 to May 31, 2019)	Current fiscal period (From June 1, 2019 to November 30, 2019)
Profit (Thousands of yen)	7,725,832	7,817,677
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	7,725,832	7,817,677
Average number of investment units for the period (Units)	763,508	771,224

Significant Subsequent Events

Not applicable.

Omission of Disclosure

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

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

There are no capital increases, etc. for the current fiscal period. The overview of capital increases, etc. in and before the previous fiscal period is as follows:

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

- (Note 1) The Investment Corporation was established with an offering price per unit of ¥500,000.
- (Note 2) New investment units were issued by public offering with an offering price per unit of ¥460,000 (paid-in amount of ¥445,050 per unit) in order to raise funds for the acquisition of new properties, etc., and then investment operations were commenced.
- (Note 3) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥445,050 per unit.
- (Note 4) New investment units were issued by public offering with an offering price per unit of ¥782,925 (paid-in amount of ¥757,229 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 5) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥757,229 per unit.
- (Note 6) New investment units were issued by public offering with an offering price per unit of ¥979,020 (paid-in amount of ¥948,051 per unit) in order to raise funds for the acquisition of new properties.
- (Note 7) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥948,051 per unit.
- (Note 8) A two-for-one split of the investment units has been implemented, with September 30, 2015 as the record date and October 1, 2015 as the effective date.
- (Note 9) New investment units were issued by public offering with an offering price per unit of ¥472,360 (paid-in amount of ¥457,418 per unit) in order to raise funds for the acquisition of new properties, etc.
- (Note 10) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥457,418 per unit.
- (Note 11) New investment units were issued by public offering with an offering price per unit of ¥483,326 (paid-in amount of ¥468,283 per unit) in order to raise funds for the acquisition of new properties.
- (Note 12) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥468,283 per unit.
- (Note 13) New investment units were issued by public offering with an offering price per unit of ¥458,150 (paid-in amount of ¥443,657 per unit) in order to raise funds for the acquisition of new properties.
- (Note 14) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥443,657 per unit.
- (Note 15) New investment units were issued by public offering with an offering price per unit of ¥445,410 (paid-in amount of ¥431,320 per unit) in order to raise funds for the acquisition of new properties.
- (Note 16) New investment units were issued through a private placement to Nomura Securities Co., Ltd. with a paid-in amount of ¥431,320 per unit.
- (Note 17) The above does not take into account the changes in unitholders' capital arising from the implementation of distributions in excess of net earnings from allowance for temporary difference adjustments.

3. Reference Information

(1) Composition of Invested Assets

Type of assets	Category	Previous fiscal period (As of May 31, 2019)		Current fiscal period (As of November 30, 2019)	
		Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Total amount held (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Real estate	By property type				
	Urban Retail Properties	–	–	–	–
	Tokyo Office Properties	–	–	–	–
	Activia Account Properties	–	–	–	–
	By location				
	The five central wards of Tokyo (Note 3)	–	–	–	–
	Wards of Tokyo other than the five central wards	–	–	–	–
	Three major metropolitan areas (Note 4)	–	–	–	–
	Other locations	–	–	–	–
	Subtotal	–	–	–	–
Real estate in trust	By property type				
	Urban Retail Properties	200,524	39.0	198,881	38.6
	Tokyo Office Properties	195,556	38.0	195,101	37.8
	Activia Account Properties	102,739	20.0	102,648	19.9
	By location				
	The five central wards of Tokyo (Note 3)	316,270	61.5	314,262	61.0
	Wards of Tokyo other than the five central wards	33,095	6.4	33,079	6.4
	Three major metropolitan areas (Note 4)	138,395	26.9	138,100	26.8
	Other locations	11,059	2.2	11,189	2.2
	Subtotal	498,820	97.0	496,631	96.3
Total real estate assets		498,820	97.0	496,631	96.3
Deposits and other assets		15,538	3.0	18,849	3.7
Total assets (Note 5)		514,359	100.0	515,480	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen)	Percentage to total assets (%) (Note 2)
Total liabilities (Notes 5, 6)	258,273	50.2	259,282	50.3
Total net assets (Note 5)	256,085	49.8	256,198	49.7

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

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

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

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

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

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

(2) Investment Assets

i) Major investment securities

Not applicable.

ii) Investment properties

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

iii) Other investment assets

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

The following table shows property name, acquisition price, book value at the end of the fiscal period, assessed value at the end of the fiscal period, return price and investment ratio related to the assets held by the Investment Corporation as of the end of the 16th fiscal period. Figures shown in the table are as of November 30, 2019 unless otherwise provided.

a. Overview of assets held (1)

(As of November 30, 2019)

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 6)	45,000	44,704	62,775	63,525	2.6	61,950	2.3	2.7	9.0
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,677	15,700	16,000	4.0	15,600	4.1	4.2	2.3
	UR-3	Q plaza EBISU (Note 7)	8,430	8,215	11,900	12,100	3.2	11,800	3.4/3.3	3.4	1.7
	UR-5	Kyoto Karasuma Parking Building	8,860	8,704	11,200	11,300	4.8	11,200	4.8	5.0	1.8
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	20,549	27,400	27,800	3.8	27,000	3.6	4.0	4.3
	UR-8	A-FLAG SAPPORO	4,410	4,865	7,250	7,240	5.4	7,250	5.2	5.6	0.9
	UR-9	A-FLAG SHIBUYA	6,370	6,343	8,110	8,140	3.9	8,090	3.7	4.1	1.3
	UR-10	Q plaza SHINSAIBASHI	13,350	13,412	14,700	14,600	3.6	14,800	3.4	3.8	2.7
	UR-11	A-FLAG KOTTO DORI	4,370	4,394	5,020	5,060	3.4	5,000	3.1	3.5	0.9
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,711	4,860	4,940	3.5	4,770	3.3	3.7	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,348	2,400	2,430	3.9	2,360	3.7	4.1	0.5
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	4,837	4,780	4,890	3.9	4,670	3.6	4.0	0.9
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,892	12,887	13,083	4.0	12,642	3.8	4.2	2.6
	UR-16	Tokyu Plaza Ginza (Land) (Notes 6, 8)	37,500	37,895	39,000	38,700	2.6	39,000	2.5	–	7.5
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,328	13,300	13,440	3.0	13,140	2.7	3.1	2.6
		Subtotal	198,715	198,881	241,282	243,248	–	239,272	–	–	39.8

Category	Property number (Note 1)	Property name	Acquisition price (Millions of yen) (Note 2)	Book value at end of period (Millions of yen) (Note 3)	Assessed value at end of period (Millions of yen) (Note 4)	Return price (Note 4)					Investment ratio (%) (Note 5)
						Direct capitalization method		DCF method			
						Price based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Price based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
Tokyo Office Properties	TO-1	TLC Ebisu Building	7,400	7,205	11,800	11,900	3.6	11,700	3.7	3.8	1.5
	TO-2	A-PLACE Ebisu Minami	9,640	9,364	15,200	15,400	3.5	15,100	3.6	3.7	1.9
	TO-3	A-PLACE Yoyogi	4,070	3,876	4,970	5,050	3.9	4,890	3.7	4.1	0.8
	TO-4	A-PLACE Aoyama	8,790	8,577	10,400	10,400	3.9	10,400	3.7	4.1	1.8
	TO-5	Luogo Shiodome	4,540	4,206	6,570	6,630	3.5	6,550	3.3	3.7	0.9
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	3,000	3,140	3.4	2,940	3.8	3.6	0.5
	TO-7	A-PLACE Ikebukuro	3,990	3,716	5,270	5,350	3.9	5,180	3.7	4.1	0.8
	TO-8	A-PLACE Shinbashi	5,650	5,819	7,250	7,320	3.7	7,180	3.4	3.8	1.1
	TO-9	A-PLACE Gotanda	5,730	5,475	7,970	8,100	3.5	7,830	3.3	3.7	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,779	5,430	5,540	3.4	5,320	3.2	3.6	0.8
	TO-11	OSAKI WIZTOWER	10,690	10,616	14,600	14,800	3.3	14,500	3.0	3.4	2.1
	TO-12	Shiodome Building (Note 6)	71,600	70,891	77,700	82,250	3.3	75,950	3.1	3.5	14.3
	TO-13	A-PLACE Ebisu Higashi	7,072	7,066	7,720	7,840	3.7	7,600	3.5	3.9	1.4
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,945	5,680	5,680	3.6	5,670	3.3	3.7	1.0
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,541	7,860	7,910	3.8	7,810	3.5	3.9	1.5
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,832	20,600	20,900	3.8	20,200	3.6	4.0	3.8
	TO-17	A-PLACE Shinbashi Ekimae	20,500	20,822	20,400	20,400	3.6	20,400	3.2	3.6	4.1
	Subtotal	196,700	195,101	232,420	238,610	3.5	229,220	-	-	39.4	
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	12,000	12,113	14,200	14,400	4.2	14,000	3.9	4.4	2.4
	AA-2	icot Nakamozu (Note 9)	8,500	8,068	10,900	11,200	4.8	10,800	4.7 /4.8 /4.9	5.0	1.7
	AA-4	icot Mizonokuchi	2,710	2,612	3,240	3,310	5.4	3,160	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,609	4,000	4,010	5.0	3,990	4.6	5.2	0.6
	AA-6	A-PLACE Kanayama	6,980	6,282	8,830	8,960	5.1	8,690	4.9	5.3	1.4
	AA-7	Osaka Nakanoshima Building	11,100	10,972	15,200	15,400	3.8	15,000	3.6	4.0	2.2
	AA-8	icot Omori	5,790	5,729	6,870	6,940	4.3	6,800	4.1	4.5	1.2
	AA-9	Market Square Sagami-hara	4,820	4,661	5,010	5,030	5.3	4,980	5.1	5.5	1.0
	AA-10	Umeda Gate Tower	19,000	19,302	21,400	21,900	3.7	21,200	3.4	3.8	3.8
	AA-11	A-PLACE Bashamichi	3,930	3,976	4,610	4,680	4.8	4,530	4.5	5.0	0.8
	AA-12	Commercial Mall Hakata	6,100	6,323	6,290	6,310	4.8	6,270	4.5	4.9	1.2
	AA-13	EDGE Shinsaibashi	19,800	19,994	20,000	20,100	3.8	19,800	3.5	3.9	4.0
		Subtotal	103,570	102,648	120,550	122,240	-	119,220	-	-	20.8
	Total	498,985	496,631	594,252	604,098	-	587,712	-	-	100.0	

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

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

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of November 30, 2019, rounding down to the nearest million yen.

(Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Morii Valuation & Advisory K.K. Assessed value at end of period and return price show value described in each real estate appraisal report with the date of value estimate of November 30, 2019.

- (Note 5) Investment ratio is calculated by dividing the acquisition price for each property by the total acquisition price (excluding consumption tax and other acquisition-related expenses). Figures are rounded to the nearest tenth.
- (Note 6) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60% and 35%, respectively).
- (Note 7) The discount rates of Q plaza EBISU represent 3.4% from the first year to the fourth year and 3.3% in and after the fifth year.
- (Note 8) The price based on direct capitalization method stated for Tokyu Plaza Ginza (Land) has been calculated by means of the fixed term capitalization method.
- (Note 9) The discount rates of icot Nakamozu represent 4.7% from the first year to the third year, 4.8% from the fourth year to the eighth year and 4.9% in and after the ninth year.

b. Overview of assets held (2)

(As of November 30, 2019)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	35	2,067	1,702	4,918.44	4,918.44	100.0	
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	95	961	400	16,609.75	16,601.06	99.9	
	UR-3	Q plaza EBISU	Shibuya, Tokyo	August 20, 2008	4	485	475	4,024.88	4,024.88	100.0	
	UR-5	Kyoto Karasuma Parking Building	Kyoto, Kyoto	July 24, 2006	2	(Note 9)	(Note 9)	21,616.04	21,616.04	100.0	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	Kobe, Hyogo	January 31, 2010	7	1,254	1,431	19,653.90	19,653.90	100.0	
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	16	620	123	21,229.16	21,137.10	99.6	
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	June 29, 1988	2	420	179	3,403.07	3,403.07	100.0	
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	November 16, 2007	6	671	433	2,820.23	2,820.23	100.0	
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	January 22, 1992	7	234	181	2,656.53	2,656.53	100.0	
	UR-12	A-FLAG BIJUTSUKAN DORI	Minato, Tokyo	December 1, 1998	4	239	241	1,994.65	1,994.65	100.0	
	UR-13	A-FLAG DAIKANYAMA WEST	Shibuya, Tokyo	April 21, 1992	1	(Note 9)	(Note 9)	2,579.08	2,579.08	100.0	
	UR-14	A-FLAG KITA SHINSAIBASHI	Osaka, Osaka	March 25, 2008	5	187	125	2,536.75	2,536.75	100.0	
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	81	651	488	16,125.56	15,993.36	99.2	
	UR-16	Tokyu Plaza Ginza (Land) (Note 8)	Chuo, Tokyo	–	1	1,143	572	1,130.04	1,130.04	100.0	
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	16	456	340	3,378.49	3,378.49	100.0	
	Subtotal				–	282	–	–	124,676.57	124,443.62	99.8

Category	Property number	Property name	Location	Date of construction	Number of tenants	Contracted rent (Annual)	Leasehold and guarantee deposit	Total leasable area	Total leased area	Occupancy rate
				(Note 1)	(Note 2)	(Millions of yen) (Note 3)	(Millions of yen) (Note 4)	(m ²) (Note 5)	(m ²) (Note 6)	(%) (Note 7)
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	12	632	548	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	11	733	605	7,950.49	7,950.49	100.0
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	3	251	231	3,106.17	3,106.17	100.0
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	568	534	7,303.69	7,303.69	100.0
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	7	332	293	4,476.35	4,476.35	100.0
	TO-6	TAMACHI SQUARE (Land)	Minato, Tokyo	–	1	125	–	1,287.96	1,287.96	100.0
	TO-7	A-PLACE Ikebukuro	Toshima, Tokyo	October 13, 2011	1	(Note 9)	(Note 9)	3,409.73	3,409.73	100.0
	TO-8	A-PLACE Shinbashi	Minato, Tokyo	March 4, 1999	10	370	310	5,052.14	5,052.14	100.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	368	338	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	250	234	2,986.36	2,986.36	100.0
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	5	668	668	7,193.28	7,193.28	100.0
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	38	3,228	2,668	28,136.05	28,058.40	99.7
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	8	336	245	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	225	155	2,995.72	2,995.72	100.0
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	10	347	300	4,316.89	4,316.89	100.0
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	9	989	894	14,658.98	14,658.98	100.0
	TO-17	A-PLACE Shinbashi Ekimae	Minato, Tokyo	April 25, 2008	6	781	600	6,484.57	6,484.57	100.0
	Subtotal			–	152	–	–	114,740.36	114,662.71	99.9
Activia Account Properties	AA-1	Amagasaki Q's MALL (Land)	Amagasaki, Hyogo	–	1	714	341	27,465.44	27,465.44	100.0
	AA-2	icot Nakamozu	Sakai, Osaka	June 27, 2007	2	619	430	28,098.02	28,098.02	100.0
	AA-4	icot Mizonokuchi	Kawasaki, Kanagawa	July 15, 1998	1	(Note 9)	100	14,032.05	14,032.05	100.0
	AA-5	icot Tama Center	Tama, Tokyo	March 7, 2006	9	240	237	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	21	528	427	9,314.90	9,314.90	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	40	980	690	20,226.77	20,226.77	100.0
	AA-8	icot Omori	Ota, Tokyo	March 6, 2007	8	388	359	6,209.79 (Note 10)	6,209.79 (Note 10)	100.0
	AA-9	Market Square Sagami-hara	Sagamihara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0
	AA-10	Umeda Gate Tower	Osaka, Osaka	January 15, 2010	15	850	586	13,624.49	13,624.49	100.0
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	34	330	219	9,775.50	9,775.50	100.0
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	18	331	150	9,612.88	9,131.82	95.0
	AA-13	EDGE Shinsaibashi	Osaka, Osaka	April 22, 1986	23	932	720	15,897.64	15,897.64	100.0
		Subtotal			–	175	–	–	174,591.48	174,110.42
	Total			–	609	–	–	414,008.41	413,216.75	99.8

- (Note 1) Date of construction of the main building, as described in the property registry. For properties with several main buildings, the construction date of the oldest building is listed. The construction date is omitted in case of acquisition of land only (Land represents the part of site on which the building is established under a land lease right; the same shall apply hereinafter). However, for A-PLACE Shinbashi and A-FLAG SHIBUYA, the date of inspection confirming completion of construction written on the certificate of inspection is provided.
- (Note 2) At each property, the number of tenants is equal to the aggregate number of tenants as of November 30, 2019 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as of November 30, 2019), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of November 30, 2019, as indicated in the lease agreements in relation to buildings as of November 30, 2019 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of November 30, 2019, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of November 30, 2019), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The leasehold and guarantee deposit is calculated as the total amount on the lease agreement for each property as of November 30, 2019 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of November 30, 2019), rounding to the nearest million yen. For properties with master lease agreements, the leasehold and guarantee deposit is calculated as the total amount required based on the sublease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of November 30, 2019 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of November 30, 2019 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of November 30, 2019. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of November 30, 2019, rounding to the nearest tenth. The subtotal and total are calculated by dividing aggregate leased area by aggregate leasable area, rounding to the nearest tenth.
- (Note 8) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, and Shiodome Building, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60% and 35%, respectively). However, the numbers of tenants provided are the numbers for each whole building.
- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m²) and part of a common area on the second floor (approximately 28 m²).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of November 30, 2019, assuming that the lease agreements with the end-tenants remained effective; the same shall apply hereinafter.

(B) Capital expenditure for assets under management

a. Scheduled capital expenditure

The following table shows major estimated capital expenditure for renovation work, etc. that the Investment Corporation plans to conduct for assets held in the 16th fiscal period as of November 30, 2019. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Osaka Nakanoshima Building (Osaka, Osaka)	Complete replacement of elevator machinery and equipment	From December 2019 to April 2020	190	–	–
Luogo Shiodome (Minato, Tokyo)	Large-scale repair work	From December 2020 to May 2020	83	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Large-scale repair work	From May 2020 to November 2020	80	–	–
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Maintenance of outer wall	From May 2020 to November 2020	72	–	–
A-FLAG DAIKANYAMA WEST (Shibuya, Tokyo)	Large-scale repair work	From December 2019 to May 2020	62	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Renovation work for mechanical parking facility	From October 2021 to November 2021	62	–	–
TLC Ebisu Building (Shibuya, Tokyo)	Installation of LED lighting	From May 2020 to September 2020	59	–	–
A-PLACE Shinbashi Ekimae (Minato, Tokyo)	Renewal of outdoor air conditioning units	From April 2020 to May 2020	50	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of rainwater drain pipes and hot water main pipes for high-rise building (Second period)	From December 2019 to May 2020	41	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 12th and 13th floors	From March 2020 to May 2020	32	–	–
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 14th and 15th floors	From March 2020 to May 2020	32	–	–
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of pneumatic automatic control equipment	From March 2020 to May 2020	31	–	–

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
EDGE Shinsaibashi (Osaka, Osaka)	Maintenance of mechanical parking equipment (vertical rotary equipment) Replacement, etc. of intermediate chain guide rails	From December 2019 to May 2020	30	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Overhaul of mechanical parking facility system	From March 2020 to May 2020	26	—	—
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renewal of deck for rooftop garden “Omohara forest”	From February 2020 to February 2020	23 (Note)	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of air conditioning units for small banquet halls (conversion to gas-heat pump (GHP) air conditioning systems)	From March 2020 to May 2020	22	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of capacitors	From February 2020 to February 2020	19	—	—
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Renewal of air conditioning units	From January 2020 to January 2020	19	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Measures for business continuity planning (BCP) and redundancy of power generator operation time	From December 2019 to March 2020	18 (Note)	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Construction to repartition private areas	From December 2019 to December 2019	17	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of elevators	From March 2020 to May 2020	17	—	—
A-PLACE Aoyama (Minato, Tokyo)	Partial renovation of central monitoring panel	From March 2020 to May 2020	15	—	—
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Maintenance of outdoor air conditioning units	From February 2020 to May 2020	12	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Renovation of signs	From December 2019 to December 2019	11 (Note)	—	—
icot Nakamozu (Sakai, Osaka)	Application of colored asphalt coating	From March 2020 to May 2020	10	—	—

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Shiodome Building (Minato, Tokyo)	Replacement of shut-off valve for heat source water (First period)	From October 2019 to January 2020	10 (Note)	–	–
Shiodome Building (Minato, Tokyo)	Replacement of pipes for kitchen waste water system	From October 2019 to January 2020	10 (Note)	–	–

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

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 16th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended November 30, 2019 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended November 30, 2019 amounted to ¥640 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended November 30, 2019 came to ¥436 million. On aggregate, construction work of ¥1,076 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
icot Omori (Ota, Tokyo)	Large-scale repair work	From June 2019 to November 2019	90
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of emergency power generators	From April 2019 to August 2019	89
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of elevator (elevator No. 8)	From June 2019 to August 2019	53
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of elevator (elevator No. 7)	From September 2019 to November 2019	45
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of power control board (Second period)	From August 2019 to November 2019	30
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of escalators (four escalators)	From October 2019 to November 2019	25
A-FLAG SAPPORO (Sapporo, Hokkaido)	Renewal of air conditioning units and FCUs	From October 2019 to November 2019	25
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 10th and 11th floors	From September 2019 to November 2019	19
Shiodome Building (Minato, Tokyo)	Inspection and maintenance of emergency power generation equipment, and replacement of deteriorated parts	From September 2019 to September 2019	18 (Note)
DECKS Tokyo Beach (Minato, Tokyo)	Environment-related improvement work	From November 2019 to November 2019	18 (Note)
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renovation of multilevel car park system	From November 2019 to November 2019	17
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Installation of LED lighting in private areas	From August 2019 to November 2019	14
A-PLACE Shinbashi (Minato, Tokyo)	Renewal of central monitoring equipment	From July 2019 to November 2019	10
Other			180
Total			640

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

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 16th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of November 30, 2019. The forms of agreements with the tenants in the table are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Community Corp. and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of November 30, 2019. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,656.53	234	181	December 31, 2026
		TLC Ebisu Building	7,342.60	632	548	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	733	605	May 31, 2025
		A-PLACE Yoyogi	3,106.17	251	231	May 31, 2025
		A-PLACE Aoyama	7,303.69	568	534	May 31, 2025
		Luogo Shiodome	4,476.35	332	293	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,052.14	370	310	May 31, 2025
		A-PLACE Gotanda	4,028.69	368	338	May 31, 2025
		A-PLACE Shinagawa	2,986.36	250	234	May 31, 2025
		OSAKI WIZTOWER	7,193.28	668	668	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	336	245	May 31, 2025
		A-PLACE Shibuya Konnoh	2,995.72	225	155	September 30, 2025
		A-PLACE Gotanda Ekimae	4,316.89	347	300	June 30, 2026
		A-PLACE Shinagawa Higashi	14,658.98	989	894	March 31, 2027
		A-PLACE Shinbashi Ekimae	6,484.57	781	600	May 31, 2028
		A-PLACE Kanayama	9,314.90	528	427	May 31, 2025
		Osaka Nakanoshima Building	20,226.77	980	690	November 30, 2024
		Umeda Gate Tower	13,624.49	850	586	April 30, 2028
		A-PLACE Bashamichi	9,775.50	330	219	October 31, 2026
		Commercial Mall Hakata	9,131.82	331	150	March 31, 2027
		Total	150,046.36	-	-	-

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	485	475	June 30, 2022
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,254	1,431	August 31, 2023
		A-FLAG SAPPORO	21,137.10	620	123	December 31, 2023
		A-FLAG SHIBUYA	3,403.07	420	179	December 31, 2023
		Q plaza SHINSAIBASHI	2,820.23	671	433	December 31, 2025
		A-FLAG BIJUTSUKAN DORI	1,994.65	239	241	December 31, 2026
		A-FLAG DAIKANYAMA WEST	2,579.08	(Note 5)	(Note 5)	December 31, 2026
		A-FLAG KITA SHINSAIBASHI	2,536.75	187	125	June 30, 2027
		DECKS Tokyo Beach (Note 6)	15,993.36	651	488	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,378.49	456	340	January 31, 2029
		icot Nakamozu	28,098.02	619	430	June 30, 2022
		icot Mizonokuchi	14,032.05	(Note 5)	100	June 30, 2022
		icot Tama Center	5,181.58	240	237	November 30, 2024
		icot Omori	6,209.79	388	359	December 31, 2023
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
			Total	167,811.41	-	-

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of November 30, 2019 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the monthly rent (limited to rooms which were occupied by tenants as of November 30, 2019), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of November 30, 2019, as indicated in the sublease agreement concluded with the end-tenant as of November 30, 2019 by 12, rounding to the nearest million yen.

(Note 3) The leasehold and guarantee deposit is calculated as the total amount on the sublease agreement with the end-tenant as of November 30, 2019 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of November 30, 2019), rounding to the nearest million yen, where the tenant is the master lease company and sublessor.

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

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

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

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

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of November 30, 2019.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka A-FLAG SAPPORO	30,182.69	October 31, 2021	Fixed-term building lease agreement
Sumitomo Mitsui Trust Bank, Limited (Note 3)	Tokyu Plaza Ginza (Land) TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	29,883.44 (Note 4)	January 9, 2089 May 31, 2074 January 31, 2042	General fixed-term leasehold land agreement Ordinary leasehold land agreement Fixed-term business-use lease agreement
Kohnan Shoji Co., Ltd.	icot Nakamozu	26,529.03	July 11, 2027	Fixed-term building lease agreement
Times24 Co., Ltd.	Kyoto Karasuma Parking Building	21,224.14	–	Fixed-term building lease agreement
Plan'Do'See Inc.	Kobe Kyu Kyoryuchi 25Bankan	14,195.42	–	–
Room's-Taishodo	icot Mizonokuchi	14,032.05	July 24, 2023	Fixed-term building lease agreement
K'S HOLDINGS CORPORATION	Market Square Sagamihara	11,863.92	June 30, 2034	Fixed-term building lease agreement
NTT Communications Corporation	Shiodome Building	10,336.62	–	–
YANMAR Co., Ltd.	Umeda Gate Tower	7,870.86	–	–
Swing Corporation	A-PLACE Shinagawa Higashi	6,100.88 (Note 5)	April 30, 2020	Ordinary building lease agreement

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of November 30, 2019. As for Tokyu Plaza Akasaka, Tokyu Plaza Ginza (Land) and Shiodome Building, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) as of November 30, 2019 (50%, 30% and 35%, respectively).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of November 30, 2019.

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

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

(Note 5) As of October 31, 2019, a new ordinary building lease agreement with a lease period of February 1, 2020 to April 30, 2022 and an increased area of 387.90 m² has been newly entered into, but there is no change in the order of properties listed by leased area. Also, the total leased area after the increase is 6,488.78 m².

(Note 6) Since we have not obtained permission from the tenant of the properties to release the information, the information missing from this table is not disclosed.

(D) Overview of lease and profit and loss

16th fiscal period (From June 1, 2019 to November 30, 2019)

(Unit: Thousands of yen)

Property number	UR-1	UR-2	UR-3	UR-5	UR-6
Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Kyoto Karasuma Parking Building	A-FLAG AKASAKA (Notes 1, 2)
Number of business days in the 16th fiscal period	183	183	183	183	2
a. Real estate leasing business revenues	1,115,985	667,634	277,046	(Note 3)	1,545
Leasing business revenue	1,057,834	570,519	242,864	(Note 3)	493
Other leasing business revenue	58,150	97,115	34,182	(Note 3)	1,051
b. Expenses related to leasing business	240,109	270,492	63,960	47,261	4,543
Management operation expenses	84,379	83,045	16,355	3,938	43
Utilities expenses	33,498	76,048	26,973	–	71
Tax and public dues	63,650	69,463	9,003	36,378	4,436
Insurance	229	499	90	190	4
Repair and maintenance expenses	4,212	33,418	748	5,831	–
Other expenses related to leasing business	54,139	8,017	10,788	922	(11)
c. NOI (a – b)	875,875	397,142	213,086	(Note 3)	(2,997)
d. Depreciation	52,090	38,625	18,301	15,810	670
Profit (loss) from leasing business (c – d)	823,784	358,516	194,784	(Note 3)	(3,668)

(Unit: Thousands of yen)

Property number	UR-7	UR-8	UR-9	UR-10	UR-11
Property name	Kobe Kyu Kyoryuchi 25Bankan	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI	A-FLAG KOTTO DORI
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	743,862	636,061	220,285	358,871	124,782
Leasing business revenue	659,626	556,080	209,971	336,137	118,461
Other leasing business revenue	84,236	79,981	10,313	22,733	6,321
b. Expenses related to leasing business	207,818	294,997	43,906	52,499	37,146
Management operation expenses	76,993	119,741	12,378	8,028	8,770
Utilities expenses	64,356	70,528	8,266	17,014	6,834
Tax and public dues	47,868	24,854	11,417	15,660	13,876
Insurance	781	596	60	77	89
Repair and maintenance expenses	11,326	65,224	7,598	4,133	4,388
Other expenses related to leasing business	6,491	14,051	4,184	7,585	3,188
c. NOI (a – b)	536,043	341,064	176,379	306,372	87,635
d. Depreciation	121,853	70,927	8,327	16,740	5,019
Profit (loss) from leasing business (c – d)	414,189	270,137	168,051	289,631	82,616

(Unit: Thousands of yen)

Property number	UR-12	UR-13	UR-14	UR-15	UR-16
Property name	A-FLAG BIJUTSUKAN DORI	A-FLAG DAIKANYAMA WEST	A-FLAG KITA SHINSAIBASHI	DECKS Tokyo Beach (Note 1)	Tokyu Plaza Ginza (Land) (Note 1)
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	128,746	(Note 3)	105,939	620,460	571,500
Leasing business revenue	119,079	(Note 3)	95,741	490,884	571,500
Other leasing business revenue	9,666	(Note 3)	10,197	129,575	0
b. Expenses related to leasing business	35,480	32,329	23,581	348,078	302
Management operation expenses	4,822	11,973	5,379	105,185	–
Utilities expenses	8,336	300	9,637	118,748	–
Tax and public dues	2,177	13,758	6,319	55,419	–
Insurance	44	73	74	678	–
Repair and maintenance expenses	821	2,823	107	20,739	–
Other expenses related to leasing business	19,278	3,400	2,063	47,306	302
c. NOI (a – b)	93,265	(Note 3)	82,357	272,382	571,197
d. Depreciation	6,526	2,710	4,671	22,535	–
Profit (loss) from leasing business (c – d)	86,739	(Note 3)	77,685	249,846	571,197

(Unit: Thousands of yen)

Property number	UR-17	TO-1	TO-2	TO-3	TO-4
Property name	Q plaza HARAJUKU (Notes 1)	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	243,826	339,812	389,664	135,088	315,772
Leasing business revenue	226,589	320,761	371,844	126,961	294,989
Other leasing business revenue	17,236	19,050	17,819	8,127	20,782
b. Expenses related to leasing business	38,454	76,730	138,915	45,715	70,011
Management operation expenses	18,659	26,866	33,957	11,507	20,226
Utilities expenses	15,935	19,077	23,118	9,589	20,241
Tax and public dues	–	17,089	32,093	10,618	23,344
Insurance	110	234	300	101	220
Repair and maintenance expenses	405	2,562	30,677	6,533	1,966
Other expenses related to leasing business	3,345	10,900	18,769	7,365	4,011
c. NOI (a – b)	205,372	263,082	250,749	89,373	245,761
d. Depreciation	6,424	42,134	31,293	15,429	22,414
Profit (loss) from leasing business (c – d)	198,947	220,947	219,455	73,943	223,346

(Unit: Thousands of yen)

Property number	TO-5	TO-6	TO-7	TO-8	TO-9
Property name	Luogo Shiodome	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	182,517	62,502	(Note 3)	206,522	193,353
Leasing business revenue	168,827	62,502	(Note 3)	191,880	182,232
Other leasing business revenue	13,689	–	(Note 3)	14,641	11,120
b. Expenses related to leasing business	51,028	9,383	35,125	66,200	44,043
Management operation expenses	12,775	–	11,399	17,767	15,016
Utilities expenses	14,125	–	9,941	13,635	11,014
Tax and public dues	19,201	9,130	10,638	15,343	13,986
Insurance	190	–	101	163	131
Repair and maintenance expenses	1,065	–	708	13,576	2,030
Other expenses related to leasing business	3,670	252	2,337	5,713	1,865
c. NOI (a – b)	131,489	53,118	(Note 3)	140,322	149,309
d. Depreciation	27,356	–	20,685	23,036	26,844
Profit (loss) from leasing business (c – d)	104,132	53,118	(Note 3)	117,285	122,465

(Unit: Thousands of yen)

Property number	TO-10	TO-11	TO-12	TO-13	TO-14
Property name	A-PLACE Shinagawa	OSAKI WIZTOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	129,968	354,018	1,568,557	176,664	117,752
Leasing business revenue	125,083	335,046	1,479,423	167,157	112,094
Other leasing business revenue	4,884	18,971	89,134	9,507	5,657
b. Expenses related to leasing business	46,194	96,761	373,423	41,727	40,426
Management operation expenses	19,712	59,345	104,957	12,841	12,616
Utilities expenses	5,699	12,756	85,269	8,973	6,453
Tax and public dues	11,475	22,663	120,812	13,831	9,479
Insurance	89	376	911	120	90
Repair and maintenance expenses	4,116	–	35,189	3,483	942
Other expenses related to leasing business	5,101	1,618	26,282	2,477	10,842
c. NOI (a – b)	83,773	257,256	1,195,134	134,936	77,325
d. Depreciation	9,177	48,275	150,787	23,644	12,979
Profit (loss) from leasing business (c – d)	74,596	208,980	1,044,347	111,292	64,346

(Unit: Thousands of yen)

Property number	TO-15	TO-16	TO-17	AA-1	AA-2
Property name	A-PLACE Gotanda Ekimae	A-PLACE Shinagawa Higashi	A-PLACE Shinbashi Ekimae	Amagasaki Q's MALL (Land)	icot Nakamozu
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	190,171	534,258	400,396	356,784	310,521
Leasing business revenue	179,462	489,450	381,009	356,784	310,491
Other leasing business revenue	10,709	44,807	19,386	–	30
b. Expenses related to leasing business	60,762	143,684	88,270	56,412	49,033
Management operation expenses	13,909	49,638	19,127	–	6,008
Utilities expenses	11,951	37,345	19,481	–	30
Tax and public dues	18,067	48,290	38,143	56,159	30,338
Insurance	141	563	190	–	278
Repair and maintenance expenses	4,318	2,686	7,078	–	10,970
Other expenses related to leasing business	12,372	5,161	4,249	252	1,408
c. NOI (a – b)	129,409	390,573	312,125	300,371	261,487
d. Depreciation	12,051	30,652	52,536	–	34,644
Profit (loss) from leasing business (c – d)	117,358	359,920	259,589	300,371	226,842

(Unit: Thousands of yen)

Property number	AA-4	AA-5	AA-6	AA-7	AA-8
Property name	icot Mizonokuchi	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 3)	146,260	294,188	544,238	234,045
Leasing business revenue	(Note 3)	135,075	268,607	514,148	202,800
Other leasing business revenue	(Note 3)	11,184	25,581	30,089	31,245
b. Expenses related to leasing business	16,779	58,924	90,232	211,287	54,745
Management operation expenses	2,399	16,089	26,341	56,073	8,872
Utilities expenses	–	12,826	25,546	44,595	30,010
Tax and public dues	10,073	11,737	26,646	53,355	12,489
Insurance	119	182	305	906	119
Repair and maintenance expenses	3,419	16,983	4,243	47,006	1,963
Other expenses related to leasing business	768	1,105	7,150	9,349	1,290
c. NOI (a – b)	(Note 3)	87,335	203,955	332,951	179,299
d. Depreciation	8,345	18,967	51,948	72,556	17,688
Profit (loss) from leasing business (c – d)	(Note 3)	68,367	152,007	260,394	161,611

(Unit: Thousands of yen)

Property number	AA-9	AA-10	AA-11	AA-12	AA-13
Property name	Market Square Sagamihara	Umeda Gate Tower	A-PLACE Bashamichi	Commercial Mall Hakata	EDGE Shinsaibashi
Number of business days in the 16th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 3)	475,469	185,932	220,092	487,585
Leasing business revenue	(Note 3)	434,377	165,148	172,423	445,383
Other leasing business revenue	(Note 3)	41,092	20,784	47,668	42,202
b. Expenses related to leasing business	36,403	132,198	76,187	89,567	124,600
Management operation expenses	15,854	31,123	21,027	21,878	45,724
Utilities expenses	5,196	32,917	23,180	27,976	44,479
Tax and public dues	13,726	34,775	17,135	12,764	0
Insurance	159	442	358	191	635
Repair and maintenance expenses	–	20,386	7,811	19,026	26,016
Other expenses related to leasing business	1,466	12,551	6,675	7,730	7,744
c. NOI (a – b)	(Note 3)	343,271	109,745	130,524	362,984
d. Depreciation	23,753	68,391	30,896	15,225	15,849
Profit (loss) from leasing business (c – d)	(Note 3)	274,879	78,848	115,299	347,135

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

(Note 2) Co-ownership interests of 50% have been transferred as of June 3, 2019. Therefore, figures up to the day prior to the transfer date are presented.

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