

Financial Report for the Fiscal Period Ended May 31, 2021 (December 1, 2020 – May 31, 2021)

Activia Properties Inc.

Listing: Tokyo Stock Exchange

Securities code: 3279

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

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Supplementary material on financial report: Yes

Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended May 31, 2021 (December 1, 2020 – May 31, 2021)

(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, 2021	14,715	(2.4)	8,101	(1.5)	7,250	(1.5)	7,249	(1.5)
Fiscal period ended November 30, 2020	15,073	0.6	8,228	0.3	7,363	0.4	7,363	0.4

	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, 2021	9,400	2.8	1.4	49.3
Fiscal period ended November 30, 2020	9,547	2.9	1.4	48.9

(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, 2020 and for the fiscal period ended May 31, 2021).

(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, 2021	9,386	7,238	15	11	9,401	7,250
Fiscal period ended November 30, 2020	9,514	7,337	33	25	9,547	7,362

	Payout ratio	Distribution ratio to unitholders' equity
	%	%
Fiscal period ended May 31, 2021	99.8	2.8
Fiscal period ended November 30, 2020	99.7	2.9

(Note 1) The ¥15 in cash distributions in excess of earnings per unit for the fiscal period ended May 31, 2021 comprises ¥15 in allowance for temporary difference adjustments. There are no distributions on reduction of unitholders' capital for tax purposes.

(Note 2) The ¥33 in cash distributions in excess of earnings per unit for the fiscal period ended November 30, 2020 comprises ¥33 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, 2021	525,379	255,581	48.6	331,397
As of November 30, 2020	525,378	255,705	48.7	331,558

(Reference) Unitholders' equity

As of May 31, 2021: ¥255,581 million

As of November 30, 2020: ¥255,705 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, 2021	8,745	(566)	(7,847)	17,881
Fiscal period ended November 30, 2020	8,874	(713)	(7,366)	17,551

2. Forecasts of results for the fiscal period from June 1, 2021 to November 30, 2021 and the fiscal period from December 1, 2021 to May 31, 2022

(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, 2021	15,299	4.0	8,190	1.1	7,212	(0.5)	7,211	(0.5)	9,350	—
Fiscal period ending May 31, 2022	14,660	(4.2)	8,023	(2.0)	7,019	(2.7)	7,018	(2.7)	9,100	—

(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, 2021: ¥9,350
for the fiscal period ending May 31, 2022: ¥9,100

* Other

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

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

(2) Total number of units issued

- Total number of units issued at end of period (including treasury units)
 - As of May 31, 2021 771,224 units
 - As of November 30, 2020 771,224 units
- Number of treasury units at end of period
 - As of May 31, 2021 — units
 - As of November 30, 2020 — units

(Note) Please refer to “Per Unit Information” on page 37 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 20th Fiscal Period from June 1, 2021 to November 30, 2021 and the 21st Fiscal Period from December 1, 2021 to May 31, 2022” on pages 12 through 13 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).

The Investment Corporation has continued to carefully select investment assets with a focus on location and quality since having concluded its IPO, and consequently 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 Japanese economy in the fiscal period under review, there was increasing weakness mainly in personal consumption expenditures related to the service industry despite the continuing trends of recovery in some areas amid the lingering difficult environment caused by the impact of COVID-19.

With respect to the environment surrounding retail properties, although we had seen signs of recovery in consumer sentiment, due to a state of emergency having been declared twice, there has been a decline recently in travel, leisure and other service consumption as well as in expenditures for clothing, cosmetics and other items related to going out.

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). Nevertheless, there is a continuing trend of office consolidations and relocations to smaller offices due to the stagnant economic activity caused by COVID-19. Meanwhile, the average vacancy rate in the five central wards of Tokyo as of May 31, 2021, according to data published by Miki Shoji Co., Ltd., was 5.90% an increase of 1.57 percentage points from the period ended November 30, 2020. Rent levels have dropped for ten consecutive months starting in August 2020. The average rent per *tsubo* (about 3.3 square meters) in the five central wards of Tokyo as of May 31, 2021, was ¥21,249. Even in major cities outside Tokyo, vacancy rates are trending upward and rent levels have fallen moderately or remain unchanged.

Despite remaining concerns regarding the COVID-19 pandemic, the J-REIT market is maintaining an upward trend based on the solid financial results overall of each security.

(C) Investment Performance

The Investment Corporation has continued to maintain and improve its portfolio 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 425,493.08 m² (128,709 *tsubo*).

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

	December 31, 2020	January 31, 2021	February 28, 2021	March 31, 2021	April 30, 2021	May 31, 2021
Urban Retail Properties	98.8%	98.4%	98.3%	98.1%	97.9%	97.8%
Tokyo Office Properties	97.4%	96.8%	97.8%	96.5%	95.9%	96.7%
Activia Account Properties	99.3%	99.3%	99.3%	99.0%	98.7%	99.2%
Total	98.6%	98.3%	98.6%	98.0%	97.6%	98.1%

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

(D) Initiatives Regarding Sustainability

In order to build a portfolio consisting of “real estate capable of sustaining customer demand” with the aim of maximizing medium- and long-term unitholder value, the Investment Corporation has been promoting various initiatives with its sights set on lowering environmental loads and contributing to our nearby surroundings and local communities, thereby extending beyond considerations such as location, use, size and qualities. In July 2019, as material issues that the Investment Corporation needs to address, we released quantitative targets encompassing a wider range of performance benchmarks from an environmental standpoint, and also clearly stated practical management policy to such ends. In addition, we are striving daily to achieve our basic objective of cutting unit energy consumption, etc. by an annual average of 1% over the medium to long term. Initiatives carried out in the fiscal period under review include the creation of an environmental management system operation manual in December 2020 for the asset management company TLC REIT Management Inc. and efforts of the Investment Corporation to continually lower environmental loads by establishing environmental targets (Plan), understanding the results (Do), analyzing the differences between the actual and expected results (Check) and implementing measures and improvements (Act). In addition, the lighting was upgraded to LED lighting at common areas of Luogo Shiodome and A-PLACE Ebisu Higashi, some common areas of DECKS Tokyo Beach, A-PLACE Shinagawa and Ebisu Prime Square, and some private areas of A-PLACE Ebisu Minami, A-PLACE Shinagawa Higashi, Ebisu Prime Square, A-PLACE Bashamichi and EDGE Shinsaibashi. Furthermore, the elevator at A-FLAG SHIBUYA was replaced with an elevator that uses the latest control system and highly efficient motors using permanent magnets, and the energy-saving performance was improved by upgrading to LED ceiling lighting.

Moreover, we continue to engage in annual initiatives geared to acquiring green building certifications, and during the fiscal period under review, we have acquired the BELS certifications for Q plaza EBISU (two stars). As such, a total of 28 of our properties have acquired green building certification, which amounted to 65.8% of our holdings calculated on the basis of gross floor area (as of May 31, 2021).

In addition, electric bicycle sharing was newly introduced at Q plaza SHINSAIBASHI while a “Social Art Museum” exhibit of art drawn by residents of a welfare facility in the city was held at Commercial Mall Hakata utilizing a temporarily enclosed area after a tenant had moved out. 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, with the aims of diversifying repayment dates on debt, extending the average maturity, and diversifying means of financing, the Investment Corporation issued unsecured investment corporation bonds of ¥1,300 million on February 9, 2021, and used the funds to cover repayment of short-term borrowings. The Investment Corporation also borrowed ¥12,200 million largely in order to cover repayment of borrowings that had come due, and worked to otherwise maintain a stable financial base through ongoing moves that have included diversifying repayment dates. As a result, as of the end of the fiscal period under review, the balance of interest-bearing debt was ¥244,150 million (borrowings of ¥221,350 million and investment corporation bonds of ¥22,800 million).

million). The ratio of interest-bearing debt to total assets ($LTV = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100$) 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 100.0% and 92.6%, respectively.

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

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

(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 ¥14,715 million, ¥8,101 million, and ¥7,250 million, respectively, for the fiscal period under review, and profit was ¥7,249 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 ¥7,238,708,464, 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 ¥11,568,360 as distributions related to allowance for temporary difference adjustments, calculated as the amount equivalent to ¥11,111,618, which is calculated by deducting ¥28,535,288 of temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations) from deferred losses on hedges of ¥39,646,906. Consequently, distributions per investment unit resulted in ¥9,401.

ii) Outlook for the Next Fiscal Period

(A) Investment Environment for the Next Fiscal Period

Although the level of economic activity is expected to recover as the impact of COVID-19 gradually eases, there is great uncertainty regarding the outlook as it may change depending on the increase or decrease of the number of new infection cases and its impact on the economies in Japan and overseas.

With respect to the environment surrounding retail properties, despite the continuing difficult conditions due to the recent requests to reduce operating hours, the decrease in numbers of overseas visitor arrivals to Japan, etc., a modest recovery trend is expected due to increased vaccinations, etc. In the rental office market, despite concerns that vacancy rates will continue to rise and rent levels will continue to fall, there has been a drop in the supply of new office properties in 2021. Therefore, we believe that property in prime locations will continue to be resilient. Despite lingering uncertainty concerning the outlook for the economy and conditions in the real estate leasing market, we expect long-term inflow of funds into the J-REIT market due to its relatively stable earnings, high financial soundness and attractive dividend yield level.

Amid this environment, the Investment Corporation will fulfill its social responsibility in preventing the spread of infections, etc. while minimizing the impact of the COVID-19 pandemic through its abundant management expertise, and in line with its medium- to long-term portfolio strategy of asset replacement, etc., it will aim to return to the path of improving unitholder value through external growth by leveraging sponsor support and through internal growth by utilizing the strength of its properties focused on location and quality.

(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.

< Reference Information >

a. Acquisition of Properties

The Investment Corporation plans to use the funds from the property transfer in “b. Transfer of Properties” to acquire property listed below in accordance with the basic asset management policy set forth in the Articles of Incorporation.

(TO-19) Tamachi East Building

Type of assets	Beneficial interests in trust	
Acquisition price	¥6,800 million	
Scheduled acquisition date (Note)	October 29, 2021	
Location	2-16, Shibaura 3-chome, Minato-ku, Tokyo	
Use	Office, residence, parking	
Land area	970.13 m ²	
Gross floor area	6,065.08 m ²	
Structure	Steel frame, steel-framed reinforced concrete / 10 floors above and 1 floor underground	
Month and year of completion	April 2003	
Ownership	Land:	Owned
	Building:	Owned

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

b. Transfer of Properties

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

(UR-2) Tokyu Plaza Akasaka

Type of assets	Beneficial interests in trust
Scheduled transfer price	¥11,800 million
Scheduled delivery date (Note)	October 29, 2021
Location	14-3, Nagata-cho 2-chome, Chiyoda-ku, Tokyo
Use	Hotel, office, retail and parking lots
Land area	5,103.57 m ²
Gross floor area	51,491.66 m ²
Structure	SRC/ 14 floors above and 3 floors underground
Month and year of completion	September 1969
Ownership	Land: Owned (50% co-ownership interest) Building: Owned (50% co-ownership interest)

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

(D) Outlook of Investment Performance

For the fiscal period ending November 30, 2021 (20th fiscal period: June 1, 2021 to November 30, 2021), 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 20th Fiscal Period from June 1, 2021 to November 30, 2021 and the 21st Fiscal Period from December 1, 2021 to May 31, 2022” on pages 12 through 13.

Operating revenue	¥15,299 million
Operating profit	¥8,190 million
Ordinary profit	¥7,212 million
Profit	¥7,211 million
Cash distributions per unit	¥9,350
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 20th Fiscal Period from June 1, 2021 to November 30, 2021 and the 21st Fiscal Period from December 1, 2021 to May 31, 2022” on pages 12 through 13, the outlook of investment performance for the fiscal period ending May 31, 2022 (21st fiscal period: December 1, 2021 to May 31, 2022) is estimated as follows.

Operating revenue	¥14,660 million
Operating profit	¥8,023 million
Ordinary profit	¥7,019 million
Profit	¥7,018 million
Cash distributions per unit	¥9,100
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 20th Fiscal Period from June 1, 2021 to November 30, 2021 and the 21st Fiscal Period from December 1, 2021 to May 31, 2022

Item	Assumptions
Period	<ul style="list-style-type: none"> 20th fiscal period (June 1, 2021 to November 30, 2021) (183 days) 21st fiscal period (December 1, 2021 to May 31, 2022) (182 days)
Investment portfolio	<ul style="list-style-type: none"> Our forecasts of investment performance take into account the following property acquisitions and dispositions associated with the 44 properties that the Investment Corporation holds as of today (the “Assets Currently Held”). 20th fiscal period (June 1, 2021 to November 30, 2021) We plan to acquire Tamachi East Building and transfer Tokyu Plaza Akasaka on October 29, 2021, and, accordingly, we assume the total number of properties will be 44 subsequent to the aforementioned scheduled date of acquisition and transfer. Our forecasts, however, may change due to any changes to the composition of our investment portfolio.
Operating revenue	<ul style="list-style-type: none"> We have calculated our real estate leasing business revenues from the Assets Currently Held taking into account the relevant lease agreements effective as of today, market trends, etc. Operating revenue is based on our assumption that there will be no delinquencies or non-payment of rents by tenants. We expect to record gains on sales amounting to ¥260 million in the 20th fiscal period (June 1, 2021 to November 30, 2021), in association with the transfer of Tokyu Plaza Akasaka. This may change, however, depending on outcomes of the sales, transfer prices, transfer dates and other conditions. 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.
Operating expenses	<ul style="list-style-type: none"> Expenses related to leasing business (other than depreciation), which are our principal operating expenses, were calculated based on the historical information and upon considering variable factors. Expenses for Tamachi East Building, which is scheduled to be acquired on October 29, 2021, are calculated based on the information provided by the former owner (seller) and upon considering variable factors and others. In general, property tax and city planning tax of properties acquired are settled at the time of acquisition between the former owner (seller) and the purchaser based on their respective periods of ownership in relation to the relevant tax year. However, any of these taxes allocated to the purchaser are not expensed at the time of acquisition because they are treated as a part of the acquisition cost for accounting purposes. The total amount of property tax and city planning tax on assets planned for acquisition that are treated as a part of the acquisition cost is assumed to be ¥5 million. For property tax and city planning tax, ¥1,383 million and ¥1,270 million for the Assets Currently Held will be expensed in the fiscal period ending November 30, 2021 (20th fiscal period) and in the fiscal period ending May 31, 2022 (21st fiscal period), respectively. Repair and maintenance expenses of buildings are estimated at the amount required for each of the fiscal periods based on the medium- and long-term repair and maintenance plans formed by the Asset Manager. However, the actual repair and maintenance expenses for the fiscal periods may significantly differ from the estimates since (i) an unforeseeable event may cause serious damage to a building requiring emergent repair expenditure, (ii) in general, amounts vary according to the fiscal period, and (iii) certain types of repair and maintenance expenses are not required in every fiscal period. We calculate depreciation expenses (including incidental expenses) by the straight-line method, assuming ¥1,364 million and ¥1,354 million for the 20th fiscal period ending November 30, 2021 and the 21st fiscal period ending May 31, 2022, respectively.

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> We expect interest expense and other borrowing-related expenses of ¥978 million in the fiscal period ending November 30, 2021 (20th fiscal period) and ¥1,003 million for the fiscal period ending May 31, 2022 (21st fiscal period).
Interest-bearing debt	<ul style="list-style-type: none"> As of today, the Investment Corporation has a balance of interest-bearing debt of ¥244,150 million (borrowings of ¥221,350 million and investment corporation bonds of ¥22,800 million). We assume that there will be refinancing of all interest-bearing debt due by the end of the fiscal period ending November 30, 2021 (20th fiscal period) and the fiscal period ending May 31, 2022 (21st fiscal period) (20th fiscal period: long-term borrowings of ¥13,750 million; 21st fiscal period: long-term borrowings of ¥14,100 million). We assume the LTV ratios as of November 30, 2021 and May 31, 2022 are both to be approximately mid-46%. The LTV ratio is obtained by the following formula: $\text{LTV} = \text{Balance of interest-bearing debt} / \text{Total assets} \times 100$
Units	<ul style="list-style-type: none"> The number is based on our assumption of total of 771,224 units issued as of today. We assume that there will be no additional issuance of new investment units before the end of the 21st fiscal period (May 31, 2022). The cash distributions per unit for the 20th fiscal period ending November 30, 2021 and the 21st fiscal period ending May 31, 2022 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.
Cash distributions per unit	<ul style="list-style-type: none"> Cash distributions (cash distributions per unit) are calculated based on the cash distribution policy stipulated in our Articles of Incorporation. The cash distributions per unit may change due to various factors, including changes to the composition of our investment portfolio, changes in rental revenues accompanying changes in tenants, and unexpected maintenance and repairs. Deferred losses on hedges, which arise from interest rate swaps and are counted as a deduction in net assets, are calculated assuming no fluctuation.
Cash distributions in excess of earnings per unit	<ul style="list-style-type: none"> As stated above, deferred losses on hedges, which are counted as a deduction in net assets, are calculated assuming no fluctuation. Accordingly, we do not anticipate distributions in excess of earnings (allowance for temporary difference adjustments) for the 20th fiscal period ending November 30, 2021 or the 21st fiscal period ending May 31, 2022. Among cash distributions in excess of earnings, we currently do not anticipate distributions deemed as distributions on reduction of unitholders' capital for tax purposes.
Other	<ul style="list-style-type: none"> We assume that there will be no amendments in legislation, taxation, accounting standards, listing regulations or regulations of the Investment Trusts Association of Japan that affect the above forecasts. We assume that there will be no material changes in general economic conditions or real estate markets.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of November 30, 2020	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	14,125,013	14,227,970
Cash and deposits in trust	3,426,066	3,653,881
Operating accounts receivable	645,887	601,413
Prepaid expenses	349,034	569,141
Other	5,694	6,566
Total current assets	18,551,695	19,058,973
Non-current assets		
Property, plant and equipment		
Buildings in trust	85,235,526	85,760,008
Accumulated depreciation	(15,209,363)	(16,450,302)
Buildings in trust, net	70,026,162	69,309,705
Structures in trust	741,007	805,357
Accumulated depreciation	(233,660)	(252,555)
Structures in trust, net	507,346	552,802
Machinery and equipment in trust	1,397,285	1,422,969
Accumulated depreciation	(425,855)	(462,948)
Machinery and equipment in trust, net	971,430	960,021
Tools, furniture and fixtures in trust	282,268	302,469
Accumulated depreciation	(161,686)	(181,133)
Tools, furniture and fixtures in trust, net	120,582	121,335
Land in trust	424,862,322	424,862,322
Construction in progress in trust	34,458	163,000
Total property, plant and equipment	496,522,302	495,969,188
Intangible assets		
Land leasehold interests in trust	9,055,086	9,055,086
Other	932	678
Total intangible assets	9,056,018	9,055,764
Investments and other assets		
Long-term prepaid expenses	1,102,057	1,144,625
Deferred tax assets	16	2
Other	38,322	38,322
Total investments and other assets	1,140,397	1,182,950
Total non-current assets	506,718,718	506,207,903
Deferred assets		
Investment corporation bond issuance costs	108,108	112,210
Total deferred assets	108,108	112,210
Total assets	525,378,522	525,379,087

(Unit: Thousands of yen)

	As of November 30, 2020	As of May 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	1,033,314	1,078,246
Short-term borrowings	6,518,000	—
Current portion of long-term borrowings	26,250,000	27,850,000
Accounts payable - other	86,271	13,719
Accrued expenses	945,284	918,728
Income taxes payable	941	637
Accrued consumption taxes	318,300	263,790
Advances received	538,488	695,615
Deposits received	575	753
Total current liabilities	35,691,175	30,821,491
Non-current liabilities		
Investment corporation bonds	21,500,000	22,800,000
Long-term borrowings	190,100,000	193,500,000
Leasehold and guarantee deposits received in trust	22,353,035	22,636,356
Derivatives liabilities	28,584	39,646
Total non-current liabilities	233,981,620	238,976,003
Total liabilities	269,672,796	269,797,494
Net assets		
Unitholders' equity		
Unitholders' capital	248,370,846	248,370,846
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (3,084)	*3 (28,535)
Total deduction from unitholders' capital	(3,084)	(28,535)
Unitholders' capital, net	248,367,761	248,342,311
Surplus		
Unappropriated retained earnings (undisposed loss)	7,366,549	7,278,928
Total surplus	7,366,549	7,278,928
Total unitholders' equity	255,734,310	255,621,239
Valuation and translation adjustments		
Deferred gains or losses on hedges	(28,584)	(39,646)
Total valuation and translation adjustments	(28,584)	(39,646)
Total net assets	*2 255,705,726	*2 255,581,592
Total liabilities and net assets	525,378,522	525,379,087

(2) Statement of Income

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Operating revenue		
Leasing business revenue	*1, *3 14,009,287	*1, *3 13,765,352
Other leasing business revenue	*1, *3 1,037,494	*1, *3 950,325
Gain on sale of real estate properties	*2 26,732	–
Total operating revenue	15,073,515	14,715,678
Operating expenses		
Expenses related to leasing business	*1 5,588,521	*1 5,369,825
Asset management fees	1,120,034	1,104,682
Asset custody fees	14,905	14,884
Administrative service fees	37,280	37,015
Remuneration for directors (and other officers)	3,300	3,300
Other operating expenses	81,227	84,835
Total operating expenses	6,845,268	6,614,543
Operating profit	8,228,246	8,101,135
Non-operating income		
Interest income	78	85
Reversal of distributions payable	1,158	1,188
Insurance claim income	7,334	–
Total non-operating income	8,570	1,273
Non-operating expenses		
Interest expenses	634,346	598,377
Interest expenses on investment corporation bonds	46,159	57,807
Amortization of investment corporation bond issuance costs	7,684	8,841
Financing fees	184,162	186,412
Other	500	500
Total non-operating expenses	872,851	851,939
Ordinary profit	7,363,965	7,250,469
Profit before income taxes	7,363,965	7,250,469
Income taxes - current	953	650
Income taxes - deferred	(5)	14
Total income taxes	947	665
Profit	7,363,018	7,249,804
Retained earnings brought forward	3,530	29,124
Unappropriated retained earnings (undisposed loss)	7,366,549	7,278,928

(3) Statement of Unitholders' Equity

Previous fiscal period (From June 1, 2020 to November 30, 2020)

(Unit: Thousands of yen)

(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	7,333,243	7,333,243	255,704,090
Changes during period							
Dividends of surplus					(7,329,712)	(7,329,712)	(7,329,712)
Distributions in excess of earnings from allowance for temporary difference adjustments		(3,084)	(3,084)	(3,084)			(3,084)
Profit					7,363,018	7,363,018	7,363,018
Net changes in items other than unitholders' equity							
Total changes during period	—	(3,084)	(3,084)	(3,084)	33,305	33,305	30,220
Balance at end of period	248,370,846	(3,084)	(3,084)	248,367,761	7,366,549	7,366,549	255,734,310

(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	(3,443)	(3,443)	255,700,646
Changes during period			
Dividends of surplus			(7,329,712)
Distributions in excess of earnings from allowance for temporary difference adjustments			(3,084)
Profit			7,363,018
Net changes in items other than unitholders' equity	(25,141)	(25,141)	(25,141)
Total changes during period	(25,141)	(25,141)	5,079
Balance at end of period	(28,584)	(28,584)	255,705,726

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

(Unit: Thousands of yen)

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

(Unit: Thousands of yen)

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

(4) Statement of Cash Distributions

	Previous fiscal period (From June 1, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
	Amount	Amount
I Unappropriated retained earnings	¥7,366,549,137	¥7,278,928,158
II Additional amount of cash distributions in excess of earnings	¥25,450,392	¥11,568,360
Of which, allowance for temporary difference adjustments	¥25,450,392	¥11,568,360
III Distributions	¥7,362,875,528	¥7,250,276,824
[Cash distributions per unit]	[¥9,547]	[¥9,401]
Of which, distributions of profits	¥7,337,425,136	¥7,238,708,464
[Of which, distributions of profits per unit]	[¥9,514]	[¥9,386]
Of which, allowance for temporary difference adjustments	¥25,450,392	¥11,568,360
[Of which, cash distributions in excess of earnings per unit (Related to allowance for temporary difference adjustments)]	[¥33]	[¥15]
IV Earnings carried forward	¥29,124,001	¥40,219,694

<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 ¥7,337,425,136, 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 ¥25,450,392 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 from the amount equivalent to ¥25,499,775, which is calculated by deducting ¥3,084,896 of temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations) from deferred losses on hedges of ¥28,584,671. As a result, distributions are to amount to ¥7,362,875,528 for the fiscal period under review.</p>	<p>Based on the distribution policy set forth in Article 35, Paragraph 1 of the Articles of Incorporation of the Investment Corporation, distributions shall be limited to the amount of net profit in excess of an amount equivalent to ninety hundredths (90/100) of distributable profits, as stipulated in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In consideration of this policy, we will pay distributions of profits of ¥7,238,708,464, which is the amount of the net profit defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations, except a fraction of less than ¥1 of distributions per investment unit. Based on the policy on distribution of cash exceeding net profit set forth in Article 35, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, distributions in excess of earnings shall be made in an amount decided by the Investment Corporation and equivalent to a deduction in net assets (refers to stipulations of Article 2, Paragraph 2, Item 30 (b) of the Regulations on Accountings of Investment Corporations), taking into account effects of the deduction in net assets on distribution amounts. During the fiscal period under review, the Investment Corporation has accordingly decided to distribute ¥11,568,360 as distributions related to allowance for temporary difference adjustments, calculated as the amount equivalent to ¥11,111,618, which is calculated by deducting ¥28,535,288 of temporary difference adjustments (refers to stipulations of Article 2, Paragraph 2, Item 30 of the Regulations on Accountings of Investment Corporations) from deferred losses on hedges of ¥39,646,906. As a result, distributions are to amount to ¥7,250,276,824 for the fiscal period under review.</p>
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(5) Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Cash flows from operating activities		
Profit before income taxes	7,363,965	7,250,469
Depreciation	1,335,856	1,352,409
Loss on retirement of non-current assets	9,230	7,860
Amortization of investment corporation bond issuance costs	7,684	8,841
Interest income and interest on securities	(78)	(85)
Interest expenses	680,505	656,185
Financing fees	184,162	186,412
Decrease (increase) in operating accounts receivable	33,319	44,474
Increase (decrease) in accrued consumption taxes	(11,743)	(54,509)
Decrease (increase) in prepaid expenses	206,899	(205,702)
Increase (decrease) in operating accounts payable	68,498	18,685
Increase (decrease) in accrued expenses	(852)	(19,264)
Increase (decrease) in advances received	(311,338)	157,127
Decrease (increase) in long-term prepaid expenses	16,948	15,412
Other, net	(27,019)	(1,979)
Subtotal	9,556,036	9,416,336
Interest received	78	85
Interest paid	(680,318)	(670,357)
Income taxes paid	(829)	(954)
Net cash provided by (used in) operating activities	8,874,966	8,745,109
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(757,118)	(850,086)
Refund of leasehold and guarantee deposits received in trust	(640,820)	(1,191,268)
Proceeds from leasehold and guarantee deposits received in trust	684,397	1,474,589
Net cash provided by (used in) investing activities	(713,542)	(566,765)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,517,316	—
Repayments of short-term borrowings	(5,998,000)	(6,518,000)
Proceeds from long-term borrowings	—	17,268,352
Repayments of long-term borrowings	—	(12,500,000)
Proceeds from issuance of investment corporation bonds	4,474,498	1,286,500
Distributions paid	(7,328,580)	(7,364,538)
Other, net	(32,130)	(19,887)
Net cash provided by (used in) financing activities	(7,366,894)	(7,847,572)
Net increase (decrease) in cash and cash equivalents	794,529	330,772
Cash and cash equivalents at beginning of period	16,756,549	17,551,079
Cash and cash equivalents at end of period	*1 17,551,079	*1 17,881,851

(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)</p> <p>The straight-line method is used.</p> <p>The useful lives of major property, plant and equipment are listed below.</p> <table><tr><td>Buildings</td><td>2 to 70 years</td></tr><tr><td>Structures</td><td>2 to 66 years</td></tr><tr><td>Machinery and equipment</td><td>2 to 33 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets</p> <p>Internal use software is amortized by the straight-line method over the expected useful life (5 years).</p> <p>(3) Long-term prepaid expenses</p> <p>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</p> <p>The full amount is recorded as expenses when incurred.</p> <p>(2) Investment corporation bond issuance costs</p> <p>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. There is no amount equivalent to property tax included in acquisition cost for properties for the current fiscal period.</p>								
4. Method of hedge accounting	<p>(1) Method of hedge accounting</p> <p>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</p> <p>Hedging instruments: Interest rate swaps transactions</p> <p>Hedged items: Long-term borrowings</p> <p>(3) Hedging policy</p> <p>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</p> <p>The Investment Corporation assesses hedge effectiveness by comparing the cumulative total changes in the cash flows of the hedged items with those of the hedging instruments, and then verifying the ratio of the changes in both amounts. However, hedge effectiveness is deemed to have been ensured with respect to interest rate swaps that satisfy the requirements for special treatment.</p>								

5. Scope of cash (cash and cash equivalents) in the statement of cash flows	Cash and cash equivalents include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.
6. Other matters related to the preparation of financial statements	<p>(1) Accounting method for beneficial interests in trust with real estate, etc. as trust asset</p> <p>With regard to beneficial interests in trust with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the balance sheet and statement of income.</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, 2020 to November 30, 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	25,450

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, 2020 to May 31, 2021)

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

(Unit: Thousands of yen)

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

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

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

(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, 2020	As of May 31, 2021
Total amount specified in the commitment line contracts	¥21,000,000 thousand	¥21,000,000 thousand
Loan balance	—	—
Net balance	¥21,000,000 thousand	¥21,000,000 thousand

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

	As of November 30, 2020	As of May 31, 2021
	¥50,000 thousand	¥50,000 thousand

*3. Allowance for Temporary Difference Adjustments

Previous fiscal period (From June 1, 2020 to November 30, 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	Recognition of loss on valuation of interest rate swaps	3,084	—	3,084	—	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.

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

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

(Unit: Thousands of yen)

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

2. Specific Method of Reversal

Deferred gains or losses on hedges

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

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, 2020 to November 30, 2020)		Current fiscal period (From December 1, 2020 to May 31, 2021)	
A. Real estate leasing business revenues				
Leasing business revenue				
Rent	12,889,168		12,674,111	
Common service fees	739,267		712,876	
Parking lot fees	285,349		281,003	
Other rent revenue	95,500	14,009,287	97,361	13,765,352
Other leasing business revenue		1,037,494		950,325
Total real estate leasing business revenues		15,046,782		14,715,678
B. Real estate leasing business expenses				
Expenses related to leasing business				
Management operation expenses	1,278,062		1,325,956	
Utilities expenses	892,089		722,712	
Tax and public dues	1,268,968		1,281,248	
Insurance	12,985		13,031	
Repair and maintenance expenses	441,806		384,062	
Depreciation	1,335,601		1,352,155	
Loss on retirement of non-current assets	9,230		7,860	
Other expenses related to leasing business	349,775	5,588,521	282,797	5,369,825
Total real estate leasing business expenses		5,588,521		5,369,825
C. Profit (loss) from real estate leasing business (A – B)		9,458,260		9,345,853

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

Previous fiscal period (From June 1, 2020 to November 30, 2020)

(Unit: Thousands of yen)

EDGE Shinsaibashi (structures)

Income from sale of real estate properties	29,000	
Costs of sale of real estate properties	—	
Other costs of sale	2,267	
Gain on sale of real estate properties		26,732

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

Not applicable.

*3. Transactions with Major Unitholders

(Unit: Thousands of yen)

	Previous fiscal period (From June 1, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Operating transactions		
Operating revenue	2,124,905	1,863,166

Notes to Statement of Unitholders' Equity

	Previous fiscal period (From June 1, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
*1. Total number of authorized investment units and total number of investment units issued		
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued	771,224 units	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, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Cash and deposits	¥14,125,013 thousand	¥14,227,970 thousand
Cash and deposits in trust	¥3,426,066 thousand	¥3,653,881 thousand
Cash and cash equivalents	¥17,551,079 thousand	¥17,881,851 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, 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	14,125,013	14,125,013	—
(2) Cash and deposits in trust	3,426,066	3,426,066	—
Total assets	17,551,079	17,551,079	—
(1) Short-term borrowings	6,518,000	6,518,000	—
(2) Current portion of long-term borrowings	26,250,000	26,309,036	59,036
(3) Investment corporation bonds	21,500,000	21,661,272	161,272
(4) Long-term borrowings	190,100,000	192,679,568	2,579,568
Total liabilities	244,368,000	247,167,878	2,799,878
Derivative transactions	(28,584)	(28,584)	—

Carrying amounts, fair values, and the differences between the two values as of May 31, 2021, 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	14,227,970	14,227,970	—
(2) Cash and deposits in trust	3,653,881	3,653,881	—
Total assets	17,881,851	17,881,851	—
(1) Short-term borrowings	—	—	—
(2) Current portion of long-term borrowings	27,850,000	27,891,765	41,765
(3) Investment corporation bonds	22,800,000	22,975,707	175,707
(4) Long-term borrowings	193,500,000	195,464,522	1,964,522
Total liabilities	244,150,000	246,331,994	2,181,994
Derivative transactions	(39,646)	(39,646)	—

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

Assets

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

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

Liabilities

(1) Short-term borrowings

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

(2) Current portion of 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).

(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.

Derivative transactions

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

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

(Unit: Thousands of yen)

Category	As of November 30, 2020	As of May 31, 2021
Leasehold and guarantee deposits received in trust *	22,353,035	22,636,356

* 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, 2020)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Deposits	14,125,013	–	–	–	–	–
Deposits in trust	3,426,066	–	–	–	–	–
Total	17,551,079	–	–	–	–	–

Expected Amounts of Redemption of Monetary Claims after the Account Closing Date (May 31, 2021)

(Unit: Thousands of yen)

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years
Deposits	14,227,970	–	–	–	–	–
Deposits in trust	3,653,881	–	–	–	–	–
Total	17,881,851	–	–	–	–	–

(Note 4) Expected Amounts of Repayment of Borrowings and Investment Corporation Bonds after the Account Closing Date (November 30, 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	6,518,000	–	–	–	–	–
Investment corporation bonds	–	1,000,000	–	5,000,000	2,000,000	13,500,000
Long-term borrowings	26,250,000	26,100,000	29,750,000	29,500,000	26,000,000	78,750,000
Total	32,768,000	27,100,000	29,750,000	34,500,000	28,000,000	92,250,000

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

(Unit: Thousands of yen)

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

Notes on Derivative Transactions

1. Derivative Transaction to Which Hedge Accounting Is Not Applied

(As of November 30, 2020)

Not applicable.

(As of May 31, 2021)

Not applicable.

2. Derivative Transaction to Which Hedge Accounting Is Applied

(As of November 30, 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	(28,584)	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, 2021)

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

(Unit: Thousands of yen)

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

* 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 29.)

Notes on Tax Effect Accounting

1. Components of Deferred Tax Assets and Deferred Tax Liabilities

	As of November 30, 2020	As of May 31, 2021
Deferred tax assets		
Non-deductible amount for tax purposes of enterprise tax payable	¥16 thousand	¥2 thousand
Deferred gains or losses on hedges	¥8,992 thousand	¥12,472 thousand
Subtotal of deferred tax assets	¥9,009 thousand	¥12,475 thousand
Valuation allowance	¥(8,992) thousand	¥(12,472) thousand
Total deferred tax assets	¥16 thousand	¥2 thousand
Net deferred tax assets	¥16 thousand	¥2 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, 2020	As of May 31, 2021
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Distributions paid included in deductibles	(31.46)%	(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

1. Parent Company and Major Corporate Unitholders

Previous fiscal period (From June 1, 2020 to November 30, 2020)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Major unit holder	Tokyu Land Corporation	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo	57,551	Real estate business	10.52%	None	Major unitholder, and rent and management of properties	Receipt of leasehold and guarantee deposits	9,635	Leasehold and guarantee deposits received in trust	2,384,566
								Refund of leasehold and guarantee deposits received	67,322		
								Rental revenues, etc.	2,124,905	Operating accounts receivable	103,980
										Advances received	61,221

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

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

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

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

2. Associates, etc.

Previous fiscal period (From June 1, 2020 to November 30, 2020)

Not applicable.

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

Not applicable.

3. Sister companies, etc.

Previous fiscal period (From June 1, 2020 to November 30, 2020)

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	18,195	Leasehold and guarantee deposits received in trust	6,239,918
								Refund of leasehold and guarantee deposits received	62,410		
								Rental revenues, etc.	3,939,335	Operating accounts receivable	261,364
										Advances received	45,557
Subsidiary of major unitholder	Tokyu Community Corp.	10-1, Yoga 4-chome, Setagaya-ku, Tokyo	1,653	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	358,920	Leasehold and guarantee deposits received in trust	9,224,589
								Refund of leasehold and guarantee deposits received	437,397		
								Rental revenues, etc.	6,064,036	Operating accounts receivable	209,203
										Advances received	42,623
								Real estate management fee	866,295	Operating accounts payable	183,422
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Payment of asset management fee	1,120,034	Other accrued expenses	507,238

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

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

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

Attribute	Name	Address	Share capital or investment in capital (Millions of yen)	Business or occupation	Percentage of voting rights owning (owned)	Relationship		Transaction	Transaction amount (Thousands of yen)	Account title	Balance at end of period (Thousands of yen)
						Interlocking officers, etc.	Business relationship				
Subsidiary of major unitholder	Tokyu Land SC Management Corporation	16-3, Dogenzaka 1-chome, Shibuya-ku, Tokyo	100	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	16,924	Leasehold and guarantee deposits received in trust	6,195,007
								Refund of leasehold and guarantee deposits received	61,835		
								Rental revenues, etc.	3,968,534	Operating accounts receivable	186,630
										Advances received	42,441
Subsidiary of major unitholder	Tokyu Community Corp.	10-1, Yoga 4-chome, Setagaya-ku, Tokyo	1,653	Real estate management business	—	None	Rent and management of properties	Receipt of leasehold and guarantee deposits	1,066,671	Leasehold and guarantee deposits received in trust	9,445,453
								Refund of leasehold and guarantee deposits received	845,808		
								Rental revenues, etc.	5,914,339	Operating accounts receivable	204,877
										Advances received	38,366
Subsidiary of major unitholder	TLC REIT Management Inc.	21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo	200	Investment management business	—	None	Asset Manager	Real estate management fee	905,983	Operating accounts payable	194,553
								Payment of asset management fee	1,104,682	Other accrued expenses	494,734

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

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

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, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Urban Retail Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	198,791,882	198,465,968
	Changes during period	(325,913)	(270,294)
	Balance at end of period	198,465,968	198,195,674
	Fair value at end of period	238,636,000	232,977,000
Tokyo Office Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	204,916,612	204,673,488
	Changes during period	(243,123)	(41,185)
	Balance at end of period	204,673,488	204,632,303
	Fair value at end of period	245,780,000	246,570,000
Activia Account Properties	Carrying amount on the balance sheet		
	Balance at beginning of period	102,563,571	102,437,930
	Changes during period	(125,640)	(241,903)
	Balance at end of period	102,437,930	102,196,027
	Fair value at end of period	122,490,000	122,380,000
Total	Carrying amount on the balance sheet		
	Balance at beginning of period	506,272,066	505,577,388
	Changes during period	(694,677)	(553,383)
	Balance at end of period	505,577,388	505,024,005
	Fair value at end of period	606,906,000	601,927,000

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

(Note 2) The main reason for the decrease in the current fiscal period is the provision of depreciation worth ¥1,352,155 thousand.

(Note 3) The fair value at end of period is the appraisal value provided by an outside real estate appraiser. As for Tokyu Plaza Akasaka, the value is based on the transfer price (¥11,800,000 thousand) in the sales contract concluded on May 21, 2021.

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, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Net assets per unit	¥331,558	¥331,397
Basic earnings per unit	¥9,547	¥9,400

(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, 2020 to November 30, 2020)	Current fiscal period (From December 1, 2020 to May 31, 2021)
Profit (Thousands of yen)	7,363,018	7,249,804
Amount not attributable to common unitholders (Thousands of yen)	—	—
Profit attributable to common investment units (Thousands of yen)	7,363,018	7,249,804
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, 2020)		Current fiscal period (As of May 31, 2021)	
		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	198,465	37.8	198,195,674	37.7
	Tokyo Office Properties	204,673	39.0	204,632,303	38.9
	Activia Account Properties	102,437	19.5	102,196,027	19.5
	By location				
	The five central wards of Tokyo (Note 3)	323,908	61.7	323,822,226	61.6
	Wards of Tokyo other than the five central wards	32,858	6.3	32,821,188	6.2
	Three major metropolitan areas (Note 4)	137,677	26.2	137,310,234	26.1
	Other locations	11,132	2.1	11,070,355	2.1
	Subtotal	505,577	96.2	505,024	96.1
Total real estate assets		505,577	96.2	505,024	96.1
Deposits and other assets		19,801	3.8	20,354	3.9
Total assets (Note 5)		525,378	100.0	525,379	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)	269,672	51.3	269,797	51.4
Total net assets (Note 5)	255,705	48.7	255,581	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 beneficial interests in real estate trust

The following table shows property name, acquisition price, book value at the end of the fiscal period, assessed value at the end of the fiscal period, return price and investment ratio related to the assets held by the Investment Corporation as of the end of the 19th fiscal period. Figures shown in the table are as of May 31, 2021 unless otherwise provided.

a. Overview of assets held (1)

(As of May 31, 2021)

(As of May 31, 2021)

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	44,573	61,275	62,025	2.7	60,450	2.4	2.8	8.8	
	UR-2	Tokyu Plaza Akasaka (Note 6)	11,450	11,570	10,800	11,000	4.3	10,700	4.2	4.3	2.2	
	UR-3	Q plaza EBISU (Note 7)	8,430	8,160	11,700	11,900	3.2	11,600	3.4/3.3	3.4	1.7	
	UR-5	Kyoto Karasuma Parking Building	8,860	8,660	10,400	10,400	4.7	10,400	4.7	4.9	1.7	
	UR-7	Kobe Kyu Kyoryuchi 25Bankan	21,330	20,209	26,800	27,300	3.8	26,200	3.6	4.0	4.2	
	UR-8	A-FLAG SAPPORO	4,410	4,780	7,670	7,690	5.4	7,660	5.2	5.6	0.9	
	UR-9	A-FLAG SHIBUYA	6,370	6,358	7,910	7,970	3.9	7,890	3.7	4.1	1.3	
	UR-10	Q plaza SHINSAIBASHI	13,350	13,380	14,300	14,200	3.6	14,400	3.4	3.8	2.6	
	UR-11	A-FLAG KOTTO DORI	4,370	4,388	4,850	4,860	3.4	4,850	3.1	3.5	0.9	
	UR-12	A-FLAG BIJUTSUKAN DORI	4,700	4,708	4,860	4,950	3.5	4,770	3.3	3.7	0.9	
	UR-13	A-FLAG DAIKANYAMA WEST	2,280	2,433	2,300	2,320	3.9	2,270	3.7	4.1	0.4	
	UR-14	A-FLAG KITA SHINSAIBASHI	4,725	4,830	4,670	4,750	3.9	4,580	3.6	4.0	0.9	
	UR-15	DECKS Tokyo Beach (Note 6)	12,740	12,932	12,642	12,887	4.0	12,348	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	13,313	12,800	13,020	3.0	12,660	2.7	3.1	2.6	
	Subtotal			198,715	198,195	231,977	233,972	—	229,778	—	—	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	7,160	11,900	12,200	3.6	11,700	3.7	3.8	1.5
	TO-2	A-PLACE Ebisu Minami	9,640	9,449	15,900	15,300	3.5	16,100	3.6	3.7	1.9
	TO-3	A-PLACE Yoyogi	4,070	3,832	4,880	4,950	3.9	4,800	3.7	4.1	0.8
	TO-4	A-PLACE Aoyama	8,790	8,535	10,700	10,800	3.9	10,700	3.7	4.1	1.7
	TO-5	Luogo Shiodome	4,540	4,349	6,390	6,480	3.5	6,350	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	3,654	5,470	5,560	3.9	5,380	3.7	4.1	0.8
	TO-8	A-PLACE Shinbashi	5,650	5,751	7,330	7,390	3.7	7,270	3.4	3.8	1.1
	TO-9	A-PLACE Gotanda	5,730	5,401	8,180	8,250	3.5	8,100	3.3	3.7	1.1
	TO-10	A-PLACE Shinagawa	3,800	3,773	6,250	6,380	3.4	6,110	3.2	3.6	0.7
	TO-11	OSAKI WIZTOWER	10,690	10,471	14,600	14,800	3.3	14,500	3.0	3.4	2.1
	TO-12	Shiodome Building (Note 6)	71,600	70,502	78,050	81,550	3.3	76,300	3.1	3.5	14.1
	TO-13	A-PLACE Ebisu Higashi	7,072	7,013	7,670	7,780	3.7	7,550	3.5	3.9	1.4
	TO-14	A-PLACE Shibuya Konnoh	4,810	4,921	5,700	5,660	3.6	5,730	3.3	3.7	0.9
	TO-15	A-PLACE Gotanda Ekimae	7,280	7,617	7,810	7,810	3.8	7,800	3.5	3.9	1.4
	TO-16	A-PLACE Shinagawa Higashi	18,800	18,790	21,600	21,900	3.8	21,300	3.6	4.0	3.7
	TO-18	Ebisu Prime Square (Note 6)	30,700	31,044	31,300	31,824	3.4	30,651	3.2	3.6	6.0
	Subtotal			206,900	204,632	246,570	251,604	—	243,131	—	—
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	7,977	10,600	10,900	4.8	10,500	4.7 /4.8 /4.9	5.0	1.7
	AA-4	icot Mizonokuchi	2,710	2,587	3,240	3,310	5.4	3,160	5.2	5.8	0.5
	AA-5	icot Tama Center	2,840	2,558	3,950	3,960	5.0	3,940	4.6	5.2	0.6
	AA-6	A-PLACE Kanayama	6,980	6,132	8,600	8,710	5.1	8,480	4.9	5.3	1.4
	AA-7	Osaka Nakanoshima Building	11,100	11,133	16,700	17,000	3.8	16,400	3.6	4.0	2.2
	AA-8	icot Omori	5,790	5,676	6,860	6,940	4.3	6,780	4.1	4.5	1.1
	AA-9	Market Square Sagamihara	4,820	4,591	5,010	5,030	5.3	4,990	5.1	5.5	0.9
	AA-10	Umeda Gate Tower	19,000	19,107	21,400	21,500	3.7	21,400	3.4	3.8	3.7
	AA-11	A-PLACE Bashamichi	3,930	4,036	4,760	4,850	4.8	4,670	4.5	5.0	0.8
	AA-12	Commercial Mall Hakata	6,100	6,289	5,960	5,980	4.8	5,940	4.5	4.9	1.2
	AA-13	EDGE Shinsaibashi	19,800	19,991	21,100	21,400	3.8	20,700	3.6	4.0	3.9
	Subtotal			103,570	102,196	122,380	123,980	—	120,960	—	—
Total			509,185	505,024	600,927	609,556	—	593,869	—	—	100.0

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

(Note 2) Acquisition price represents trading value of beneficial interests in trust stipulated in each beneficiary interest 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, 2021, 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, 2021.

- (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 second year and 3.3% in and after the third 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% in the first year, 4.8% from the second year to the sixth year and 4.9% in and after the seventh year.

b. Overview of assets held (2)

(As of May 31, 2021)

Category	Property number	Property name	Location	Date of construction (Note 1)	Number of tenants (Note 2)	Contracted rent (Annual) (Millions of yen) (Note 3)	Leasehold and guarantee deposit (Millions of yen) (Note 4)	Total leasable area (m ²) (Note 5)	Total leased area (m ²) (Note 6)	Occupancy rate (%) (Note 7)
Urban Retail Properties	UR-1	Tokyu Plaza Omotesando Harajuku (Note 8)	Shibuya, Tokyo	March 14, 2012	32	1,954	1,636	4,918.43	4,891.23	99.4
	UR-2	Tokyu Plaza Akasaka (Note 8)	Chiyoda, Tokyo	September 10, 1969	90	898	347	16,609.75	16,077.98	96.8
	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	1,206	1,431	19,653.90	19,653.90	100.0
	UR-8	A-FLAG SAPPORO	Sapporo, Hokkaido	May 23, 1980	12	588	98	21,229.16	20,374.55	96.0
	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	7	195	157	2,656.53	2,362.46	88.9
	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	77	595	453	16,119.47	15,296.74	94.9
	UR-16	Tokyu Plaza Ginza (Land) (Note 8)	Chuo, Tokyo	—	1	1,162	572	1,130.04	1,130.04	100.0
	UR-17	Q plaza HARAJUKU (Note 8)	Shibuya, Tokyo	March 5, 2015	14	430	323	3,378.49	3,216.91	95.2
	Subtotal			—	264	—	—	124,671.85	121,979.89	97.8

Category	Property number	Property name	Location	Date of construction	Number of tenants	Contracted rent (Annual)	Leasehold and guarantee deposit	Total leasable area	Total leased area	Occupancy rate	
				(Note 1)	(Note 2)	(Millions of yen) (Note 3)	(Millions of yen) (Note 4)	(m ²) (Note 5)	(m ²) (Note 6)	(%) (Note 7)	
Tokyo Office Properties	TO-1	TLC Ebisu Building	Shibuya, Tokyo	March 5, 1993	11	575	496	7,342.60	6,513.11	88.7	
	TO-2	A-PLACE Ebisu Minami	Shibuya, Tokyo	January 31, 1995	10	833	784	7,950.49	7,950.49	100.0	
	TO-3	A-PLACE Yoyogi	Shibuya, Tokyo	February 22, 2007	4	258	238	3,106.17	3,106.17	100.0	
	TO-4	A-PLACE Aoyama	Minato, Tokyo	September 6, 1966	8	592	578	7,303.69	7,303.69	100.0	
	TO-5	Luogo Shiodome	Minato, Tokyo	July 30, 2004	6	310	279	4,476.35	3,908.74	87.3	
	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	377	314	5,054.19	5,054.19	100.0	
	TO-9	A-PLACE Gotanda	Shinagawa, Tokyo	February 27, 2012	11	385	354	4,028.69	4,028.69	100.0	
	TO-10	A-PLACE Shinagawa	Minato, Tokyo	September 20, 1991	8	271	256	2,986.36	2,986.36	100.0	
	TO-11	OSAKI WIZTOWER	Shinagawa, Tokyo	January 10, 2014	6	680	680	7,193.28	7,193.28	100.0	
	TO-12	Shiodome Building (Note 8)	Minato, Tokyo	December 14, 2007	36	3,225	2,663	28,136.05	27,993.23	99.5	
	TO-13	A-PLACE Ebisu Higashi	Shibuya, Tokyo	January 10, 1992	7	354	266	4,010.69	4,010.69	100.0	
	TO-14	A-PLACE Shibuya Konnoh	Shibuya, Tokyo	March 18, 1992	4	285	225	3,010.53	3,010.53	100.0	
	TO-15	A-PLACE Gotanda Ekimae	Shinagawa, Tokyo	November 30, 1993	11	394	336	4,333.64	4,333.64	100.0	
	TO-16	A-PLACE Shinagawa Higashi	Minato, Tokyo	August 31, 1985 (main building) September 13, 1999 (annex)	7	1,033	937	14,658.98	13,956.02	95.2	
	TO-18	Ebisu Prime Square (Note 8)	Shibuya, Tokyo	January 31, 1997	103	1,370	1,058	18,063.03	16,176.70	89.6	
	Subtotal				—	244	—	—	126,352.43	122,223.22	96.7
	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	620	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	541	445	9,314.90	9,314.90	100.0	
AA-7		Osaka Nakanoshima Building	Osaka, Osaka	March 5, 1984	38	1,000	711	20,226.77	20,125.63	99.5	
AA-8		icot Omori	Ota, Tokyo	March 6, 2007	8	388	357	6,209.78 (Note 10)	6,209.78 (Note 10)	100.0	
AA-9		Market Square Sagamihara	Sagamihara, Kanagawa	June 13, 2014	3	(Note 9)	(Note 9)	15,152.42	15,152.42	100.0	
AA-10		Umeda Gate Tower	Osaka, Osaka	January 15, 2010	17	963	719	13,566.95	13,566.95	100.0	
AA-11		A-PLACE Bashamichi	Yokohama, Kanagawa	May 31, 1975	36	352	248	9,710.91	9,710.91	100.0	
AA-12		Commercial Mall Hakata	Fukuoka, Fukuoka	November 3, 2005	17	297	147	9,612.88	8,365.59	87.0	
AA-13		EDGE Shinsaibashi	Osaka, Osaka	April 22, 1986	21	1,048	853	15,897.10	15,897.10	100.0	
Subtotal				—	175	—	—	174,468.80	173,120.37	99.2	
Total				—	683	—	—	425,493.08	417,323.48	98.1	

- (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, 2021 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, 2021), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2021, as indicated in the lease agreements in relation to buildings as of May 31, 2021 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, 2021, rounding to the nearest million yen. For properties with master lease agreements, the annual contracted rent is calculated by multiplying the aggregate anticipated monthly rent (limited to rent for rooms; including common service fees and excluding usage fees for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2021), 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, 2021 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2021), 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, 2021 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, 2021 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, 2021. 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, 2021, 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 m²) and part of a common area on the second floor (approximately 28 m²).
- (Note 11) For lease agreements with end-tenants that have been asked to be terminated or cancelled, or for which the rent has not been paid, number of tenants, contracted rent (annual), leasehold and guarantee deposit, total leased area and occupancy rate are shown in the above table if these agreements continued as of May 31, 2021, 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 19th fiscal period as of May 31, 2021. The estimated construction cost below includes the portion expensed for accounting purposes.

Name of real property (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen)		
			Total amount	Payment for the period	Total amount paid
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (First period)	From March 2022 to November 2022	560	—	—
A-FLAG SAPPORO (Sapporo, Hokkaido)	Replacement of substation equipment (Second period)	From November 2022 to May 2023	470	—	—
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Large-scale repair work (First period and Second period)	From December 2020 to November 2021	281	112	112
icot Nakamozu (Sakai, Osaka)	Large-scale repair work (SC Building)	From May 2021 to October 2021	189	—	—
Luogo Shiodome (Minato, Tokyo)	Replacement of air conditioning units (Second period)	From December 2020 to November 2021	140	—	—
Osaka Nakanoshima Building (Osaka, Osaka)	Replacement of two emergency elevators	From July 2021 to November 2022	140	—	—
A-FLAG SHIBUYA (Shibuya, Tokyo)	Renewal of escalators	From January 2022 to March 2022	74	—	—
TLC Ebisu Building (Shibuya, Tokyo)	Renovation work for mechanical parking facility	From May 2022 to May 2022	59	—	—
EDGE Shinsaibashi (Osaka, Osaka)	Maintenance of mechanical parking equipment (vertical rotary equipment) Replacement of main chains	From February 2021 to November 2021	27	—	—
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (Second period)	From April 2021 to August 2021	26 (Note)	—	—
A-PLACE Ebisu Minami (Shibuya, Tokyo)	Replacement of horizontal drainage piping of air conditioning units (Second period)	From April 2021 to November 2021	24	—	—
A-PLACE Yoyogi (Shibuya, Tokyo)	Installation of LED lighting	From June 2021 to August 2021	20	—	—

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 Akasaka (Chiyoda, Tokyo)	Corrective actions based on matters pointed out during legally required inspections	From October 2021 to October 2021	17 (Note)	—	—
Kobe Kyu Kyoryuchi 25Bankan (Kobe, Hyogo)	Renovation of multilevel car park system (drive section)	From November 2021 to November 2021	11	—	—
A-FLAG KITA SHINSAIBASHI (Osaka, Osaka)	Replacement of substation equipment	From November 2021 to November 2021	10	—	—

(Note) The shown estimated construction cost with regard to Shiodome Building and Tokyu Plaza Akasaka is the amount equivalent to the ratio of the Investment Corporation's co-ownership beneficial interests in real estate trust (35% and 50%, respectively).

b. Capital expenditure during the fiscal period

For assets held by the Investment Corporation in the 19th fiscal period, construction work conducted by the Investment Corporation during the fiscal period ended May 31, 2021 that falls into capital expenditure is as follows. The capital expenditure for the fiscal period ended May 31, 2021 amounted to ¥678 million, and repair and maintenance expenses that were accounted for as expense in the fiscal period ended May 31, 2021 came to ¥384 million. On aggregate, construction work of ¥1,062 million was carried out during the fiscal period.

Name of real property (Location)	Purpose	Period	Construction cost (Millions of yen)
Luogo Shiodome (Minato, Tokyo)	Replacement of air conditioning units (First period)	From December 2020 to May 2021	124
A-PLACE Bashamichi (Yokohama, Kanagawa)	Large-scale repair work	From June 2020 to January 2021	103
A-PLACE Gotanda Ekimae (Shinagawa, Tokyo)	Large-scale repair work	From July 2020 to February 2021	82
DECKS Tokyo Beach (Minato, Tokyo)	Renovation of 3rd floor Seaside Deck	From January 2021 to May 2021	49 (Note)
Shiodome Building (Minato, Tokyo)	Installation of LED lighting (First period)	From October 2020 to March 2021	26 (Note)
Luogo Shiodome (Minato, Tokyo)	Installation of LED lighting in private areas	From February 2021 to May 2021	21
A-FLAG SAPPORO (Sapporo, Hokkaido)	Repair of mechanical parking equipment No. 3	From March 2021 to April 2021	20
Osaka Nakanoshima Building (Osaka, Osaka)	Repair work of substation equipment according to facility planning	From October 2020 to March 2021	16
Ebisu Prime Square (Shibuya, Tokyo)	Replacement of residential tower's calorimeter	From October 2020 to March 2021	12 (Note)
Tokyu Plaza Omotesando Harajuku (Shibuya, Tokyo)	Renovation work for roof deck (Second period)	From February 2021 to March 2021	10 (Note)
A-FLAG SHIBUYA (Shibuya, Tokyo)	Renewal of elevator controls	From January 2021 to January 2021	10
Other			200
Total			678

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

(C) Information concerning major tenants

a. Summary of major tenants

For assets held in the 19th 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, 2021. 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, 2021. Rents received by the Investment Corporation from the master lease companies are equal to the rents received by these companies from sublessees (end-tenants) (pass-through master lease), and such rents are not guaranteed.

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Community Corp.	Real Estate Management	A-FLAG KOTTO DORI	2,362.46	195	157	December 31, 2026
		TLC Ebisu Building	6,513.11	575	496	May 31, 2025
		A-PLACE Ebisu Minami	7,950.49	833	784	May 31, 2025
		A-PLACE Yoyogi	3,106.17	258	238	May 31, 2025
		A-PLACE Aoyama	7,303.69	592	578	May 31, 2025
		Luogo Shiodome	3,908.74	310	279	May 31, 2025
		A-PLACE Ikebukuro	3,409.73	(Note 5)	(Note 5)	May 31, 2025
		A-PLACE Shinbashi	5,054.19	377	314	May 31, 2025
		A-PLACE Gotanda	4,028.69	385	354	May 31, 2025
		A-PLACE Shinagawa	2,986.36	271	256	May 31, 2025
		OSAKI WIZTOWER	7,193.28	680	680	May 31, 2025
		A-PLACE Ebisu Higashi	4,010.69	354	266	May 31, 2025
		A-PLACE Shibuya Konnoh	3,010.53	285	225	September 30, 2025
		A-PLACE Gotanda Ekimae	4,333.64	394	336	June 30, 2026
		A-PLACE Shinagawa Higashi	13,956.02	1,033	937	March 31, 2027
		Ebisu Prime Square (Note 6)	12,996.29	1,189	1,030	January 31, 2030
		A-PLACE Kanayama	9,314.90	541	445	May 31, 2025
		Osaka Nakanoshima Building	20,125.63	1,000	711	November 30, 2024
		Umeda Gate Tower	13,566.95	963	719	April 30, 2028
		A-PLACE Bashamichi	9,710.91	352	248	October 31, 2026
		Commercial Mall Hakata	8,365.59	297	147	March 31, 2027
		Total	153,208.05	—	—	—

Tenant	Business	Property name	Leased area (m ²) (Note 1)	Contracted rent (Annual) (Millions of yen) (Note 2)	Leasehold and guarantee deposit (Millions of yen) (Note 3)	Expiration date (Note 4)
Tokyu Land SC Management Corporation	Real Estate Management	Q plaza EBISU	4,024.88	485	475	June 30, 2022
		Kyoto Karasuma Parking Building	21,616.04	(Note 5)	(Note 5)	November 30, 2024
		Kobe Kyu Kyoryuchi 25Bankan	19,653.90	1,206	1,431	August 31, 2023
		A-FLAG SAPPORO	20,374.55	588	98	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)	15,296.74	595	453	January 31, 2028
		Q plaza HARAJUKU (Note 6)	3,216.91	430	323	January 31, 2029
		icot Nakamozi	28,098.02	620	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	6,209.78	388	357	December 31, 2023
		Market Square Sagamihara	15,152.42	(Note 5)	(Note 5)	January 31, 2025
		Total	166,192.01	—	—	—

(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, 2021 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, 2021), including common service fee and excluding usage fee for warehouses, signboards and parking lots, and also excluding revenue-based rents, regardless of free rents, rent holidays and temporary reductions of rent as of May 31, 2021, as indicated in the sublease agreement concluded with the end-tenant as of May 31, 2021 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, 2021 (limited to leasehold and guarantee deposit based on the lease agreement for leased property that was occupied by the tenant as of May 31, 2021), 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, 2021.

End-tenants	Property name	Total leased area (m ²) (Note 1)	Lease expiration date	Form of agreement (Note 2)
Tokyu Hotels Co., Ltd.	Tokyu Plaza Akasaka A-FLAG SAPPORO	30,182.69	October 31, 2021 (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	June 30, 2022 (Note 6)	Fixed-term building lease agreement
Swing Corporation	A-PLACE Shinagawa Higashi	6,488.78	April 30, 2022	Ordinary building lease agreement
MUFG Bank, Ltd.	icot Nakamozu icot Tama Center A-PLACE Kanayama	5,609.11	–	–

(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, 2021. 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, 2021 (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, 2021.

(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. As of May 21, 2021, a fixed-term building lease agreement with a lease period of November 1, 2021 to October 31, 2023 was entered into for Tokyu Plaza Akasaka.

(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) NTT Communications Corporation is scheduled to vacate upon expiration of contract on June 30, 2022.

(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

19th fiscal period (From December 1, 2020 to May 31, 2021)

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	934,488	509,391	270,470	(Note 2)	691,126
Leasing business revenue	886,891	439,110	242,944	(Note 2)	645,159
Other leasing business revenue	47,596	70,280	27,526	(Note 2)	45,967
b. Expenses related to leasing business	236,097	223,608	58,026	49,828	182,010
Management operation expenses	87,939	80,937	16,377	3,930	75,457
Utilities expenses	18,274	39,513	20,013	–	40,723
Tax and public dues	68,962	69,989	8,989	39,110	48,866
Insurance	253	562	101	211	892
Repair and maintenance expenses	5,076	25,079	1,277	5,600	10,615
Other expenses related to leasing business	55,590	7,526	11,266	975	5,455
c. NOI (a – b)	698,390	285,782	212,443	(Note 2)	509,116
d. Depreciation, etc. (Note 3)	52,214	38,733	18,290	15,825	123,051
Profit (loss) from leasing business (c – d)	646,175	247,049	194,153	(Note 2)	386,064

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	396,817	215,721	345,493	116,753	124,526
Leasing business revenue	334,045	209,911	334,368	112,782	119,079
Other leasing business revenue	62,772	5,809	11,124	3,970	5,446
b. Expenses related to leasing business	192,078	41,920	46,747	30,863	30,485
Management operation expenses	99,428	12,525	9,970	8,541	3,947
Utilities expenses	47,076	5,575	9,830	4,613	4,214
Tax and public dues	24,911	11,496	16,943	13,982	2,170
Insurance	852	70	89	99	49
Repair and maintenance expenses	14,624	11,197	5,960	1,618	1,503
Other expenses related to leasing business	5,184	1,054	3,953	2,007	18,601
c. NOI (a – b)	204,739	173,800	298,745	85,889	94,040
d. Depreciation, etc. (Note 3)	77,238	9,637	16,863	5,215	7,199
Profit (loss) from leasing business (c – d)	127,500	164,163	281,881	80,674	86,841

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	(Note 2)	94,199	440,509	581,063	229,327
Leasing business revenue	(Note 2)	87,161	343,080	581,063	216,115
Other leasing business revenue	(Note 2)	7,038	97,429	–	13,212
b. Expenses related to leasing business	31,169	21,166	297,757	105,510	67,800
Management operation expenses	8,034	5,472	107,156	–	18,932
Utilities expenses	300	7,030	74,950	–	9,197
Tax and public dues	14,412	6,672	56,992	105,203	36,921
Insurance	82	59	614	–	105
Repair and maintenance expenses	4,381	–	14,503	–	681
Other expenses related to leasing business	3,958	1,932	43,539	306	1,962
c. NOI (a – b)	(Note 2)	73,032	142,752	475,553	161,526
d. Depreciation, etc. (Note 3)	4,956	5,573	27,376	–	6,719
Profit (loss) from leasing business (c – d)	(Note 2)	67,459	115,376	475,553	154,807

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	319,044	361,515	127,614	299,819	172,609
Leasing business revenue	305,914	350,749	122,725	287,725	164,327
Other leasing business revenue	13,130	10,766	4,888	12,094	8,282
b. Expenses related to leasing business	73,011	134,617	39,029	66,312	69,921
Management operation expenses	24,935	55,357	15,805	23,624	16,043
Utilities expenses	10,614	15,382	6,699	13,658	7,238
Tax and public dues	17,432	33,391	10,722	23,496	20,435
Insurance	264	337	114	248	213
Repair and maintenance expenses	9,774	20,922	4,212	1,182	24,016
Other expenses related to leasing business	9,989	9,224	1,475	4,103	1,974
c. NOI (a – b)	246,033	226,898	88,584	233,507	102,687
d. Depreciation, etc. (Note 3)	43,896	32,290	15,455	23,455	36,476
Profit (loss) from leasing business (c – d)	202,137	194,608	73,129	210,051	66,211

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	62,502	(Note 2)	207,491	201,888	142,576
Leasing business revenue	62,502	(Note 2)	195,823	193,556	137,740
Other leasing business revenue	–	(Note 2)	11,668	8,331	4,835
b. Expenses related to leasing business	9,387	31,970	51,351	41,046	30,163
Management operation expenses	–	11,172	16,957	15,351	9,886
Utilities expenses	–	7,988	10,550	7,592	4,858
Tax and public dues	9,130	10,808	15,710	14,192	11,829
Insurance	–	112	189	152	104
Repair and maintenance expenses	–	361	2,171	1,456	2,118
Other expenses related to leasing business	256	1,526	5,773	2,300	1,366
c. NOI (a – b)	53,114	(Note 2)	156,140	160,842	112,412
d. Depreciation, etc. (Note 3)	–	20,685	23,025	26,967	9,139
Profit (loss) from leasing business (c – d)	53,114	(Note 2)	133,115	133,875	103,272

(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 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	372,519	1,506,716	188,603	134,969	170,092
Leasing business revenue	329,325	1,443,523	180,640	130,250	164,799
Other leasing business revenue	43,193	63,192	7,962	4,718	5,292
b. Expenses related to leasing business	104,701	325,877	37,601	30,586	57,552
Management operation expenses	72,110	105,571	12,668	12,164	20,741
Utilities expenses	5,172	49,900	7,034	5,278	7,627
Tax and public dues	23,616	125,023	14,007	9,692	18,259
Insurance	445	895	138	106	158
Repair and maintenance expenses	1,415	23,184	2,147	1,673	5,469
Other expenses related to leasing business	1,941	21,301	1,604	1,671	5,295
c. NOI (a – b)	267,817	1,180,838	151,001	104,382	112,539
d. Depreciation, etc. (Note 3)	48,275	153,595	23,711	13,392	14,126
Profit (loss) from leasing business (c – d)	219,541	1,027,243	127,289	90,990	98,413

(Unit: Thousands of yen)

Property number	TO-16	TO-18	AA-1	AA-2	AA-4
Property name	A-PLACE Shinagawa Higashi	Ebisu Prime Square (Note 1)	Amagasaki Q's MALL (Land)	icot Nakamozu	icot Mizonokuchi
Number of business days in the 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	563,387	804,180	356,784	310,917	(Note 2)
Leasing business revenue	537,386	699,925	356,784	310,887	(Note 2)
Other leasing business revenue	26,001	104,255	–	30	(Note 2)
b. Expenses related to leasing business	124,671	235,765	56,416	44,089	20,880
Management operation expenses	46,912	64,963	–	5,988	2,555
Utilities expenses	21,031	87,883	–	30	–
Tax and public dues	49,544	3,832	56,159	30,266	10,071
Insurance	627	856	–	306	133
Repair and maintenance expenses	2,851	66,549	–	6,585	7,359
Other expenses related to leasing business	3,704	11,679	256	912	760
c. NOI (a – b)	438,716	568,415	300,368	266,827	(Note 2)
d. Depreciation, etc. (Note 3)	31,117	44,741	–	35,147	8,345
Profit (loss) from leasing business (c – d)	407,598	523,674	300,368	231,680	(Note 2)

(Unit: Thousands of yen)

Property number	AA-5	AA-6	AA-7	AA-8	AA-9
Property name	icot Tama Center	A-PLACE Kanayama	Osaka Nakanoshima Building	icot Omori	Market Square Sagamihara
Number of business days in the 19th fiscal period	182	182	182	182	182
a. Real estate leasing business revenues	142,367	288,978	548,868	220,833	(Note 2)
Leasing business revenue	135,075	272,662	527,508	197,800	(Note 2)
Other leasing business revenue	7,291	16,316	21,360	23,033	(Note 2)
b. Expenses related to leasing business	39,240	84,868	167,733	49,626	36,026
Management operation expenses	16,539	26,760	55,905	10,131	16,039
Utilities expenses	9,036	18,412	31,693	20,901	3,975
Tax and public dues	11,720	27,552	56,101	12,471	13,595
Insurance	216	341	1,018	143	179
Repair and maintenance expenses	635	7,715	17,206	4,528	100
Other expenses related to leasing business	1,093	4,085	5,808	1,450	2,135
c. NOI (a – b)	103,126	204,110	381,134	171,206	(Note 2)
d. Depreciation, etc. (Note 3)	19,169	52,453	92,633	18,390	23,638
Profit (loss) from leasing business (c – d)	83,957	151,657	288,501	152,816	(Note 2)

(Unit: Thousands of yen)

Property number	AA-10	AA-11	AA-12	AA-13
Property name	Umeda Gate Tower	A-PLACE Bashamichi	Commercial Mall Hakata	EDGE Shinsaibashi
Number of business days in the 19th fiscal period	182	182	182	182
a. Real estate leasing business revenues	460,478	196,191	192,092	578,890
Leasing business revenue	432,371	181,868	159,124	512,234
Other leasing business revenue	28,106	14,322	32,968	66,655
b. Expenses related to leasing business	105,542	58,829	65,585	202,332
Management operation expenses	36,947	20,234	20,667	51,268
Utilities expenses	23,195	15,323	20,222	30,095
Tax and public dues	35,380	17,219	12,554	61,403
Insurance	501	400	165	614
Repair and maintenance expenses	5,484	2,888	4,603	55,327
Other expenses related to leasing business	4,032	2,762	7,370	3,622
c. NOI (a – b)	354,935	137,362	126,507	376,558
d. Depreciation, etc. (Note 3)	67,938	34,146	15,957	22,949
Profit (loss) from leasing business (c – d)	286,997	103,215	110,550	353,609

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