

## Financial Report for the Fiscal Period Ended May 31, 2020 (December 1, 2019 – May 31, 2020)

### Activia Properties Inc.

Listing: Tokyo Stock Exchange  
 Securities code: 3279  
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 Scheduled date to start distribution payments: August 17, 2020  
 Supplementary material on financial report: Yes  
 Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

### 1. Summary of financial results for the fiscal period ended May 31, 2020 (December 1, 2019 – May 31, 2020)

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

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended May 31, 2020	14,984	(3.6)	8,206	(5.5)	7,333	(6.2)	7,332	(6.2)
Fiscal period ended November 30, 2019	15,542	4.7	8,680	0.9	7,818	1.2	7,817	1.2

	Basic earnings per unit	Return on unitholders' equity (ROE)	Ordinary profit to total assets	Ordinary profit to operating revenue
	Yen	%	%	%
Fiscal period ended May 31, 2020	9,507	2.9	1.4	48.9
Fiscal period ended November 30, 2019	10,136	3.1	1.5	50.3

(Note) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (771,224 units for the fiscal period ended November 30, 2019 and for the fiscal period ended May 31, 2020).

## (2) Cash distributions

	Cash distributions per unit (excluding excess of earnings)	Total distributions (excluding excess of earnings)	Cash distributions in excess of earnings per unit	Total distributions in excess of earnings	Cash distributions per unit (including excess of earnings)	Total distributions (including excess of earnings)
	Yen	Millions of yen	Yen	Millions of yen	Yen	Millions of yen
Fiscal period ended May 31, 2020	9,504	7,329	4	3	9,508	7,332
Fiscal period ended November 30, 2019	10,137	7,817	–	–	10,137	7,817

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2020	100.0	2.9
Fiscal period ended November 30, 2019	100.0	3.1

(Note) The ¥4 in cash distributions in excess of earnings per unit for the fiscal period ended May 31, 2020 comprises ¥4 in allowance for temporary difference adjustments. There are no distributions on reduction of unitholders' capital for tax purposes.

## (3) Financial position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2020	525,686	255,700	48.6	331,551
As of November 30, 2019	515,480	256,198	49.7	332,196

(Reference) Unitholders' equity

As of May 31, 2020: ¥255,700 million

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

## (4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended May 31, 2020	29,648	(31,151)	2,074	16,756
Fiscal period ended November 30, 2019	11,533	(169)	(7,978)	16,185

## 2. Forecasts of results for the fiscal period from June 1, 2020 to November 30, 2020 and the fiscal period from December 1, 2020 to May 31, 2021

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

	Operating revenue		Operating profit		Ordinary profit		Profit		Cash distributions per unit (excluding excess of earnings)	Cash distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending November 30, 2020	14,945	(0.3)	7,919	(3.5)	6,973	(4.9)	6,972	(4.9)	9,040	–
Fiscal period ending May 31, 2021	14,921	(0.2)	8,160	3.1	7,158	2.7	7,157	2.7	9,280	–

(Reference) Forecasted profit per unit (forecasted profit / total projected number of investment units issued at end of period)  
for the fiscal period ending November 30, 2020: ¥9,040  
for the fiscal period ending May 31, 2021: ¥9,280

### \* Other

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

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

#### (2) Total number of units issued

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

As of May 31, 2020	771,224 units
As of November 30, 2019	771,224 units
- b. Number of treasury units at end of period

As of May 31, 2020	– units
As of November 30, 2019	– units

(Note) Please refer to “Per Unit Information” on page 35 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 18th Fiscal Period from June 1, 2020 to November 30, 2020 and the 19th Fiscal Period from December 1, 2020 to May 31, 2021” on pages 11 through 12 for information on assumptions for the forecasts.

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

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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 May 31, 2020, the Investment Corporation disposed of beneficiary interests of real estate in trust of A-PLACE Shinbashi Ekimae, in addition to having acquired Ebisu Prime Square (51% co-ownership interest). Consequently, the Investment Corporation held 44 properties (with the total acquisition price of ¥509,185 million) at the end of the fiscal period under review.

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

In the first half of the fiscal period under review, the Japanese economy continued on a trend of gradual recovery on the whole underpinned by improvement in the employment and income environments, and despite apparent weakening still prevailing with respect to exports and manufacturing. However, due to rapidly deteriorating business conditions as a result of requests for the public to stay at home and other measures brought about by the spread of COVID-19 in February 2020 and thereafter, the outlook remains uncertain.

With respect to the environment surrounding retail properties, whereas consumer sentiment has been deteriorating rapidly, the consumer confidence index is currently showing some signs of bottoming out, according to the Monthly Consumer Confidence Survey released by the Economic and Social Research Institute, Cabinet Office, Government of Japan. Moreover, measures taken by respective nations restricting travel and immigration amid proliferation of COVID-19 have affected demand related to inbound tourism. For instance, the number of overseas visitor arrivals to Japan reached a monthly record low in April 2020, followed by May 2020, according to the Japan National Tourism Organization.

In the rental office market, both occupancy rates and rents have held to high levels particularly in the five central wards of Tokyo (Chiyoda-ku, Minato-ku, Chuo-ku, Shibuya-ku and Shinjuku-ku). Meanwhile, the average vacancy rate in the five central wards of Tokyo has continued holding to the 1% range, at 1.64% as of the end of May 2020, according to data published by Miki Shoji Co., Ltd. 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 77 consecutive months. In major cities outside Tokyo, average vacancy rates have also remained low while rent levels have been holding to a moderate upward trajectory.

In the J-REIT market, whereas asset sizes have continued to expand against a backdrop of the interest-rate environment remaining at low levels and a strong real estate market, the situation has become unstable given developments such as a brief yet substantial drop in the Tokyo Stock Exchange REIT index mainly over concerns about financial results due to the spread of COVID-19.

### (C) Investment Performance

The Investment Corporation acquired beneficiary interests of real estate in trust of Ebisu Prime Square (51% co-ownership interest) (with the acquisition price of ¥30,700 million) as trust assets on January 10, 2020, and disposed of beneficiary interests of real estate in trust of A-PLACE Shinbashi Ekimae (with the disposition price of ¥21,000 million) as trust assets on March 19, 2020, 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 ¥509,185 million) with the total leasable area of 425,551.96 m<sup>2</sup> (128,727 *tsubo*).

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

	December 31, 2019	January 31, 2020	February 29, 2020	March 31, 2020	April 30, 2020	May 31, 2020
Urban Retail Properties	99.8%	99.8%	99.8%	99.8%	99.5%	99.8%
Tokyo Office Properties	100.0%	99.7%	99.8%	99.8%	99.7%	99.7%
Activia Account Properties	99.7%	99.5%	99.5%	99.9%	99.9%	99.9%
Total	99.8%	99.7%	99.7%	99.8%	99.7%	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 cutting unit energy consumption, etc. by an annual average of 1% over the medium to long term. Initiatives carried out in the fiscal period under review include upgrading to LED lighting at some common areas of DECKS Tokyo Beach, icot Tama Center, Osaka Nakanoshima Building, icot Omori and EDGE Shinsaibashi, and some private areas at A-FLAG KOTTO DORI, A-PLACE Shibuya Konnoh, A-PLACE Gotanda Ekimae, A-PLACE Shinagawa Higashi, Ebisu Prime Square, A-PLACE Bashamichi and EDGE Shinsaibashi. Other initiatives included installing air conditioning units and elevators with those offering greater energy efficiency at A-FLAG SAPPORO; asphalt pavement works incorporating recycled aggregate at icot Nakamozu, and; replacing toilets with those that use water-saving equipment at Osaka Nakanoshima Building.

Moreover, we continue to engage in annual initiatives geared to acquiring green building certifications. During the fiscal period under review, we have acquired the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate certification for the two properties Q plaza SHINSAIBASHI (A class) and A-FLAG BIJUTSUKAN DORI (S class). We have also acquired the BELS certifications for the one property icot Nakamozu (Kohnan building: five stars, bank building: one star). As such, a total of 26 of our properties have acquired green building certification, which amounted to 55.7% of our holdings calculated on the basis of gross floor area (as of May 31, 2020).

At Ebisu Prime Square we took the opportunity to raise awareness of ESG issues by taking part in the Earth Hour event which involved temporarily switching off the some of the lights located in Ebisu Prime Square’s common areas enlisting cooperation of its tenants. We also cooperated in community activities to coexist with nearby businesses, residents and cities. At Osaka Nakanoshima Building this involved working in conjunction with nearby buildings in carrying out the Hikari-no-Mi (fruits of light) project which involves having employees at nearby companies and their families draw smiling faces on fruit bags, then fitting those fruit bags with LED lights and hanging them on trees located on the premises. We also held a Shiodome Marché open market event at Shiodome Building.

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 borrowed funds of ¥31,000 million in order to cover the acquisition costs for beneficiary interests of real estate in trust for the above one property and related costs, and made a repayment of ¥21,000 million from the disposition of beneficiary interests of real estate in trust for the above one property. The Investment Corporation also borrowed a total of ¥18,298 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 a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥244,348 million (borrowings of ¥227,348 million and investment corporation bonds of ¥17,000 million). The ratio of interest-bearing debt to total assets (LTV = Balance of interest-bearing debt / Total assets x 100) was 46.5% 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 95.5% and 88.1%, respectively.

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

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

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

As a result of the above-mentioned investments, operating revenue, operating profit, and ordinary profit were ¥14,984 million, ¥8,206 million, and ¥7,333 million, respectively, for the fiscal period under review, and profit was ¥7,332 million.

In accordance with the distribution policy set forth by the Investment Corporation (Article 35 of the Articles of Incorporation), the decision was made with respect to paying distributions of profits of ¥7,329,712,896, which is the entire amount of the net profit defined in Article 136, Paragraph 1 of the Investment Trust Act, with such amount excluding a fraction of less than ¥1 of distributions per investment unit, with the aim that as greatest as possible distributions of profits would be included in tax deductible expenses under Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent revisions; hereinafter referred to as the “Special Taxation Measures Act”). In addition, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥3,084,896 as distributions related to allowance for temporary difference adjustments, calculated to exclude a fraction of less than ¥1 of distributions in excess of earnings per investment unit, with the amount equivalent to deferred losses on hedges of ¥3,443,618. Consequently, distributions per investment unit resulted in ¥9,508.

## ii) Outlook for the Next Fiscal Period

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

Although the declaration of a state of emergency (hereinafter referred to as the “Declaration of a State of Emergency”) regarding the novel coronavirus disease (COVID-19), which was issued on April 7, 2020 under Article 32, Paragraph 1 of the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response (Act No. 31 of 2012, including subsequent revisions), was lifted on May 25, 2020, for all prefectures in Japan, the impact of temporarily closing businesses and other measures to prevent the spread of infections during the state of emergency remains. In the Japanese economy going forward, in addition to concerns over a second wave of infections, we believe it is necessary to carefully monitor corporate earnings, employment and income environments and other economic trends on the domestic front. In addition, we must also pay attention to the risks of a global economic downturn, etc. caused by the spread of COVID-19 around the world.

In the rental office market, although the conditions are expected to remain stable, we believe that the diversification in workstyles, including teleworking and other measures brought about by requests for the public to stay at home following the Declaration of a State of Emergency, has accelerated and it is necessary to keep a close eye on the impact of the COVID-19 pandemic going forward. With respect to the environment surrounding retail properties, although we are currently encountering prevailing signs of recovery in consumer sentiment, the difficult conditions caused by the decrease in numbers of overseas visitor arrivals to Japan and other effects of COVID-19 are likely to continue for the time being. While the J-REIT market is expected to continue to move in prices in the short term, depending on developments of the COVID-19 pandemic, as low interest rates continue in the environment, long-term capital inflows can be expected against a backdrop of factors that include consistent J-REIT performance and relatively high dividend yields.

Amid this environment, the Investment Corporation will fulfill its social responsibility in preventing the spread of infections, etc. while minimizing the impact of the COVID-19 pandemic through its abundant management expertise, and pursue internal growth utilizing the strength of its portfolio with rigorously selected investment assets, aiming to improve 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 rigorously selecting investment assets based on the information it receives under its sponsor support agreement with Tokyu Land Corporation regarding the Investment Corporation and its support agreement with five group companies in the Tokyu Fudosan Holdings Group. It will also acquire properties through the exclusive know-how and information-gathering network of the Asset Manager.

#### c. Internal Growth Strategy

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



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

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

d. Financial Strategy

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

(C) Significant Subsequent Events

Not applicable.

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2020 (18th fiscal period: June 1, 2020 to November 30, 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 18th Fiscal Period from June 1, 2020 to November 30, 2020 and the 19th Fiscal Period from December 1, 2020 to May 31, 2021” on pages 11 through 12.

Operating revenue	¥14,945 million
Operating profit	¥7,919 million
Ordinary profit	¥6,973 million
Profit	¥6,972 million
Cash distributions per unit	¥9,040
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 18th Fiscal Period from June 1, 2020 to November 30, 2020 and the 19th Fiscal Period from December 1, 2020 to May 31, 2021” on pages 11 through 12, the outlook of investment performance for the fiscal period ending May 31, 2021 (19th fiscal period: December 1, 2020 to May 31, 2021) is estimated as follows.

Operating revenue	¥14,921 million
Operating profit	¥8,160 million
Ordinary profit	¥7,158 million
Profit	¥7,157 million
Cash distributions per unit	¥9,280
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 18th Fiscal Period from June 1, 2020 to November 30, 2020 and the 19th Fiscal Period from December 1, 2020 to May 31, 2021**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>• 18th fiscal period (June 1, 2020 to November 30, 2020) (183 days)</li> <li>• 19th fiscal period (December 1, 2020 to May 31, 2021) (182 days)</li> </ul>
Investment portfolio	<ul style="list-style-type: none"> <li>• Our forecasts of investment performance assume that the Investment Corporation holds 44 properties as of today (the “Assets Currently Held”). In the fiscal period ending November 30, 2020 (18th fiscal period), on June 8, 2020, some of the structures of EDGE Shinsaibashi (the “Disposed Assets”) have been disposed.</li> <li>• Our forecasts, however, may change due to any changes to the composition of our investment portfolio.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc.</li> <li>• Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants.</li> <li>• The Investment Corporation expects to record ¥25 million in the fiscal period ending November 30, 2020 (18th fiscal period) as a gain on the sale of Disposed Assets.</li> <li>• In addition to the above, a certain amount of the expected lower leasing business revenue, etc. due to the impact of the COVID-19 pandemic has been factored into the calculations.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors.</li> <li>• In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. For property tax and city planning tax, ¥1,270 million and ¥1,271 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2020 (18th fiscal period) and in the fiscal period ending May 31, 2021 (19th fiscal period), respectively.</li> <li>• Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period.</li> <li>• We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,336 million and ¥1,353 million for the 18th fiscal period ending November 30, 2020 and the 19th fiscal period ending May 31, 2021, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• We expect interest expense and other borrowing-related expenses of ¥945 million in the fiscal period ending November 30, 2020 (18th fiscal period) and ¥1,002 million for the fiscal period ending May 31, 2021 (19th fiscal period).</li> </ul>

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> <li>• As of today, the Investment Corporation has a balance of interest-bearing debt of ¥244,348 million (borrowings of ¥227,348 million and investment corporation bonds of ¥17,000 million).</li> <li>• We assume that there will be refinancing of all interest-bearing debt due by the end of the fiscal period ending November 30, 2020 (18th fiscal period) and the fiscal period ending May 31, 2021 (19th fiscal period) (18th fiscal period: short-term borrowings of ¥5,998 million; 19th fiscal period: short-term borrowings of ¥5,000 million and long-term borrowings of ¥12,500 million).</li> <li>• We assume the LTV ratios as of November 30, 2020 and May 31, 2021 are both to be approximately mid-46%.</li> <li>• The LTV ratio is obtained by the following formula: LTV = Balance of interest-bearing debt / Total assets × 100</li> </ul>
Units	<ul style="list-style-type: none"> <li>• The number is based on our assumption of total of 771,224 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 19th fiscal period (May 31, 2021).</li> <li>• The cash distributions per unit for the 18th fiscal period ending November 30, 2020 and the 19th fiscal period ending May 31, 2021 have been calculated in accordance with the total projected number of investment units issued as of the end of each of the fiscal periods which is 771,224 units.</li> </ul>
Cash distributions per unit	<ul style="list-style-type: none"> <li>• Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>• The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs.</li> <li>• Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.</li> </ul>
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• As stated above, deferred losses on hedges, which are counted as a deduction in net assets, are calculated assuming no fluctuation. Accordingly, we do not anticipate distributions in excess of earnings (allowance for temporary difference adjustments) for the 18th fiscal period ending November 30, 2020 or the 19th fiscal period ending May 31, 2021.</li> <li>• Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts.</li> <li>• We assume that there will be no material changes in general economic conditions or real estate markets.</li> </ul>

## (2) Investment Risk

The following changes were made in “Investment Risk” in the latest Securities Report (filed on February 27, 2020; prepared in Japanese only). The changed parts are underlined.

### (1) Risk Factors

(Omission)

#### i) Risk Related to Investment Units and Investment Corporation Bonds Issued by the Investment Corporation

(Omission)

### (B) Risk Related to Fluctuations in Market Prices

Recently, the novel coronavirus disease (COVID-19) has been spreading globally, which has caused business to stagnate and had a negative impact on economic activities in various ways. Under these circumstances, especially for retail properties and hotel use, the spread of COVID-19 has affected not only the entire Japanese economy, but also the global economy. Due to concerns that this will have an immediate negative impact on income, there has been downward pressure on stock prices in the stock market. Because the Investment Corporation holds some retail properties that include accommodation facilities (hotels), these investment units are no exception. Amid growing concerns that the impact will spread or persist in the future, there is a risk of further impact on the overall market.

In addition to the above, the market prices of these investment units are affected by changes in interest rates, exchange rates and other changes in financial markets; the market environment and future economic trends; trading volume of these investment units by domestic and overseas investors; and social events, etc. that could affect the trustworthiness of the real estate transactions, including comparisons with other financial instrument investments and earthquakes, tsunamis, liquefaction and other natural disasters.

The Investment Corporation mainly invests in real estate, etc. and real estate-backed securities and the market prices of these investment units are affected by factors surrounding the real estate market, such as fluctuations in appraisal values of real estate; trends in the real estate market; the relationship between real estate supply and demand; the economic environment surrounding corporations that can affect real estate demand; and changes, etc. in legal, accounting and tax systems.

If the Investment Corporation issues new investment units in order to raise the funds necessary to carry out this business, the cash distributions and net assets per unit of these investment units may be diluted, and the market prices of these investment units may be affected as a result of the impact on the balance of supply and demand for these investment units in the market.

In addition, if the Investment Corporation or the Asset Manager, or other investment corporation or asset manager receives administrative guidance or an administrative sanction or is subject to administrative disposition by a regulatory authority, etc., the market prices of these investment units could drop.

Also, the prices of the investment corporation bonds could fluctuate due to the market environment, such as changes in interest rates, and could be affected by a review or downgrade of the rating.

(Omission)

#### ix) Other

##### Risk Related to Pandemics and Natural Disasters, Etc.

Recently, COVID-19 has been spreading. Therefore, it is necessary to continue closely monitoring the situation to determine if the spread of infections will have an immediate negative impact on the office properties held by the Investment Corporation. In addition, the Investment Corporation holds some retail properties that include accommodation facilities (hotels), and there are concerns about the effects on these assets. For retail properties, there is a possibility of delinquent rent payments and requests from tenants for rent reductions due to sluggish sales resulting from the spread of COVID-19 and a prolonged outbreak of infections, as well as the risk of vacancies arising from tenants moving out.

Furthermore, if there is a prolonged outbreak of infections, the business of the Asset Manager could stagnate in various ways and as a result, the financial results of the Investment Corporation could be negatively impacted.

As it is still uncertain when the COVID-19 pandemic will be brought under control and it is difficult to predict the overall impact, there is a possibility of risks arising other than those for the negative effects already mentioned. As a result, the financial position and business results of the Investment Corporation could be negatively impacted.

In addition to the above, it is generally difficult for only the Investment Corporation to avoid the risks of natural disasters, pandemics, etc., as well as the large-scale natural disasters, etc. in the past few years due to climate change and other factors, and damages arising from pandemics, natural disasters, etc. could have a significant negative impact on the financial position and business results of the Investment Corporation.

## 2. Financial Statements

### (1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2019	As of May 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	12,670,027	13,486,961
Cash and deposits in trust	3,515,426	3,269,588
Operating accounts receivable	804,474	679,207
Prepaid expenses	355,113	571,533
Other	6,749	16,508
Total current assets	17,351,791	18,023,799
Non-current assets		
Property, plant and equipment		
Buildings in trust	84,986,537	84,702,637
Accumulated depreciation	(13,256,431)	(13,975,701)
Buildings in trust, net	71,730,105	70,726,935
Structures in trust	703,696	734,704
Accumulated depreciation	(201,554)	(215,485)
Structures in trust, net	502,142	519,218
Machinery and equipment in trust	1,434,131	1,367,743
Accumulated depreciation	(388,834)	(387,964)
Machinery and equipment in trust, net	1,045,296	979,779
Tools, furniture and fixtures in trust	247,197	263,247
Accumulated depreciation	(128,828)	(143,002)
Tools, furniture and fixtures in trust, net	118,368	120,245
Land in trust	414,174,855	424,862,322
Construction in progress in trust	5,928	8,478
Total property, plant and equipment	487,576,696	497,216,979
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	1,441	1,186
Total intangible assets	9,056,527	9,056,272
Investments and other assets		
Long-term prepaid expenses	1,350,026	1,261,641
Derivatives	8,954	—
Deferred tax assets	5	10
Other	38,322	38,322
Total investments and other assets	1,397,309	1,299,975
Total non-current assets	498,030,533	507,573,227
Deferred assets		
Investment corporation bond issuance costs	98,652	89,447
Total deferred assets	98,652	89,447
Total assets	515,480,977	525,686,474

(Unit: Thousands of yen)

	As of November 30, 2019		As of May 31, 2020	
<b>Liabilities</b>				
Current liabilities				
Operating accounts payable		1,265,123		1,005,767
Short-term borrowings		5,000,000		10,998,000
Current portion of investment corporation bonds		6,000,000		–
Current portion of long-term borrowings		7,300,000		12,500,000
Accounts payable - other		198,011		149,224
Accrued expenses		963,509		952,182
Income taxes payable		605		817
Accrued consumption taxes		379,062		330,044
Advances received		581,577		849,827
Deposits received		1,390		4,156
Other		–		32,904
Total current liabilities		21,689,281		26,822,925
Non-current liabilities				
Investment corporation bonds		17,000,000		17,000,000
Long-term borrowings		199,050,000		203,850,000
Leasehold and guarantee deposits received in trust		21,543,424		22,309,458
Derivatives liabilities		–		3,443
Total non-current liabilities		237,593,424		243,162,902
Total liabilities		259,282,705		269,985,827
Net assets				
Unitholders' equity				
Unitholders' capital		248,370,846		248,370,846
Deduction from unitholders' capital				
Allowance for temporary difference adjustments	*3	(10,797)	*3	–
Total deduction from unitholders' capital		(10,797)		–
Unitholders' capital, net		248,360,049		248,370,846
Surplus				
Unappropriated retained earnings (undisposed loss)		7,829,267		7,333,243
Total surplus		7,829,267		7,333,243
Total unitholders' equity		256,189,316		255,704,090
Valuation and translation adjustments				
Deferred gains or losses on hedges		8,954		(3,443)
Total valuation and translation adjustments		8,954		(3,443)
Total net assets	*2	256,198,271	*2	255,700,646
Total liabilities and net assets		515,480,977		525,686,474



## (2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2019 to November 30, 2019)		Current fiscal period (From December 1, 2019 to May 31, 2020)	
<b>Operating revenue</b>				
Leasing business revenue	*1	14,063,573	*1	13,903,877
Other leasing business revenue	*1	1,136,219	*1	936,713
Gain on sales of real estate properties	*2	343,063	*2	143,798
<b>Total operating revenue</b>		<b>15,542,856</b>		<b>14,984,389</b>
<b>Operating expenses</b>				
Expenses related to leasing business	*1	5,464,545	*1	5,470,679
Asset management fee		1,249,529		1,104,664
Asset custody fee		14,641		15,029
Administrative service fees		37,874		36,852
Remuneration for directors (and other officers)		3,300		3,300
Other operating expenses		92,843		147,558
<b>Total operating expenses</b>		<b>6,862,734</b>		<b>6,778,084</b>
<b>Operating profit</b>		<b>8,680,122</b>		<b>8,206,304</b>
<b>Non-operating income</b>				
Interest income		59		72
Reversal of distributions payable		967		698
Insurance claim income		663		9,535
Other		-		381
<b>Total non-operating income</b>		<b>1,690</b>		<b>10,687</b>
<b>Non-operating expenses</b>				
Interest expenses		636,203		642,507
Interest expenses on investment corporation bonds		35,543		45,976
Amortization of investment corporation bond issuance costs		9,905		9,205
Borrowing related expenses		181,347		185,307
Other		500		500
<b>Total non-operating expenses</b>		<b>863,501</b>		<b>883,497</b>
<b>Ordinary profit</b>		<b>7,818,311</b>		<b>7,333,494</b>
<b>Profit before income taxes</b>		<b>7,818,311</b>		<b>7,333,494</b>
Income taxes - current		614		828
Income taxes - deferred		19		(5)
<b>Total income taxes</b>		<b>634</b>		<b>823</b>
<b>Profit</b>		<b>7,817,677</b>		<b>7,332,671</b>
Retained earnings brought forward		11,589		572
<b>Unappropriated retained earnings (undisposed loss)</b>		<b>7,829,267</b>		<b>7,333,243</b>

### (3) Statement of Unitholders' Equity

Previous 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 during period							
Dividends of surplus					(7,714,553)	(7,714,553)	(7,714,553)
Distributions in excess of 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 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 during period			
Dividends of surplus			(7,714,553)
Distributions in excess of 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 during period	20,429	20,429	112,756
Balance at end of period	8,954	8,954	256,198,271

Current fiscal period (From December 1, 2019 to May 31, 2020)

(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	(10,797)	(10,797)	248,360,049	7,829,267	7,829,267	256,189,316
Changes during period							
Dividends of surplus					(7,817,897)	(7,817,897)	(7,817,897)
Reversal of allowance for temporary difference adjustments		10,797	10,797	10,797	(10,797)	(10,797)	–
Profit					7,332,671	7,332,671	7,332,671
Net changes in items other than unitholders' equity							
Total changes during period	–	10,797	10,797	10,797	(496,023)	(496,023)	(485,226)
Balance at end of period	*1 248,370,846	–	–	248,370,846	7,333,243	7,333,243	255,704,090

(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	8,954	8,954	256,198,271
Changes during period			
Dividends of surplus			(7,817,897)
Reversal of allowance for temporary difference adjustments			–
Profit			7,332,671
Net changes in items other than unitholders' equity	(12,398)	(12,398)	(12,398)
Total changes during period	(12,398)	(12,398)	(497,625)
Balance at end of period	(3,443)	(3,443)	255,700,646

## (4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
	Amount	Amount
I Unappropriated retained earnings	¥7,829,267,374	¥7,333,243,684
II Additional amount of cash distributions in excess of earnings	—	¥3,084,896
Of which, allowance for temporary difference adjustments	—	¥3,084,896
III Amount incorporated into unitholders' capital	¥10,797,136	—
Of which, reversal of allowance for temporary difference adjustments	¥10,797,136	—
IV Distributions	¥7,817,897,688	¥7,332,797,792
[Cash distributions per unit]	[¥10,137]	[¥9,508]
Of which, distributions of profits	¥7,817,897,688	¥7,329,712,896
[Of which, distributions of profits per unit]	[¥10,137]	[¥9,504]
Of which, allowance for temporary difference adjustments	—	¥3,084,896
[Of which, cash distributions in excess of earnings per unit (Related to allowance for temporary difference adjustments)]	[¥—]	[¥4]
V Earnings carried forward	¥572,550	¥3,530,788

<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 ¥7,817,897,688, 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>	<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 ¥7,329,712,896, 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. Based on the policy on distribution of cash exceeding net profit set forth in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥3,084,896 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 ¥3,443,618. As a result, distributions are to amount to ¥7,332,797,792 for the fiscal period under review.</p>
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## (5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,818,311	7,333,494
Depreciation	1,299,058	1,334,606
Amortization of investment corporation bond issuance costs	9,905	9,205
Interest income and interest on securities	(59)	(72)
Interest expenses	671,747	688,484
Borrowing related expenses	181,347	185,307
Decrease (increase) in operating accounts receivable	61,777	125,267
Increase (decrease) in accrued consumption taxes	213,632	(49,018)
Decrease (increase) in prepaid expenses	165,699	(209,406)
Decrease in property, plant and equipment in trust due to sale	1,493,070	20,787,757
Decrease in intangible assets in trust due to sale	37,505	–
Increase (decrease) in operating accounts payable	303,762	(156,233)
Increase (decrease) in accrued expenses	19,133	(11,313)
Increase (decrease) in advances received	7,278	268,249
Decrease (increase) in long-term prepaid expenses	(83,861)	8,590
Other, net	(10,040)	25,212
Subtotal	12,188,268	30,340,130
Interest received	59	72
Interest paid	(653,684)	(691,442)
Income taxes paid	(1,108)	(616)
Net cash provided by (used in) operating activities	11,533,534	29,648,143
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(472,822)	(31,917,697)
Refund of leasehold and guarantee deposits received in trust	(345,198)	(1,012,287)
Proceeds from leasehold and guarantee deposits received in trust	648,645	1,778,321
Net cash provided by (used in) investing activities	(169,375)	(31,151,663)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	4,997,750	31,992,459
Repayments of short-term borrowings	(14,000,000)	(26,000,000)
Proceeds from long-term borrowings	12,925,779	17,219,286
Repayments of long-term borrowings	(13,100,000)	(7,300,000)
Proceeds from issuance of investment corporation bonds	8,953,594	–
Redemption of investment corporation bonds	–	(6,000,000)
Distributions paid	(7,723,513)	(7,813,803)
Other, net	(32,598)	(23,326)
Net cash provided by (used in) financing activities	(7,978,987)	2,074,615
Net increase (decrease) in cash and cash equivalents	3,385,171	571,095
Cash and cash equivalents at beginning of period	12,800,282	16,185,454
Cash and cash equivalents at end of period	*1 16,185,454	*1 16,756,549

(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 disposing entity for acquisition of real properties (so-called “amount equivalent to property tax”) is not recorded as expenses related to leasing business but included in the acquisition costs for the related properties. The amount equivalent to property tax included in acquisition cost for properties for the current fiscal period is ¥135,713 thousand.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting Deferred hedge accounting is applied. For interest rate swaps that satisfy the requirements for special treatment, special treatment is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps transactions Hedged items: Long-term borrowings</p> <p>(3) Hedging policy Based on the management policy of financial market risks, the Investment Corporation makes interest rate swaps for the purpose to hedge risks set forth in the Articles of Incorporation of the Investment Corporation.</p> <p>(4) Method of assessing hedge effectiveness The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>								

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

*Additional information*

**Notes on Provision and Reversal of Allowance for Temporary Difference Adjustments**

Previous fiscal period (From June 1, 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.

Current fiscal period (From December 1, 2019 to May 31, 2020)

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	3,084



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

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

(8) Notes to Financial Statements

**Notes to Balance Sheet**

1. Commitment Line Contracts

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

	As of November 30, 2019	As of May 31, 2020
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	–	¥1,998,000 thousand
Net balance	¥21,000,000 thousand	¥19,002,000 thousand

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

	As of November 30, 2019	As of May 31, 2020
	¥50,000 thousand	¥50,000 thousand

\*3. Allowance for Temporary Difference Adjustments

Previous 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.

Current fiscal period (From December 1, 2019 to May 31, 2020)

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	—	—	10,797	—	10,797	—	Changes in fair value of derivative transactions

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 June 1, 2019 to November 30, 2019)		Current fiscal period (From December 1, 2019 to May 31, 2020)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,896,071		12,772,803	
Common service fees	754,640		739,471	
Parking lot fees	295,863		290,588	
Other rent revenue	116,997	14,063,573	101,013	13,903,877
Other leasing business revenue		1,136,219		936,713
Total real estate leasing business revenues		15,199,792		14,840,590
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,252,752		1,286,910	
Utilities expenses	1,011,981		841,809	
Tax and public dues	1,087,694		1,110,349	
Insurance	11,227		12,914	
Repair and maintenance expenses	436,542		312,576	
Depreciation	1,298,804		1,334,352	
Other expenses related to leasing business	365,542	5,464,545	571,767	5,470,679
Total real estate leasing business expenses		5,464,545		5,470,679
C. Profit (loss) from real estate leasing business (A – B)		9,735,247		9,369,910

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

Previous 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

Current fiscal period (From December 1, 2019 to May 31, 2020)

	(Unit: Thousands of yen)	
A-PLACE Shinbashi Ekimae		
Income from sales of real estate properties	21,000,000	
Costs of sales of real estate properties	20,787,757	
Other costs of sales	68,443	
Gain on sales of real estate properties		143,798

**Notes to Statement of Unitholders' Equity**

	Previous fiscal period (From June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
*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 June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
Cash and deposits	¥12,670,027 thousand	¥13,486,961 thousand
Cash and deposits in trust	¥3,515,426 thousand	¥3,269,588 thousand
Cash and cash equivalents	¥16,185,454 thousand	¥16,756,549 thousand

## Notes on Financial Instruments

### 1. Matters Regarding Financial Instruments

#### (1) Policy for Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

Carrying amounts, fair values, and the differences between the two values as of May 31, 2020, 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	13,486,961	13,486,961	—
(2) Cash and deposits in trust	3,269,588	3,269,588	—
Total assets	16,756,549	16,756,549	—
(1) Short-term borrowings	10,998,000	10,998,000	—
(2) Current portion of long-term borrowings	12,500,000	12,600,325	100,325
(3) Investment corporation bonds	17,000,000	17,278,254	278,254
(4) Long-term borrowings	203,850,000	206,045,048	2,195,048
Total liabilities	244,348,000	246,921,627	2,573,627
Derivative transactions	(3,443)	(3,443)	—

(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.

(3) Investment corporation bonds

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

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

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

Derivative transactions

Please refer to “Notes on Derivative Transactions” on pages 32 and 33.

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

(Unit: Thousands of yen)

Category	As of November 30, 2019	As of May 31, 2020
Leasehold and guarantee deposits received in trust *	21,543,424	22,309,458

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

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

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (May 31, 2020)

(Unit: Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Deposits	13,486,961	-	-	-	-	-
Deposits in trust	3,269,588	-	-	-	-	-
Total	16,756,549	-	-	-	-	-

(Note 4) 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

Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (May 31, 2020)

(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	10,998,000	–	–	–	–	–
Investment corporation bonds	–	–	1,000,000	–	7,000,000	9,000,000
Long-term borrowings	12,500,000	27,850,000	26,500,000	32,750,000	24,000,000	92,750,000
Total	23,498,000	27,850,000	27,500,000	32,750,000	31,000,000	101,750,000

**Notes on Derivative Transactions**

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2019)

Not applicable.

(As of May 31, 2020)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(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	*	–



(As of May 31, 2020)

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	(3,443)	Based on prices, etc. indicated by partner financial institutions
Special treatment for interest rate swaps	Interest rate swaps Receive floating Pay fixed	Long-term borrowings	18,140,000	18,140,000	*	—

\* Interest rate swap transactions to which special treatment is applied are accounted for as an integral part of long-term borrowings, a hedged item. Thus, their fair values are included in the fair value of long-term borrowings. (Please refer to the preceding “Notes on Financial Instruments, 2. Matters Regarding Fair Values of Financial Instruments, (Note 1) Liabilities (4)” on page 30.)

### Notes on Tax Effect Accounting

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

	As of November 30, 2019	As of May 31, 2020
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥5 thousand	¥10 thousand
Total deferred tax assets	¥5 thousand	¥10 thousand
Net deferred tax assets	¥5 thousand	¥10 thousand

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

	As of November 30, 2019	As of May 31, 2020
Effective statutory tax rate	31.51%	31.46%
Adjustments		
Distributions paid included in deductibles	(31.51)%	(31.46)%
Other	0.01%	0.01%
Effective income tax rate after application of tax effect accounting	0.01%	0.01%

## Notes on Transactions with Related Parties

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

Not applicable.

Current fiscal period (From December 1, 2019 to May 31, 2020)

Not applicable.

## Notes on Investment and Rental Properties

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

(Unit: Thousands of yen)

Use		Previous fiscal period (From June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	200,524,577	198,881,821
	Changes during period	(1,642,755)	(89,939)
	Balance at end of period	198,881,821	198,791,882
	Fair value at end of period	241,282,000	239,866,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	195,556,130	195,101,532
	Changes during period	(454,598)	9,815,079
	Balance at end of period	195,101,532	204,916,612
	Fair value at end of period	232,420,000	244,140,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	102,739,890	102,648,428
	Changes during period	(91,462)	(84,857)
	Balance at end of period	102,648,428	102,563,571
	Fair value at end of period	120,550,000	121,620,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	498,820,598	496,631,782
	Changes during period	(2,188,816)	9,640,283
	Balance at end of period	496,631,782	506,272,066
	Fair value at end of period	594,252,000	605,626,000

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

(Note 2) The main reason for the increase in the current fiscal period is the acquisition of Ebisu Prime Square worth ¥31,057,540 thousand. The decrease is mainly due to the disposition of A-PLACE Shinbashi Ekimae worth ¥20,787,757 thousand and the provision of depreciation worth ¥1,334,352 thousand.

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

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

## Per Unit Information

	Previous fiscal period (From June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
Net assets per unit	¥332,196	¥331,551
Basic earnings per unit	¥10,136	¥9,507

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period (previous fiscal period 771,224 units; current fiscal period 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 June 1, 2019 to November 30, 2019)	Current fiscal period (From December 1, 2019 to May 31, 2020)
Profit (Thousands of yen)	7,817,677	7,332,671
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	7,817,677	7,332,671
Average number of investment units for the period (Units)	771,224	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 November 30, 2019)		Current fiscal period (As of May 31, 2020)	
		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	198,881	38.6	198,791	37.8
	Tokyo Office Properties	195,101	37.8	204,916	39.0
	Activia Account Properties	102,648	19.9	102,563	19.5
	By location				
	The five central wards of Tokyo (Note 3)	314,262	61.0	324,165	61.7
	Wards of Tokyo other than the five central wards	33,079	6.4	32,972	6.3
	Three major metropolitan areas (Note 4)	138,100	26.8	137,912	26.2
	Other locations	11,189	2.2	11,222	2.1
	Subtotal	496,631	96.3	506,272	96.3
Total real estate assets		496,631	96.3	506,272	96.3
Deposits and other assets		18,849	3.7	19,414	3.7
Total assets (Note 5)		515,480	100.0	525,686	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)	259,282	50.3	269,985	51.4
Total net assets (Note 5)	256,198	49.7	255,700	48.6

(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 17th fiscal period. Figures shown in the table are as of May 31, 2020 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2020)

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	44,666	62,775	63,600	2.6	61,950	2.3	2.7	8.8
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,639	15,100	15,400	4.0	15,000	4.1	4.2	2.2
	UR-3	Q plaza EBISU (Note 7)	8,430	8,196	11,800	12,000	3.2	11,700	3.4/3.3	3.4	1.7
	UR-5	Kyoto Karasuma Parking Building	8,860	8,688	10,700	10,800	4.8	10,700	4.8	5.0	1.7
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	20,437	27,300	27,800	3.8	26,800	3.6	4.0	4.2
	UR-8	A-FLAG SAPPORO	4,410	4,909	7,720	7,720	5.4	7,720	5.2	5.6	0.9
	UR-9	A-FLAG SHIBUYA	6,370	6,338	7,920	7,950	3.9	7,910	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	2.6
	UR-11	A-FLAG KOTTO DORI	4,370	4,395	4,840	4,840	3.4	4,840	3.1	3.5	0.9
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,723	4,860	4,950	3.5	4,770	3.3	3.7	0.9
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,411	2,400	2,430	3.9	2,370	3.7	4.1	0.4
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	4,833	4,760	4,860	3.9	4,650	3.6	4.0	0.9
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,919	12,691	12,936	4.0	12,446	3.8	4.2	2.5
	UR-16	Tokyu Plaza Ginza (Land) (Notes 6, 8)	37,500	37,895	39,000	38,700	2.6	39,000	2.5	–	7.4
	UR-17	Q plaza HARAJUKU (Note 6)	13,200	13,324	13,300	13,380	3.0	13,140	2.7	3.1	2.6
		Subtotal	198,715	198,791	239,866	241,966	–	237,796	–	–	39.0



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	7,168	11,700	11,800	3.6	11,700	3.7	3.8	1.5
	TO-2	A-PLACE Ebisu Minami	9,640	9,334	15,300	15,200	3.5	15,300	3.6	3.7	1.9
	TO-3	A-PLACE Yoyogi	4,070	3,861	4,980	5,050	3.9	4,900	3.7	4.1	0.8
	TO-4	A-PLACE Aoyama	8,790	8,567	10,300	10,300	3.9	10,300	3.7	4.1	1.7
	TO-5	Luogo Shiodome	4,540	4,184	6,410	6,430	3.5	6,400	3.3	3.7	0.9
	TO-6	TAMACHI SQUARE (Land)	2,338	2,362	2,840	2,970	3.4	2,790	3.8	3.6	0.5
	TO-7	A-PLACE Ikebukuro	3,990	3,695	5,560	5,650	3.9	5,460	3.7	4.1	0.8
	TO-8	A-PLACE Shinbashi	5,650	5,795	7,330	7,380	3.7	7,270	3.4	3.8	1.1
	TO-9	A-PLACE Gotanda	5,730	5,449	7,970	8,070	3.5	7,860	3.3	3.7	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,771	6,030	6,150	3.4	5,900	3.2	3.6	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,568	14,500	14,700	3.3	14,400	3.0	3.4	2.1
	TO-12	Shiodome Building (Note 6)	71,600	70,755	77,700	81,550	3.3	75,950	3.1	3.5	14.1
	TO-13	A-PLACE Ebisu Higashi	7,072	7,048	7,720	7,830	3.7	7,600	3.5	3.9	1.4
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,935	5,730	5,710	3.6	5,750	3.3	3.7	0.9
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,547	7,870	7,910	3.8	7,830	3.5	3.9	1.4
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,806	21,000	21,300	3.8	20,600	3.6	4.0	3.7
	TO-18	Ebisu Prime Square (Note 6)	30,700	31,062	31,200	31,824	3.4	30,600	3.2	3.6	6.0
		Subtotal	206,900	204,916	244,140	249,824	-	240,610	-	-	40.6
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	8,034	10,800	11,000	4.8	10,700	4.7 /4.8 /4.9	5.0	1.7
	AA-4	icot Mizonokuchi	2,710	2,604	3,240	3,310	5.4	3,160	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,596	4,000	4,010	5.0	3,990	4.6	5.2	0.6
	AA-6	A-PLACE Kanayama	6,980	6,231	8,770	8,900	5.1	8,640	4.9	5.3	1.4
	AA-7	Osaka Nakanoshima Building	11,100	11,122	16,300	16,500	3.8	16,100	3.6	4.0	2.2
	AA-8	icot Omori	5,790	5,711	6,870	6,940	4.3	6,790	4.1	4.5	1.1
	AA-9	Market Square Sagamihara	4,820	4,638	5,010	5,030	5.3	4,990	5.1	5.5	0.9
	AA-10	Umeda Gate Tower	19,000	19,236	21,400	21,700	3.7	21,200	3.4	3.8	3.7
	AA-11	A-PLACE Bashamichi	3,930	3,976	4,740	4,840	4.8	4,630	4.5	5.0	0.8
	AA-12	Commercial Mall Hakata	6,100	6,313	6,290	6,300	4.8	6,280	4.5	4.9	1.2
	AA-13	EDGE Shinsaibashi	19,800	19,985	20,000	20,200	3.8	19,800	3.5	3.9	3.9
		Subtotal	103,570	102,563	121,620	123,130	-	120,280	-	-	20.3
	Total	509,185	506,272	605,626	614,920	-	598,686	-	-	100.0	

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

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

(Note 3) Book value at end of period represents book value for each property less depreciation expenses as of May 31, 2020, rounding down to the nearest million yen.

(Note 4) The appraisal of properties is commissioned to Japan Real Estate Institute, Daiwa Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Valuers Co., Ltd. or JLL Morii Valuation & Advisory K.K. Assessed value at end of period and return price show value described in each real estate appraisal report with the date of value estimate of May 31, 2020.

- (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, Shiodome Building, and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60%, 35% and 51%, respectively).
- (Note 7) The discount rates of Q plaza EBISU represent 3.4% from the first year to the third year and 3.3% in and after the fourth 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 second year, 4.8% from the third year to the seventh year and 4.9% in and after the eighth year.

b. Overview of assets held (2)

(As of May 31, 2020)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m <sup>2</sup> ) (Note 5)	Total leased area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)	
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	34	2,065	1,699	4,918.44	4,899.86	99.6	
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	93	951	391	16,609.75	16,474.10	99.2	
	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	1,246	1,431	19,653.90	19,653.90	100.0	
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	17	593	132	21,229.16	21,229.16	100.0	
	UR-9	A-FLAG SHIBUYA	Shibuya, Tokyo	June 29, 1988	2	420	179	3,403.07	3,403.07	100.0	
	UR-10	Q plaza SHINSAIBASHI	Osaka, Osaka	November 16, 2007	6	673	433	2,820.23	2,820.23	100.0	
	UR-11	A-FLAG KOTTO DORI	Minato, Tokyo	January 22, 1992	8	237	185	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	186	129	2,538.13	2,538.13	100.0	
	UR-15	DECKS Tokyo Beach (Note 8)	Minato, Tokyo	June 20, 1996	80	636	488	16,125.56	15,988.39	99.1	
	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				–	280	–	–	124,677.95	124,386.55	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 <sup>2</sup> ) (Note 5)	(m <sup>2</sup> ) (Note 6)	(%) (Note 7)
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	12	640	557	7,342.60	7,342.60	100.0
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	10	757	615	7,950.49	7,950.49	100.0
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	3	253	233	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	346	308	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	374	313	5,054.19	5,054.19	100.0
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	369	339	4,028.69	4,028.69	100.0
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	255	240	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	40	3,238	2,677	28,136.05	28,136.05	100.0
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	7	349	265	4,010.69	4,010.69	100.0
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	281	219	3,010.53	3,010.53	100.0
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	12	380	315	4,328.32	4,328.32	100.0
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	8	1,036	940	14,658.98	14,658.98	100.0
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	107	1,505	1,143	18,063.02	17,738.37	98.2
		Subtotal			–	254	–	–	126,347.10	126,022.45
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	10	240	237	5,181.58	5,181.58	100.0
	AA-6	A-PLACE Kanayama	Nagoya, Aichi	February 10, 2009	21	535	434	9,314.90	9,314.90	100.0
	AA-7	Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	39	998	708	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	884	719	13,624.49	13,624.49	100.0
	AA-11	A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	36	338	236	9,710.91	9,548.77	98.3
	AA-12	Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	19	352	164	9,612.88	9,612.88	100.0
	AA-13	EDGE Shinsaibashi	Osaka, Osaka	April 22, 1986	22	937	726	15,897.66	15,897.66	100.0
		Subtotal			–	177	–	–	174,526.91	174,364.77
	Total			–	711	–	–	425,551.96	424,773.77	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 May 31, 2020 described in the lease agreements in relation to buildings, except that for properties with master lease agreements, the total number of end-tenants is listed. For properties for which we acquire only land, the total number of tenants of the land is listed.
- (Note 3) The contracted rent (annual) for each property other than properties for which we acquire only land is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms which were occupied by tenants as of May 31, 2020), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2020, as indicated in the lease agreements in relation to buildings as of May 31, 2020 by 12 (for where multiple lease agreements are concluded in relation to buildings, the aggregate anticipated monthly rent for all lease agreements) (excluding consumption tax) and rounding to the nearest million yen. For properties for which we acquire only land, it is calculated as the annual contracted rent (excluding consumption tax) as indicated in the lease agreement for such land as of May 31, 2020, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2020), as indicated in the relevant sublease agreement with end-tenants by 12.
- (Note 4) The leasehold and guarantee deposit is calculated as the total amount on the lease agreement for each property as of May 31, 2020 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2020), rounding to the nearest million yen. For properties with master lease agreements, the leasehold and guarantee deposit is calculated as the total amount required based on the sublease agreements with end-tenants, rounding to the nearest million yen.
- (Note 5) The total leasable area represents the total of gross floor area considered to be leasable based on the lease agreements for building or floor plans as of May 31, 2020 of each property other than properties of which we acquire only land, and gross land area considered to be leasable based on the lease agreement for land or land plans as of May 31, 2020 of each property of which we acquire only land.
- (Note 6) The total leased area is equal to the total of leased area presented in each lease agreement for properties held as of May 31, 2020. For properties with master lease agreements, counted is the total of the area of properties for which sublease agreements are concluded with end-tenants and that are actually subleased.
- (Note 7) The occupancy rate is calculated by dividing total leased area for each property by the total leasable area as of May 31, 2020, 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, Shiodome Building, and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60%, 35% and 51%, respectively). However, the numbers of tenants provided are the numbers for each whole building.
- (Note 9) Since we have not obtained permission from the tenant of this property to release the information, the information is not disclosed.
- (Note 10) The calculation of total leasable area and total leased area for icot Omori includes part of an external bicycle parking lot (approximately 21 m<sup>2</sup>) and part of a common area on the second floor (approximately 28 m<sup>2</sup>).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 2020, 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 17th fiscal period as of May 31, 2020. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Large-scale repair work (First period)	From November 2020 to May 2021	160	—	—
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Large-scale repair work (Second period)	From June 2021 to November 2021	160	—	—
icot Nakamozu (Sakai, Osaka)	Large-scale repair work (First period)	From March 2021 to May 2021	150	—	—
icot Nakamozu (Sakai, Osaka)	Large-scale repair work (Second period)	From September 2021 to November 2021	150	—	—
Luogo Shiodome (Minato, Tokyo)	Replacement of air conditioning units (First period)	From April 2021 to May 2021	136	—	—
Luogo Shiodome (Minato, Tokyo)	Replacement of air conditioning units (Second period)	From October 2021 to November 2021	136	—	—
A-PLACE Bashamichi (Yokohama, Kanagawa)	Large-scale repair work	From June 2020 to May 2021	96	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of elevators (elevators No. 1 and 2)	From May 2020 to August 2020	94	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Renovation of 3rd floor Seaside Deck	From May 2021 to May 2021	80 (Note)	—	—
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Large-scale repair work	From July 2020 to May 2021	79	—	—
Luogo Shiodome (Minato, Tokyo)	Large-scale repair work	From December 2019 to July 2020	77	—	—
A-FLAG SHIBUYA (Shibuya, Tokyo)	Renewal of escalators	From November 2020 to May 2022	64	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Installation of LED lighting	From July 2020 to September 2020	49	—	—

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 June 2020	31	—	—
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Installation of LED lighting (First period)	From September 2020 to November 2020	30	—	—
Umeda Gate Tower (Osaka, Osaka)	Repair work for indoor and outdoor air conditioning units in private areas	From July 2020 to November 2020	30	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Renewal of automatic security system	From October 2020 to November 2020	28	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 6th and 7th floors	From July 2020 to September 2020	28	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 8th and 9th floors	From July 2020 to September 2020	28	—	—
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Maintenance of air conditioning units (replacement of sensors)	From July 2020 to November 2020	24	—	—
A-PLACE Shinagawa (Minato, Tokyo)	Renewal of automatic security system	From October 2020 to November 2020	18	—	—
DECKS Tokyo Beach (Minato, Tokyo)	Outer wall repair work	From November 2020 to November 2020	17 (Note)	—	—
A-PLACE Shibuya Konnoh (Shibuya, Tokyo)	Installation of LED lighting	From June 2020 to November 2020	17	—	—
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of residential tower's calorimeter	From October 2020 to November 2020	16 (Note)	—	—
A-FLAG SHIBUYA (Shibuya, Tokyo)	Replacement of sprinkler pump and fire extinguishing pump panel	From July 2020 to November 2020	15	—	—
A-PLACE Shinagawa Higashi (Minato, Tokyo)	Replacement of halon fire extinguishing system	From June 2020 to September 2020	14	—	—
A-PLACE Yoyogi (Shibuya, Tokyo)	Maintenance of air conditioning units	From July 2020 to August 2020	13	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of disaster prevention pump	From July 2020 to November 2020	13	—	—

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation work for roof deck (Second period)	From November 2020 to November 2020	12 (Note)	–	–
A-PLACE Bashamichi (Yokohama, Kanagawa)	Replacement of compressor for air conditioning (common areas on 6th, 8th and 9th floors)	From June 2020 to November 2020	12	–	–
Ebisu Prime Square (Shibuya, Tokyo)	Pressure resistance testing for carbon dioxide container valves, etc. (concurrently used for three buildings)	From September 2020 to October 2020	11 (Note)	–	–
A-FLAG DAIKANYAMA WEST (Shibuya, Tokyo)	Replacement of halon container valves	From October 2020 to November 2020	10	–	–
A-FLAG DAIKANYAMA WEST (Shibuya, Tokyo)	Work to change to electronic locks in the building	From November 2020 to November 2020	10	–	–
A-FLAG DAIKANYAMA WEST (Shibuya, Tokyo)	Installation of additional security cameras	From November 2020 to November 2020	10	–	–

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



b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 17th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2020 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2020 amounted to ¥702 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2020 came to ¥312 million. On aggregate, construction work of ¥1,014 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of elevators (elevators No. 5 and 6)	From November 2019 to February 2020	88
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of elevators (elevators No. 3 and 4)	From March 2020 to May 2020	85
A-FLAG DAIKANYAMA WEST (Shibuya, Tokyo)	Paint renewal work on entire outer wall	From May 2020 to May 2020	65
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of rainwater drain and hot water main pipe for upper floors	From December 2019 to April 2020	40
Osaka Nakanoshima Building (Osaka, Osaka)	Repair of lavatory plumbing for 12th to 15th floors	From February 2020 to May 2020	37
Ebisu Prime Square (Shibuya, Tokyo)	Installation of air conditioning units and control equipment on standard floors in the tower building	From January 2020 to March 2020	26 (Note)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Repair work on mechanical parking equipment No. 2	From March 2020 to April 2020	23
A-FLAG SAPPORO (Sapporo, Hokkaido)	Work to increase capacity of air conditioning equipment (gas-heat pump (GHP) air conditioning systems) for small banquet halls on 2nd floor	From March 2020 to May 2020	19
DECKS Tokyo Beach (Minato, Tokyo)	Measures for business continuity planning (BCP) and redundancy of power generator operation time	From October 2019 to March 2020	17 (Note)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of elevator controls (elevator No. 7)	From March 2020 to March 2020	14
A-FLAG BIJUTSUKAN DORI (Minato, Tokyo)	Replacement of air conditioning equipment on 1st and 2nd basement floors	From January 2020 to January 2020	14
A-PLACE Aoyama (Minato, Tokyo)	Partial renovation of central monitoring panel	From February 2020 to May 2020	13
Osaka Nakanoshima Building (Osaka, Osaka)	Renewal of capacitors	From December 2019 to March 2020	11

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of pneumatic automatic control equipment and removal work therefor	From March 2020 to May 2020	10
DECKS Tokyo Beach (Minato, Tokyo)	Renewal work for signs on all buildings	From December 2019 to December 2019	10 (Note)
Other			222
Total			702

(Note) The shown construction cost with regard to Ebisu Prime Square and DECKS Tokyo Beach is the amount equivalent to the ratio of the Investment Corporation's co-ownership interests of real estate trust beneficiary (51% and 49%, respectively).

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 17th fiscal period, the table below shows tenants whose leased area accounts for 10% or more of the total leased area in the entire portfolio (major tenants) based on the data as of May 31, 2020. The forms of agreements with the tenants in the table are ordinary lease agreements.

As for certain assets held, the Investment Corporation has entered into lease agreements (master lease agreements) with Tokyu Community Corp. and Tokyu Land SC Management Corporation with the objective of allowing them to be master lease companies and sublease the leased assets to end-tenants. The table below shows information on the major tenants with master lease agreements based on the data as of May 31, 2020. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,656.53	237	185	December 31, 2026
		TLC Ebisu Building	7,342.60	640	557	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	757	615	May 31, 2025
		A-PLACE Yoyogi	3,106.17	253	233	May 31, 2025
		A-PLACE Aoyama	7,303.69	568	534	May 31, 2025
		Luogo Shiodome	4,476.35	346	308	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,054.19	374	313	May 31, 2025
		A-PLACE Gotanda	4,028.69	369	339	May 31, 2025
		A-PLACE Shinagawa	2,986.36	255	240	May 31, 2025
		OSAKI WIZTOWER	7,193.28	668	668	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	349	265	May 31, 2025
		A-PLACE Shibuya Konnoh	3,010.53	281	219	September 30, 2025
		A-PLACE Gotanda Ekimae	4,328.32	380	315	June 30, 2026
		A-PLACE Shinagawa Higashi	14,658.98	1,036	940	March 31, 2027
		Ebisu Prime Square (Note 6)	14,271.04	1,308	1,109	January 31, 2030
		A-PLACE Kanayama	9,314.9	535	434	May 31, 2025
		Osaka Nakanoshima Building	20,226.77	998	708	November 30, 2024
		Umeda Gate Tower	13,624.49	884	719	April 30, 2028
		A-PLACE Bashamichi	9,548.77	338	236	October 31, 2026
		Commercial Mall Hakata	9,612.88	352	164	March 31, 2027
		Total	158,115.45	-	-	-

Tenant	Business	Property name	Leased area (m <sup>2</sup> ) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	485	475	June 30, 2022
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	19,653.9	1,246	1,431	August 31, 2023
		A-FLAG SAPPORO	21,229.16	593	132	December 31, 2023
		A-FLAG SHIBUYA	3,403.07	420	179	December 31, 2023
		Q plaza SHINSAIBASHI	2,820.23	673	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	2,538.13	186	129	June 30, 2027
		DECKS Tokyo Beach (Note 6)	15,988.39	636	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	167,899.88	-	-

(Note 1) The leased area is the leased area to end-tenants in respect to the leased area provided in the master lease agreement as of May 31, 2020 where the tenant is the master lease company and sublessor, rounding to the nearest hundredth.

(Note 2) Under master lease contracts concluded with tenants, for properties of which the master lease rent payable by the tenant equals to the rent payable by the end-tenant to the tenant, the contracted rent (annual) for each property is calculated by multiplying the monthly rent (limited to rooms which were occupied by tenants as of May 31, 2020), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents and rent holidays as of May 31, 2020, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2020 by 12, rounding to the nearest million yen.

(Note 3) The leasehold and guarantee deposit is calculated as the total amount on the sublease agreement with the end-tenant as of May 31, 2020 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2020), rounding to the nearest million yen, where the tenant is the master lease company and sublessor.

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

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

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

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

For assets held by the Investment Corporation, the following table shows end-tenants ranked in the top 10 in terms of total leased area in the entire portfolio as of May 31, 2020.

End-tenants	Property name	Total leased area (m <sup>2</sup> ) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka A-FLAG SAPPORO	30,182.69	October 31, 2021 (Note 3)	Fixed-term building lease agreement
Sumitomo Mitsui Trust Bank, Limited (Note 4)	Tokyu Plaza Ginza (Land) TAMACHI SQUARE (Land) Amagasaki Q's MALL (Land)	29,883.44 (Note 5)	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 GLOBAL EXPERT CO., LTD. (Note 6)	Umeda Gate Tower	7,870.86	–	–
Swing Corporation	A-PLACE Shinagawa Higashi	6,488.78	April 30, 2022	Ordinary building lease agreement

(Note 1) The total leased area is equal to the total leased area in each property under the lease agreement with the end-tenant as of May 31, 2020. As for Tokyu Plaza Akasaka, Tokyu Plaza Ginza (Land) and Shiodome Building, the figure is based on the amount in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) as of May 31, 2020 (50%, 30% and 35%, respectively).

(Note 2) The form of agreement is equal to the form of agreement described in the lease agreement with the end-tenants as of May 31, 2020.

(Note 3) As of March 31, 2020, a fixed-term building lease agreement with a lease period of November 1, 2021 to March 31, 2027 was entered into for A-FLAG SAPPORO.

(Note 4) 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 5) Total leased area for Tokyu Plaza Ginza (Land), TAMACHI SQUARE (Land) and Amagasaki Q's MALL (Land) is in respect of the land.

(Note 6) YANMAR Co., Ltd. changed its name to YANMAR GLOBAL EXPERT CO., LTD. as of April 1, 2020. We received a notice of cancellation for some of the lease agreements effective October 21, 2020 from YANMAR GLOBAL EXPERT CO., LTD. The area covered by the cancelled agreements is 2,623.62 m<sup>2</sup> and the total leased area will be 5,247.24 m<sup>2</sup> after the cancellation.

(Note 7) 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

17th fiscal period (From December 1, 2019 to May 31, 2020)

(Unit: Thousands of yen)

Property number	UR-1	UR-2	UR-3	UR-5	UR-7
Property name	Tokyu Plaza Omotesando Harajuku (Note 1)	Tokyu Plaza Akasaka (Note 1)	Q plaza EBISU	Kyoto Karasuma Parking Building	Kobe Kyu Kyoryuchi 25Bankan
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	775,050	575,416	268,747	(Note 2)	774,533
Leasing business revenue	726,696	491,943	242,919	(Note 2)	719,006
Other leasing business revenue	48,354	83,472	25,828	(Note 2)	55,526
b. Expenses related to leasing business	232,781	236,262	57,046	41,984	193,206
Management operation expenses	83,899	79,142	16,343	3,235	79,507
Utilities expenses	20,472	54,047	20,860	–	47,564
Tax and public dues	63,881	70,052	9,003	36,378	47,867
Insurance	254	565	101	212	897
Repair and maintenance expenses	5,942	21,193	429	1,421	10,330
Other expenses related to leasing business	58,331	11,260	10,308	736	7,038
c. NOI (a – b)	542,269	339,153	211,700	(Note 2)	581,326
d. Depreciation	52,319	38,756	18,301	15,810	122,303
Profit (loss) from leasing business (c – d)	489,949	300,396	193,398	(Note 2)	459,023

(Unit: Thousands of yen)

Property number	UR-8	UR-9	UR-10	UR-11	UR-12
Property name	A-FLAG SAPPORO	A-FLAG SHIBUYA	Q plaza SHINSAIBASHI	A-FLAG KOTTO DORI	A-FLAG BIJUTSUKAN DORI
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	412,739	217,454	351,134	125,007	125,282
Leasing business revenue	359,223	209,911	336,137	120,077	119,079
Other leasing business revenue	53,516	7,542	14,996	4,929	6,202
b. Expenses related to leasing business	213,654	33,630	56,435	33,801	32,413
Management operation expenses	85,477	12,183	8,898	10,213	3,726
Utilities expenses	68,895	6,132	12,380	5,115	4,982
Tax and public dues	25,190	11,417	15,660	13,971	2,177
Insurance	856	70	89	100	49
Repair and maintenance expenses	27,466	2,630	9,517	1,826	3,299
Other expenses related to leasing business	5,766	1,196	9,888	2,574	18,178
c. NOI (a – b)	199,085	183,823	294,699	91,206	92,868
d. Depreciation	72,704	8,364	16,850	5,117	6,976
Profit (loss) from leasing business (c – d)	126,381	175,458	277,848	86,089	85,892

(Unit: Thousands of yen)

Property number	UR-13	UR-14	UR-15	UR-16	UR-17
Property name	A-FLAG DAIKANYAMA WEST	A-FLAG KITA SHINSAIBASHI	DECKS Tokyo Beach (Note 1)	Tokyu Plaza Ginza (Land) (Note 1)	Q plaza HARAJUKU (Note 1)
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 2)	99,476	447,094	571,500	241,029
Leasing business revenue	(Note 2)	89,491	331,615	571,500	228,802
Other leasing business revenue	(Note 2)	9,984	115,479	–	12,227
b. Expenses related to leasing business	31,069	21,528	311,927	306	32,830
Management operation expenses	12,568	7,305	109,239	–	18,798
Utilities expenses	300	6,310	82,872	–	11,600
Tax and public dues	13,758	6,319	57,177	–	–
Insurance	82	59	617	–	106
Repair and maintenance expenses	1,237	–	13,972	–	–
Other expenses related to leasing business	3,122	1,534	48,047	306	2,325
c. NOI (a – b)	(Note 2)	77,947	135,167	571,193	208,198
d. Depreciation	3,082	4,666	26,874	–	6,632
Profit (loss) from leasing business (c – d)	(Note 2)	73,281	108,293	571,193	201,566

(Unit: Thousands of yen)

Property number	TO-1	TO-2	TO-3	TO-4	TO-5
Property name	TLC Ebisu Building	A-PLACE Ebisu Minami	A-PLACE Yoyogi	A-PLACE Aoyama	Luogo Shiodome
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	342,484	388,497	136,845	309,164	183,862
Leasing business revenue	325,016	376,526	130,290	294,980	173,000
Other leasing business revenue	17,467	11,971	6,555	14,183	10,862
b. Expenses related to leasing business	70,331	95,688	31,889	63,987	50,852
Management operation expenses	24,906	29,832	10,723	18,894	14,233
Utilities expenses	16,439	18,150	8,566	15,474	11,404
Tax and public dues	17,446	33,410	10,742	23,406	19,588
Insurance	266	339	114	249	214
Repair and maintenance expenses	570	2,175	584	1,374	3,244
Other expenses related to leasing business	10,703	11,779	1,156	4,588	2,167
c. NOI (a – b)	272,152	292,809	104,956	245,176	133,010
d. Depreciation	41,480	31,403	15,429	22,597	27,388
Profit (loss) from leasing business (c – d)	230,672	261,406	89,526	222,579	105,621

(Unit: Thousands of yen)

Property number	TO-6	TO-7	TO-8	TO-9	TO-10
Property name	TAMACHI SQUARE (Land)	A-PLACE Ikebukuro	A-PLACE Shinbashi	A-PLACE Gotanda	A-PLACE Shinagawa
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	62,502	(Note 2)	200,656	197,885	136,542
Leasing business revenue	62,502	(Note 2)	187,695	187,972	130,861
Other leasing business revenue	–	(Note 2)	12,960	9,913	5,680
b. Expenses related to leasing business	9,385	36,306	52,301	44,491	31,219
Management operation expenses	–	10,487	17,403	12,860	10,948
Utilities expenses	–	7,953	11,565	9,229	6,062
Tax and public dues	9,130	10,856	15,656	14,288	11,651
Insurance	–	113	190	153	105
Repair and maintenance expenses	–	12	2,118	1,017	908
Other expenses related to leasing business	255	6,882	5,366	6,941	1,543
c. NOI (a – b)	53,116	(Note 2)	148,355	153,393	105,322
d. Depreciation	–	20,685	23,107	26,811	9,258
Profit (loss) from leasing business (c – d)	53,116	(Note 2)	125,247	126,582	96,064

(Unit: Thousands of yen)

Property number	TO-11	TO-12	TO-13	TO-14	TO-15
Property name	OSAKI WIZTOWER	Shiodome Building (Note 1)	A-PLACE Ebisu Higashi	A-PLACE Shibuya Konnoh	A-PLACE Gotanda Ekimae
Number of business days in the 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	345,589	1,539,771	185,007	144,796	187,601
Leasing business revenue	335,046	1,468,694	176,748	139,627	181,057
Other leasing business revenue	10,542	71,077	8,258	5,168	6,543
b. Expenses related to leasing business	90,462	345,061	55,075	39,604	74,105
Management operation expenses	57,840	105,672	16,382	20,763	28,096
Utilities expenses	7,883	64,189	7,732	6,133	9,086
Tax and public dues	22,663	121,751	14,023	9,706	18,273
Insurance	448	900	139	107	159
Repair and maintenance expenses	–	29,519	13,681	857	12,691
Other expenses related to leasing business	1,626	23,027	3,115	2,036	5,797
c. NOI (a – b)	255,127	1,194,710	129,932	105,192	113,496
d. Depreciation	48,275	151,614	23,511	12,899	12,857
Profit (loss) from leasing business (c – d)	206,851	1,043,096	106,420	92,292	100,638

(Unit: Thousands of yen)

Property number	TO-16	TO-17	TO-18	AA-1	AA-2
Property name	A-PLACE Shinagawa Higashi	A-PLACE Shinbashi Ekimae (Note 3)	Ebisu Prime Square (Notes 1, 4)	Amagasaki Q's MALL (Land)	icot Nakamozu
Number of business days in the 17th fiscal period	183	109	143	183	183
a. Real estate leasing business revenues	540,690	238,136	669,560	356,784	310,464
Leasing business revenue	509,733	227,342	600,608	356,784	310,434
Other leasing business revenue	30,957	10,794	68,952	–	30
b. Expenses related to leasing business	143,206	315,657	170,366	56,414	68,054
Management operation expenses	56,252	11,540	60,661	–	6,744
Utilities expenses	28,436	10,528	77,760	–	30
Tax and public dues	49,689	54,655	867	56,159	30,334
Insurance	630	–	673	–	307
Repair and maintenance expenses	4,451	802	21,090	–	29,371
Other expenses related to leasing business	3,745	238,130	9,313	255	1,266
c. NOI (a – b)	397,484	(77,520)	499,194	300,369	242,409
d. Depreciation	30,072	35,070	35,411	–	34,644
Profit (loss) from leasing business (c – d)	367,411	(112,591)	463,782	300,369	207,765

(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 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 2)	143,537	295,928	543,795	224,139
Leasing business revenue	(Note 2)	135,075	278,146	521,113	202,800
Other leasing business revenue	(Note 2)	8,461	17,781	22,682	21,339
b. Expenses related to leasing business	13,236	40,633	83,182	209,562	47,911
Management operation expenses	2,261	15,432	24,761	57,408	8,972
Utilities expenses	–	10,916	21,002	35,164	20,847
Tax and public dues	10,072	11,736	26,646	53,719	12,488
Insurance	133	217	343	1,023	144
Repair and maintenance expenses	–	1,041	884	55,563	4,455
Other expenses related to leasing business	768	1,288	9,544	6,682	1,002
c. NOI (a – b)	(Note 2)	102,903	212,745	334,233	176,228
d. Depreciation	8,345	19,025	52,267	80,190	18,367
Profit (loss) from leasing business (c – d)	(Note 2)	83,878	160,477	254,042	157,861



(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 17th fiscal period	183	183	183	183	183
a. Real estate leasing business revenues	(Note 2)	471,239	183,387	162,234	521,057
Leasing business revenue	(Note 2)	441,422	169,747	136,227	477,687
Other leasing business revenue	(Note 2)	29,816	13,640	26,007	43,369
b. Expenses related to leasing business	37,190	106,834	80,476	62,451	81,507
Management operation expenses	16,053	32,933	24,033	21,129	39,138
Utilities expenses	4,548	25,206	18,776	19,916	27,267
Tax and public dues	13,680	34,775	17,238	12,763	68
Insurance	180	504	402	166	617
Repair and maintenance expenses	416	3,551	10,658	3,815	8,454
Other expenses related to leasing business	2,312	9,863	9,367	4,659	5,960
c. NOI (a – b)	(Note 2)	364,404	102,911	99,783	439,550
d. Depreciation	23,644	67,851	31,755	15,656	15,965
Profit (loss) from leasing business (c – d)	(Note 2)	296,552	71,155	84,126	423,584

(Note 1) As for Tokyu Plaza Omotesando Harajuku, Tokyu Plaza Akasaka, DECKS Tokyo Beach, Tokyu Plaza Ginza (Land), Q plaza HARAJUKU, Shiodome Building and Ebisu Prime Square, the figures are in proportion to the pro rata share of our trust beneficiary co-ownership interests (*jun kyōyū-mochibun*) (75%, 50%, 49%, 30%, 60%, 35% and 51%, respectively).

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

(Note 3) Disposed on March 19, 2020. Therefore, figures up to the day prior to the disposition date are presented.

(Note 4) Acquired on January 10, 2020. Therefore, figures after the acquisition date are presented.