

(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
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2022	46,785	(4,877)	(42,288)	26,793
March 31, 2022	21,801	(53,733)	14,669	27,173

2. Performance Forecasts for the March 2023 period (October 1, 2022 to March 31, 2023) and the September 2023 period (April 1, 2023 to September 30, 2023)

(Percentages represent projected increases/decreases compared with the results for the preceding fiscal period)

Period ending	Operating Revenues		Operating Profit		Ordinary Profit		Profit		Dividend per Unit Excluding Excess of Earnings	Dividend in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2023	36,980	(1.8)	16,670	(7.6)	15,810	(8.4)	15,790	(6.0)	11,400	-
September 30, 2023	37,180	0.5	16,570	(0.6)	15,670	(0.9)	15,660	(0.8)	11,300	-

Reference: Profit per unit forecast = Profit forecast / Number of total investment units forecast for the end of the period
(the March 2023 period): 11,400 yen; (the September 2023 period): 11,300 yen.

*Other

(1) Changes in Accounting Policy/Changes in Accounting Estimates/Restatements

Changes in accounting policy following revisions to accounting standards, etc.:	None
Other changes in accounting policy:	None
Changes in accounting estimates:	None
Restatements:	None

(2) Number of Units Outstanding

Number of Units Outstanding at End of Period (Including Treasury Units)

As of September 30, 2022 1,385,210 units

As of March 31, 2022 1,385,210 units

Number of Treasury Units at End of Period

As of September 30, 2022 0 units

As of March 31, 2022 0 units

Note: Please refer to the notes regarding per unit information on page 24 for the number of investment units on which the calculations of profit per unit are based.

* The Implementation Status of Statutory Audit

At the time of disclosure of these financial results, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act have not yet finished.

* Explanation regarding the appropriate use of business operations forecasts, and other special remarks

Estimates for the Company's future operating results contained in the financial results are forward-looking statements and are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ substantially from the projections depending on a number of factors. In addition, these forecasts do not guarantee the stated dividends. As for assumptions underlying performance forecasts, please refer to the table entitled "Assumptions Underlying Performance Forecasts for the March 2023 period (October 1, 2022 to March 31, 2023) and the September 2023 period (April 1, 2023 to September 30, 2023)" on pages 7 and 8.

1. Business Policy and Operations

(1) Business Operations

① Results for the Period

Japan Real Estate Investment Corporation (the “Company”) was established on May 11, 2001, following the Act on Investment Trusts and Investment Corporations of Japan (“ITA”). The Company was listed on the real estate investment trust market of the Tokyo Stock Exchange (“TSE”) on September 10, 2001 (Securities Code: 8952). Since its IPO, the size of the Company’s assets (total acquisition price) has grown steadily, expanding from 92.8 billion yen to 1.09 trillion yen (Note), as of September 30, 2022. In the same period, the Company continued to grow steadily in the number of properties in its portfolio, from 20 to 73 properties.

During the September 2022 period (April 1, 2022 to September 30, 2022), the Japanese economy has continued to recover, particularly in personal consumption, as socioeconomic activities began to normalize due to the easing of activity restrictions on the spread of COVID-19 and other factors. On the other hand, the outlook remains uncertain due to the protracted situation in Ukraine, global monetary tightening, and other factors, the effects of rising prices, supply-side constraints, and fluctuations in financial and capital markets must continue to be closely monitored.

In the office leasing market, the vacancy rate, which had been rising against the background of the spread of teleworking associated with changes in work styles, has now generally leveled off and settled down, but the future remains uncertain, as a large supply of new office floors is expected to come on stream in 2023. Rent levels continue to trend slightly downward. Against the background of such leasing market trends, the Company is striving to attract new tenants through strategic leasing activities and to further enhance the satisfaction level of existing tenants by adding value to the properties, with the aim of securing stable income and occupancy rates for the entire portfolio.

In the real estate trading market, the environment for acquiring properties remained challenging due to the continued favorable financing environment backed by the continuation of accommodative monetary policies, interest rate differentials with overseas markets, and the progression of the appreciation of the U.S. dollar against the Japanese Yen in the foreign exchange market, as well as the fierce competition for quality office buildings, which are in short supply.

Under such market conditions, the Company made sound investments under the Investment Guideline of providing stable dividends to unitholders, which was set forth at the time of the Company’s listing on the TSE and remains unchanged to date. Accordingly, the Company provided a dividend per investment unit at 11,500 yen, which is an increase by 100 yen compared with the previous period.

Note : The total acquisition price includes, without reduction, the acquisition price corresponding to a portion of the site even if, after acquisition of an acquired property, a portion of the site for that acquired property is reduced due to a transfer or other event, as long as the acquired property is owned by the Company. The total acquisition price in the subsequent sections follows the same convention.

② Results of Operations

a. Property Management and Acquisition and Disposition

In the office leasing market in the fiscal period under review, the occupancy rate at the end of the period was 93.9%, decreased by 3.1% from the end of the previous period, due to the exit of some large-lot tenants and the prolonged leasing period, while positive demand was acquired, including new contracts for improvement of location and office environments as well as floor space expansion due to business expansion.

As for property acquisitions and dispositions, the Company disposed of Harumi Center Building (Chuo-ku, Tokyo) for 24,330 million yen on May 31, 2022.

As a result of the above, the Company’s portfolio at the end of the fiscal period under review, September 30, 2022, consisted of 73 properties, with a total acquisition price of 1.09 trillion yen. Net rentable floor area stood at 875,648 m² with 1,499 tenants in total. (Note 1)

In addition, the Company plans to dispose of its 25% co-ownership interest in Harumi Front (Chuo-ku, Tokyo) for 9,777 million yen as of December 1, 2022. The property is planned to be disposed of in three phases, with 30% of the co-ownership interest to be disposed of for 11,733 million yen on April 3, 2023, and another 45% of the co-ownership interest for 17,599 million yen on January 12, 2024.

Note 1: Shibuya Cross Tower (land with leasehold interest), whose building ownership was disposed of on January 18, 2018, is included in the above number of properties and total acquisition price, but is not included in net rentable floor area or total number of tenants.

b. Finance Activities

According to its financial policy, the Company aims to maintain the LTV ratio (ratio of interest-bearing debt to total assets) at 30% to 40%, and strives to maintain a sound and conservative financial profile by staggering maturities, extension of durations and diversification of stable lenders among other possibilities, taking into consideration the borrowing costs and existing relationships with lenders.

Concerning new loans related to property acquisition and the refinancing of existing loans, the Company carries out loans strategically and flexibly after giving close consideration to the above-mentioned means, as well as the possibility of repayment with funds procured from issuing new investment units.

In the fiscal period under review, the short-term loans of 25,000 million yen borrowed to partially fund the acquisition of Toyosu Front was repaid with the proceeds from the disposition of Harumi Center Building and some cash on hand. Furthermore, in addition to borrowing to partially fund the repayment of existing loans, the Company also repaid the equivalent of 1,500 million yen worth of loans with cash on hand.

As a result of the above financing activities, as of September 30, 2022, the Company's total interest-bearing debt was 423.3 billion yen, which was decreased by 26.5 billion yen compared with the end of the previous fiscal period. This amount consists of long-term loans totaling 358.7 billion yen (including the current portion of long-term loans totaling 48.5 billion yen), short-term loans totaling 21.7 billion yen, and investment corporation bonds totaling 42.9 billion yen. The current LTV ratio stands at 42.0%.

The Company's credit ratings as of September 30, 2022 were as follows:

Rating Agency	Credit Rating
S&P Global Ratings Japan Inc.	Long-term: A+; Short-term: A-1; Outlook: Stable
Moody's Japan K.K.	Rating: A2; Outlook: Stable
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable

③ Summary of Financial Results and Dividends

As a result of the above operations, in the period under review, the Company's operating revenues increased 3.3% compared with the previous period, to 37.6 billion yen. On the income front, operating profit increased 5.5%, to 18.0 billion yen. After deducting expenses for interest payments on loans and other costs, ordinary profit increased 6.6%, to 17.2 billion yen, and profit increased 4.6%, to 16.7 billion yen.

Turning to dividends, the Company will make cash distributions using earnings based on the dividend policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of profit available for dividends as required by Article 67-15 of the Special Taxation Measures Act. Based on this policy, the Company made a reduction entry under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Special Taxation Measures Act, and secured retained earnings brought forward and decided that the total amount of dividends is 15,929,915,000 yen for the period under review, which is a multiple of 1,385,210 — the number of units outstanding as of September 30, 2022. Accordingly, the dividend per investment unit is 11,500 yen.

(2) Outlook

① Operating Environment

The Japanese economy is expected to recover in the future as domestic demand is expected to improve with the normalization of socioeconomic activities, although the impact of COVID-19 will remain. On the other hand, the Company believes that it is necessary to pay attention to downside risks such as global price and interest rate increases against the background of the protracted situation in Ukraine, and to watch the effects of fluctuations in financial and capital markets very closely.

In the office leasing market, the Company will promote flexible leasing in response to market conditions, secure stable earnings over the medium to long term, and maintain and improve asset value, while keeping a close eye on trends in office demand and the office space of choice in line with the review of work styles.

Regarding the real estate investment market, it is important to continue to be proactive in searching for new properties, keeping collaboration with sponsors as our main focus, in order to promote more strategic replacement of our portfolio while paying close attention to future market trends due to changes in social conditions.

a Property Management

Based on the conditions stated above, the Company will adhere to the following management policies in order to maintain and improve profitability.

(i) Strengthen relationships of trust with existing tenants

The Company has contracts with numerous property management companies. Each property management company has developed relationships of trust with their tenants through their daily diligence in managing their respective properties over the years. The Company will work to further solidify these relationships by anticipating tenants' needs and providing tailored services to bolster tenant satisfaction, thereby maintaining and improving occupancy rates and raising the rent levels.

(ii) Fill vacancies promptly

In cooperation with the property management companies mentioned above and their leasing brokers, the Company will actively seek the most appropriate tenants for each property, based on location and features, in order to fill current and anticipated vacancies without delay. Furthermore, the Company will work to identify additional needs for floor area among the existing tenants.

(iii) Stabilize revenues and income

With the aim of stabilizing revenues and income, the Company will endeavor to promote fixed lease agreements and secure long-term leasing with its large-scale tenants.

(iv) Reduce management costs

The Company has introduced sound competitive principles to a number of property management companies so that they perpetually review and improve their management systems and cost structures. Along with this, the Company endeavors to ensure and enhance tenant satisfaction.

b Property Acquisitions and Dispositions

The Company has adopted the following policies for acquiring properties.

(i) To access property information quickly, the Company continues to enhance its property information channels while working to develop new channels.

(ii) In its acquisition activities, the Company continues to meticulously monitor and examine economic, physical, and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, the Company requires buildings to meet or exceed new earthquake-resistant standards, verifies the need for renovations by capturing current conditions accurately based on engineering reports, and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

(iii) In accordance with its acquisition policies, the Company shall maintain its portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or fewer located in other major cities. Under these policies, the Company will continue to acquire highly competitive properties. At the same time, in order to further improve the quality of its portfolio, the Company will remain open to the replacement of portfolio properties with due consideration at the right time.

c Financial Policies

The Company has adopted the following financial policies.

(i) In principle, the Company shall maintain an LTV ratio (including investment corporation bonds) below 65%. To ensure an even lower interest-bearing debt ratio, the Company adopts the conservative target level of 30% to 40%.

(ii) The Company shall set the ceiling for the combined total of loans and investment corporation bonds at 1 trillion yen.

(iii) When obtaining a loan, the Company shall only negotiate with qualified institutional investors (limited to those defined under Article 67-15 of the Special Taxation Measures Act) before executing a loan agreement.

(iv) With the purpose of maintaining liquidity at an appropriate level, the Company may establish preliminary borrowing frameworks such as overdraft agreements and commitment line agreements as needed.

(v) In financial transactions, in order to realize low financing costs, the Company aims to achieve the best execution by making comprehensive judgments on borrowing terms and conditions, such as interest rate levels and borrowing periods.

② Performance Forecasts

The Company's forecasts for the March 2023 period (October 1, 2022 to March 31, 2023) are as follows: operating revenues totaling 36.9 billion yen, operating profit totaling 16.6 billion yen, ordinary profit totaling 15.8 billion yen, and profit totaling 15.7 billion yen. The Company plans to declare a per-unit cash dividend of 11,400 yen.

The Company's forecasts for the September 2023 period (April 1, 2023 to September 30, 2023) are as follows: operating revenues totaling 37.1 billion yen, operating profit totaling 16.5 billion yen, ordinary profit totaling 15.6 billion yen, and profit totaling 15.6 billion yen. The Company plans to declare a per-unit cash dividend of 11,300 yen.

Regarding the assumptions underlying these forecasts, please see pages 7 and 8 entitled "Assumptions Underlying Performance Forecasts for the March 2023 period (October 1, 2022 to March 31, 2023) and the September 2023 period (April 1, 2023 to September 30, 2023)." Operating revenues, operating profit, ordinary profit, profit, and cash dividend per unit might vary depending on changes that could occur in the market situation.

Assumptions Underlying Performance Forecasts for the March 2023 period (October 1, 2022 to March 31, 2023) and the September 2023 period (April 1, 2023 to September 30, 2023)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • The March 2023 period: October 1, 2022 to March 31, 2023 (182 days) • The September 2023 period: April 1, 2023 to September 30, 2023 (183 days)
Number of properties held by the Company	<ul style="list-style-type: none"> • In the March 2023 period, the number of properties takes into account that the 25% co-ownership interest in Harumi Front will be disposed of on December 1, 2022, based on 73 properties as of September 30, 2022. • In the September 2023 period, assuming the disposition stated above is carried out, and the 30% co-ownership interest in Harumi Front will be disposed of on April 3, 2023 . • The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions.
Number of units outstanding	<ul style="list-style-type: none"> • The Company assumes that the total number of units outstanding is 1,385,210 units, the number as of September 30, 2022.
Interest-bearing debt	<ul style="list-style-type: none"> • In the March 2023 period, the Company will refinance the entire short-term loan, the remaining balance of which is 3.2 billion yen, as of November 30, 2022. The short-term loan of 3.2 billion yen remaining after the above refinancing will be repaid before maturity with the proceeds from the disposition of the 25% co-ownership interest in Harumi Front as of December 1, 2022. In addition, as of November 15, 2022, the Company will refinance the long-term loans due for repayments during the period totaling 25.0 billion yen (repayment dates: December 20, 2022, January 6, 2023, January 10, 2023, January 16, 2023, January 17, 2023, January 31, 2023, March 24, 2023, and March 27, 2023) and the short-term loan due for repayment in full during the period of 11.0 billion yen (repayment date: November 18, 2022). There are no investment corporation bonds set to mature in the March 2023 period. • In the September 2023 period, as of November 15, 2022, the Company will refinance the long-term loans due for repayments during the period totaling 23.5 billion yen (repayment dates: May 29, 2023, June 1, 2023, and June 15, 2023) and the short-term loans due for repayment in full during the period totaling 7.5 billion yen (repayment dates: April 20, 2023, June 15, 2023, and July 10, 2023). There are no investment corporation bonds set to mature in the September 2023 period.
Operating revenues	<ul style="list-style-type: none"> • Revenues from portfolio properties held by the Company are calculated by taking into consideration the new leases and the tenancy terminations confirmed as of November 15, 2022, and by factoring in potential variables that reflect the recent office leasing market landscape, such as rent levels and occupancy rates.

Item	Assumption
Operating expenses	<ul style="list-style-type: none"> • Of the taxes applicable to the Company, property taxes, city planning taxes and depreciable property taxes corresponding to the relevant fiscal period have been recorded as property-related expenses. However, when a property is acquired at a point during the period used for the calculation of property tax, a property tax adjustment is levied that takes into account the date of the transfer of the new acquisition. The amount of the adjustment is factored into the acquisition price and therefore not recorded as an expense in the relevant fiscal period. In addition, the Company assumes the 2023 property taxes, city planning taxes, and depreciable property taxes for properties acquired in 2022 to be as follows: <ul style="list-style-type: none"> • Toyosu Front: 86 million yen • Property and other taxes will be 3,480 million yen in the March 2023 period and 3,640 million yen in the September 2023 period. • Depreciation will be 6,130 million yen in the March 2023 period and 6,030 million yen in the September 2023 period. • Repair expenses may vastly differ from the projected amounts as such costs fluctuate significantly from one fiscal period to another, and because these costs are not recurring.
Non-operating expenses	<ul style="list-style-type: none"> • The non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be 870 million yen in the March 2023 period and 910 million yen in the September 2023 period.
Dividend amounts	<ul style="list-style-type: none"> • Gain on the split disposition of Harumi Front will be 3,360 million yen in the March 2023 period and 4,110 million yen in the September 2023 period. • The Company shall not distribute dividends in excess of earnings. Thus, based on its Articles of Incorporation, the Company shall make cash distributions of the amount that is higher than 90% of profit available for dividends up to the earnings including the reserve for reduction entry.
Other	<ul style="list-style-type: none"> • No revisions will be made in such areas as laws, tax systems, accounting standards, and listing rules as well as regulations of the Investment Trusts Association, Japan to the extent that impact the above-mentioned forecasts. • No unprecedented or significant changes will occur to the general market trends or real estate market conditions or other factors. • In addition to the income taxes deferred related to reversal of reserve for reduction entry, etc., the corporate and other taxes are calculated by taking into consideration the taxes in relation to the amortization of term leasehold interest for buildings and asset retirement obligations.

2. Financial Statements

(1) Balance Sheets

Thousands of yen

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	21,150,064	20,473,628
Cash and deposits in trust	6,023,858	6,319,372
Operating accounts receivable	608,869	466,371
Prepaid expenses	96,270	503,071
Consumption taxes refund receivable	617,709	—
Other	208,981	307,853
Total current assets	28,705,752	28,070,298
Non-current assets		
Property, plant and equipment		
Buildings	266,395,817	255,140,683
Accumulated depreciation	(119,112,797)	(116,706,330)
Buildings, net	147,283,020	138,434,352
Structures	3,237,811	3,112,295
Accumulated depreciation	(1,228,447)	(1,233,432)
Structures, net	2,009,363	1,878,863
Machinery and equipment	3,437,918	3,266,422
Accumulated depreciation	(2,723,473)	(2,592,318)
Machinery and equipment, net	714,444	674,103
Tools, furniture and fixtures	508,728	524,266
Accumulated depreciation	(344,652)	(356,945)
Tools, furniture and fixtures, net	164,075	167,321
Land	473,737,244	458,991,518
Construction in progress	32,712	54,256
Buildings in trust	116,270,016	116,752,139
Accumulated depreciation	(37,173,354)	(39,425,825)
Buildings in trust, net	79,096,662	77,326,313
Structures in trust	1,135,217	1,139,925
Accumulated depreciation	(444,958)	(477,306)
Structures in trust, net	690,258	662,619
Machinery and equipment in trust	893,580	904,598
Accumulated depreciation	(617,387)	(638,594)
Machinery and equipment in trust, net	276,192	266,003
Tools, furniture and fixtures in trust	76,983	79,252
Accumulated depreciation	(52,189)	(54,975)
Tools, furniture and fixtures in trust, net	24,794	24,277
Land in trust	292,084,985	292,105,411
Construction in progress in trust	71,215	87,072
Total property, plant and equipment	996,184,970	970,672,114
Intangible assets		
Land leasehold interests	5,580,065	5,564,235
Easement	828,095	826,648
Other	27,782	24,371
Total intangible assets	6,435,942	6,415,255

Thousands of yen

	As of March 31, 2022	As of September 30, 2022
Investments and other assets		
Investment securities	660,468	660,468
Leasehold and guarantee deposits	1,580,934	1,580,934
Long-term prepaid expenses	26,463	48,744
Other	1,400,696	1,457,579
Total investments and other assets	3,668,562	3,747,726
Total non-current assets	1,006,289,476	980,835,096
Deferred assets		
Investment corporation bond issuance costs	77,313	64,885
Total deferred assets	77,313	64,885
Total assets	1,035,072,541	1,008,970,280
Liabilities		
Current liabilities		
Operating accounts payable	1,936,919	1,540,850
Short-term borrowings	41,200,000	21,700,000
Current portion of long-term borrowings	48,500,000	48,500,000
Accounts payable - other	2,164,967	2,138,389
Accrued expenses	327,656	289,834
Income taxes payable	11,158	9,208
Accrued consumption taxes	—	2,324,024
Advances received	3,092,429	2,821,313
Other	211,312	68,657
Total current liabilities	97,444,443	79,392,278
Non-current liabilities		
Investment corporation bonds	42,993,175	42,993,175
Long-term borrowings	317,200,000	310,200,000
Deposits received from tenants	58,334,907	55,831,455
Deferred tax liabilities	1,952,196	2,407,179
Asset retirement obligations	366,911	370,608
Other	17,912	13,695
Total non-current liabilities	420,865,102	411,816,113
Total liabilities	518,309,545	491,208,392
Net assets		
Unitholders' equity		
Unitholders' capital	497,241,216	497,241,216
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	3,439,070	3,693,378
Total voluntary retained earnings	3,439,070	3,693,378
Unappropriated retained earnings	16,082,709	16,827,292
Total surplus	19,521,779	20,520,671
Total unitholders' equity	516,762,995	517,761,887
Total net assets	516,762,995	517,761,887
Total liabilities and net assets	1,035,072,541	1,008,970,280

(2) Statements of Income and Retained Earnings

	Thousands of yen	
	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Operating revenues		
Rent revenues	34,739,020	34,095,465
Other lease business revenues	396,245	193,855
Gain on sales of real estate properties	1,318,376	3,365,229
Total operating revenues	36,453,643	37,654,549
Operating expenses		
Expenses related to lease business	17,391,031	17,480,747
Asset management fees	1,541,945	1,718,962
Asset custody fees	64,774	64,634
Administrative service fees	134,403	136,484
Directors' compensations	7,800	7,800
Commission expenses	122,766	83,339
Other operating expenses	83,716	120,248
Total operating expenses	19,346,437	19,612,216
Operating profit	17,107,205	18,042,332
Non-operating income		
Interest income	134	122
Dividend income	—	9,378
Reversal of distributions payable	1,583	1,129
Refund of property taxes	781	80,376
Other	8	5,102
Total non-operating income	2,507	96,109
Non-operating expenses		
Interest expenses	695,591	661,923
Interest expenses on investment corporation bonds	174,500	172,615
Amortization of investment corporation bond issuance costs	12,360	12,427
Other	35,904	35,064
Total non-operating expenses	918,356	882,031
Ordinary profit	16,191,356	17,256,411
Profit before income taxes	16,191,356	17,256,411
Income taxes - current	11,178	11,142
Income taxes - deferred	134,475	454,983
Total income taxes	145,653	466,125
Profit	16,045,702	16,790,285
Retained earnings brought forward	37,007	37,007
Unappropriated retained earnings	16,082,709	16,827,292

(3) Statements of Changes in Unitholders' Equity

For the period from October 1, 2021 to March 31, 2022

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	497,241,216	2,303,775	2,303,775	16,902,746	19,206,522	516,447,738	516,447,738
Changes during the period							
Provision of reserve for tax purpose reduction entry		1,135,294	1,135,294	(1,135,294)	—	—	—
Dividends of surplus				(15,730,444)	(15,730,444)	(15,730,444)	(15,730,444)
Profit				16,045,702	16,045,702	16,045,702	16,045,702
Total changes during the period	—	1,135,294	1,135,294	(820,037)	315,257	315,257	315,257
Balance at end of the period	497,241,216	3,439,070	3,439,070	16,082,709	19,521,779	516,762,995	516,762,995

For the period from April 1, 2022 to September 30, 2022

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	497,241,216	3,439,070	3,439,070	16,082,709	19,521,779	516,762,995	516,762,995
Changes during the period							
Provision of reserve for tax purpose reduction entry		254,308	254,308	(254,308)	—	—	—
Dividends of surplus				(15,791,394)	(15,791,394)	(15,791,394)	(15,791,394)
Profit				16,790,285	16,790,285	16,790,285	16,790,285
Total changes during the period	—	254,308	254,308	744,583	998,891	998,891	998,891
Balance at end of the period	497,241,216	3,693,378	3,693,378	16,827,292	20,520,671	517,761,887	517,761,887

(4) Statements of Cash Distributions

	For the period From October 1, 2021 to March 31, 2022	For the period From April 1, 2022 to September 30, 2022
	Amount (Yen)	Amount (Yen)
I Retained earnings	16,082,709,191	16,827,292,959
II Cash distribution	15,791,394,000	15,929,915,000
(Dividend per investment unit)	(11,400)	(11,500)
III Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	254,308,146	860,370,914
IV Retained earnings brought forward	37,007,045	37,007,045

Computation Method for Determining Dividends	<p>The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Special Taxation Measures Act. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Special Taxation Measures Act, making reduction entries, and securing retained earnings brought forward, is ¥15,791,394,000 for the period under review, which is a multiple of 1,385,210 — the number of units outstanding as of March 31, 2022. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.</p>	<p>The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Special Taxation Measures Act. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Special Taxation Measures Act, making reduction entries, and securing retained earnings brought forward, is ¥15,929,915,000 for the period under review, which is a multiple of 1,385,210 — the number of units outstanding as of September 30, 2022. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.</p>
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(5) Statements of Cash Flows

	Thousands of yen	
	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Cash flows from operating activities		
Profit before income taxes	16,191,356	17,256,411
Depreciation	6,326,332	6,275,709
Amortization of investment corporation bond issuance costs	12,360	12,427
Dividend income	—	(9,378)
Interest income	(134)	(122)
Interest expenses	870,092	834,539
Decrease (increase) in operating accounts receivable	(269,758)	142,497
Decrease (increase) in consumption taxes refund receivable	(617,709)	617,709
Decrease (increase) in supplies	1,697	3,338
Decrease (increase) in prepaid expenses	148,985	(406,801)
Decrease in property, plant and equipment due to sale	1,293,228	20,813,797
Increase (decrease) in operating accounts payable	84,010	119,543
Increase (decrease) in accounts payable - other	(213,925)	110,645
Increase (decrease) in accrued consumption taxes	(1,133,236)	2,324,024
Increase (decrease) in accrued expenses	131	(131)
Increase (decrease) in advances received	27,096	(271,115)
Decrease (increase) in long-term prepaid expenses	(878)	(22,280)
Other, net	(26,418)	(139,181)
Subtotal	22,693,229	47,661,633
Interest and dividends received	134	9,500
Interest paid	(883,413)	(872,229)
Income taxes paid	(8,611)	(13,091)
Net cash provided by (used in) operating activities	21,801,339	46,785,812
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,071,951)	(1,469,824)
Purchase of property, plant and equipment in trust	(53,601,404)	(715,579)
Purchase of intangible assets	(2,179)	(1,698)
Purchase of investment securities	(83,300)	—
Payments of leasehold and guarantee deposits	(7,086)	—
Refund of leasehold and guarantee deposits received	(2,257,627)	(4,302,561)
Proceeds from leasehold and guarantee deposits received	3,289,597	1,611,838
Net cash provided by (used in) investing activities	(53,733,952)	(4,877,825)
Cash flows from financing activities		
Proceeds from short-term borrowings	50,200,000	41,500,000
Repayments of short-term borrowings	(27,000,000)	(61,000,000)
Proceeds from long-term borrowings	34,700,000	16,500,000
Repayments of long-term borrowings	(27,500,000)	(23,500,000)
Distributions paid	(15,730,505)	(15,788,907)
Net cash provided by (used in) financing activities	14,669,494	(42,288,907)
Net increase (decrease) in cash and cash equivalents	(17,263,118)	(380,920)
Cash and cash equivalents at beginning of the period	44,437,040	27,173,922
Cash and cash equivalents at end of the period	27,173,922	26,793,001

(6) Notes Concerning Going Concerns Assumption

“Not applicable”

(7) Summary of Significant Accounting Policies

Investment securities

Non-marketable securities, which have no market prices, classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

Property and equipment, depreciation and impairment (except for leased assets)

Property and equipment is stated at cost, less accumulated depreciation. The cost of land, buildings and building improvements includes the purchase price of property and acquisition costs. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

Buildings.....	2-61 years
Structures.....	2-75 years
Machinery and equipment.....	2-18 years
Tools, furniture and fixtures.....	2-29 years

Expenditures for repairing expenses are charged to income as incurred. Significant renewals and betterments are capitalized.

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. According to the standard set by the Accounting Standards Board of Japan, companies are required to recognize an impairment loss in their statements of income if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The standard states that impairment losses should be measured as the excess of the book value over the higher of (i) the fair market value of the asset, net of disposition costs, and (ii) the present value of future cash flows arising from ongoing utilization of the asset and from disposal after asset use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are grouped at the lowest level for which there is identifiable cash flows that are independent of cash flows of other groups of assets.

Intangible assets

Intangible assets primarily consist of leasehold rights and easement, which are stated at cost. Amortization of a term leasehold interest for business use is calculated by the straight-line method based on the period of agreement.

Leased assets

Leased assets under finance lease transactions that do not transfer ownership of the leased assets to the lessees are capitalized and depreciated by the straight-line method over the lease term with no residual value.

Deferred charges

Investment corporation bond issuance costs are amortized using the straight-line method over the redemption periods.

Investment unit issuance expenses are charged to income as incurred. The underwriters' economic remunerations for underwriting the offering are not recognized as investment unit issuance expenses in the financial statements since such costs are not paid by the Company as commission under the so-called "spread-method".

Under the spread-method, the difference between the offer price (the price paid by the unitholder) and the issue price (the price received by the Company) is retained by the underwriters as remuneration.

Revenue recognition

The content of main performance obligations related to revenue arising from contracts with customers of the Company and the normal timing for satisfying such performance obligations (the normal timing for recognizing revenue) are as follows:

① Sales of real estate properties

The Company recognizes revenue from the sale of real estate properties when the purchaser, as the customer, obtains control of the real estate property by fulfilling the delivery obligations stipulated in the contract for the sale of real estate property.

② Utilities income

The Company recognizes utilities income based on the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements. Of utilities income, in the case that the Company determines it is an agent for utilities income, the utilities income is recognized as income at the net amount received as charges for electricity, gas, etc. supplied by other parties, less the amount paid to such other parties.

Taxes on property and equipment

Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally charged to income during the period. The sellers of the properties are liable for property taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the owner registered on the record as of January 1 based on the assessment made by the local government. The Company pays the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and includes the amount equivalent to the taxes in the purchase price of each property and capitalizes it as a cost of the property.

Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statements of income. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks, and short-term investments, which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturity of three months or less.

Hedge accounting

The Company enters into derivative transactions to hedge against interest-rate risk and other forms of risk based on the risk management policies outlined in the Company's Articles of Incorporation. The Company uses interest-rate swap transactions for hedging fluctuations in interest rates on floating-rate loans. The Company has also executed currency swap transactions as a method of hedging against currency exchange fluctuation risks. Deferred hedge accounting is generally used for such interest-rate swaps and currency swap transactions, and the effectiveness of hedging is measured by comparing the total cash flow fluctuation of the hedged item and that of the hedging instrument since the inception of the hedge.

For interest-rate swaps and currency swaps that qualify for hedge accounting and meet certain criteria provided under Japanese GAAP, however, the Company applies special accounting treatment. Under such special accounting treatment, the differentials paid or received under the swap agreements are recognized and included in interest expense of the hedged loans, and the interest-rate swaps and currency swaps are not required to be separately valued. For interest-rate swaps and currency swaps that meet the specific criteria for such special accounting treatment, ongoing assessments of hedge effectiveness are not required and hence not performed.

(8) Notes to Financial Statements

(Notes to Balance Sheets)

a. Commitment line agreement

The Company has signed commitment line agreements with three banks.

	Thousands of yen	
	As of March 31, 2022	As of September 30, 2022
Total amount of commitment line agreement	60,000,000	60,000,000
Debt financing balance	—	—
Balance	60,000,000	60,000,000

b. Reserve for tax purpose reduction entry

	Thousands of yen	
	As of March 31, 2022	As of September 30, 2022
Reserve for tax purpose reduction entry	3,439,070	3,693,378
Deferred tax liability for the reserve for tax purpose reduction entry	1,953,125	2,408,105
Total	5,392,196	6,101,484

Note: Reduction entry is made based on the reserve method, where the requirements of the tax law are met, and deferred tax liability is recorded in the liabilities section for the future taxable temporary difference related to the amount of the reserve for reduction entry, and the net amount after deducting the deferred tax liability is recorded in the net assets section as the reserve for tax purpose reduction entry. This deferred tax liability is recorded (or reversed) as a counterpart account of income taxes-deferred in the statements of income.

c. Minimum net assets required by Article 67, Paragraph 4 of the ITA

	Thousands of yen	
	As of March 31, 2022	As of September 30, 2022
	50,000	50,000

(Notes to Statements of Income and Retained Earnings)

a. Breakdown of property-related revenues and expenses

	Thousands of yen	
	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Property-Related Revenues	35,135,266	34,289,320
Rent revenues	34,739,020	34,095,465
Rental revenues	29,251,345	28,564,156
Common service charges	2,364,432	2,290,265
Parking revenues	713,093	694,110
Other rental revenues	2,410,148	2,546,932
Other lease business revenues	396,245	193,855
Cancellation charges	271,572	82,652
Other miscellaneous revenues	124,673	111,202
Property-Related Expenses	17,391,031	17,480,747
Expenses related to lease business	17,391,031	17,480,747
Property management expenses	3,986,885	3,836,799
Utilities expenses	2,249,197	2,760,966
Property and other taxes	3,371,900	3,521,321
Casualty insurance	46,686	48,583
Repairing expenses	1,217,236	849,752
Depreciation	6,326,242	6,275,535
Other rental expenses	192,881	187,788
Property-Related Profits	17,744,235	16,808,573

b. Breakdown of gain on sales of real estate properties

For the period from October 1, 2021 to March 31, 2022

		Thousands of yen
Nagoya Misono Building		
	Revenue from sale of real estate property	2,629,000
	Cost of real estate property sold	1,293,228
	Other sales expenses	17,394
	Gain on sales of real estate properties	1,318,376

For the period from April 1, 2022 to September 30, 2022

		Thousands of yen
Harumi Center Building		
	Revenue from sale of real estate property	24,330,000
	Cost of real estate property sold	20,813,797
	Other sales expenses	150,973
	Gain on sales of real estate properties	3,365,229

(Changes in Unitholders' Equity)

Total number of investment units issuable and number of units outstanding	As of March 31, 2022	As of September 30, 2022
Total number of investment units issuable	4,000,000 units	4,000,000 units
Number of units outstanding	1,385,210 units	1,385,210 units

(Supplemental Cash Flow Information)**Cash and cash equivalents**

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2022 and September 30, 2022:

	Thousands of yen	
	As of March 31, 2022	As of September 30, 2022
Cash and deposits	21,150,064	20,473,628
Cash and deposits in trust	6,023,858	6,319,372
Time deposits with maturities of more than three months	—	—
Cash and cash equivalents	27,173,922	26,793,001

(Financial Instruments)**a. Status of financial instruments****(i) Policies for dealing financial instruments**

Concerning the financing of property acquisitions, the Company shall use several funding sources including bank loans, the issuance of investment corporation bonds and the issuance of investment units. When executing such financing activities, the Company endeavors to retain the ability to secure stable and low-cost financing by maintaining high credit ratings and thereby limiting the financial covenants that may restrict the financial flexibility of the Company. To achieve these goals, the Company intends to further develop and reinforce the confidence of debt holders and rating agencies in the Company by bolstering the capital base and controlling the loan-to-value ratio ("LTV") at an adequate level.

In order to hedge against future interest-rate fluctuations, the Company may enter into derivative transactions, which shall be executed solely for the purpose of hedging against interest-rate fluctuation and other risks, and not for speculative purposes.

With respect to management of excess funds, as a matter of policy the Company uses time deposits as its main vehicle, while securities and monetary claims are also eligible for such investment.

(ii) Characteristics and risk profile of each financial instrument and risk management system

The Company regularly re-evaluates the appropriateness and effectiveness of its risk management system in order to improve on it.

The characteristics and risk profile of financial instruments and the system in place to manage such risks are as follows:

The deposits, which are typically large time deposits used to manage excess funds, are exposed to the credit risk of the deposit-taking financial institutions. The Company manages credit risk by restricting the tenor of the deposit to relatively short periods and setting a minimum credit rating requirement for the deposit-taking financial institutions.

The funding proceeds from borrowings and issues of investment corporation bonds are applied mainly to acquire real estate

properties and repay outstanding loans and bonds. While floating-rate short-term and long-term loans are exposed to the risk of interest-rate hikes, such risk is mitigated by the Company's low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. The Company may also exercise hedging by means of derivative transactions (interest-rate swap transactions) in order to mitigate the risk of fluctuation concerning the floating-rate long-term loans, thereby effectively stabilizing the overall interest rates on the loans. Foreign currency-denominated loans are also exposed to currency exchange and interest-rate fluctuation risk. However, the Company uses derivative transactions as a method of hedging against these risks (interest-rate and currency swap transactions). Foreign currency investment corporation bonds are also exposed to currency exchange risk. However, the Company uses derivative transactions as a method of hedging against the risks (currency swap transactions). For more detailed information on the hedge accounting method, please refer to the previous section "(7) Summary of Significant Accounting Policies: Hedge accounting".

Loans and investment corporation bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements measures such as ① maintaining and strengthening its ability to access equity markets to secure funds, ② maintaining commitment lines with major financial institutions (There is no amount outstanding under the facility as of March 31, 2022 and September 30, 2022) and ③ preparing monthly financial plans.

(iii) Supplementary note regarding fair value of financial instruments

Since the fair value of financial instruments is calculated based on certain assumptions, the fair value could differ depending on the assumptions used. In addition, the contract value of derivative transactions, which is presented in the following section entitled "Derivative Transactions", is not an exact representation of market risk attributable to derivative transactions.

b. Fair value of financial instruments

Fair value of financial instruments, their values carried on the balance sheets and the differences between them as of March 31, 2022 and September 30, 2022 are as follows. Since "Cash and deposits", "Cash and deposits in trust", and "Short-term borrowings" are cash and due to be settled in a short period, and their fair values approximate their book values, the notes are omitted.

	Thousands of yen		
	As of March 31, 2022		
	Book value	Fair value	Difference
(1) Current portion of long-term borrowings	48,500,000	48,606,802	106,802
(2) Investment corporation bonds	42,993,175	43,624,512	631,337
(3) Long-term borrowings	317,200,000	315,353,094	(1,846,905)
(4) Deposits received from tenants	58,334,907	57,105,428	(1,229,478)
(5) Derivative transactions	—	—	—

	Thousands of yen		
	As of September 30, 2022		
	Book value	Fair value	Difference
(1) Current portion of long-term borrowings	48,500,000	48,556,944	56,944
(2) Investment corporation bonds	42,993,175	43,561,203	568,028
(3) Long-term borrowings	310,200,000	307,817,490	(2,382,509)
(4) Deposits received from tenants	55,831,455	54,654,518	(1,176,936)
(5) Derivative transactions	—	—	—

Notes: 1. Measurement of fair value of financial instruments and matters concerning derivative transactions

(1) Current portion of long-term borrowings and (3) Long-term borrowings

For loans with floating interest rates, since the interest rates on such loans reflect market rates reasonably well over the short term and their book values are good approximations of their fair values, the book values are presented as their fair values. (However, the fair values of floating-rate long-term loans (please refer to the following "Derivative Transactions, b. Derivatives designated as hedging instruments") hedged by an interest-rate and currency swap subject to integrated treatment or by an interest-rate swap subject to special accounting treatment are calculated by discounting the aggregated principal and interest on such loans using reasonable estimates of the rates that would be applicable if the Company were to refinance the existing loans for the remaining period to maturity under the prevailing market condition.) The fair values of long-term loans with fixed interest rates are calculated by discounting the aggregated amounts of the principal and the interest of the loans by the rates that are reasonably estimated to be applicable if the Company were to refinance the existing loans for the remaining period to maturity.

(2) Investment corporation bonds

Their fair values are based on reference prices published by a financial data provider where available. When reference prices are not available, their fair values are calculated by discounting the aggregate of the principal and interest by nominal rates assumed applicable if the loans were refinanced for the duration of the current maturity. (However, the fair values of investment corporation bonds (please refer to the following "Derivative Transactions, b. Derivatives designated as hedging instruments") hedged by a currency swap subject to allocation treatment are calculated by discounting the aggregate of the principal and interest integrated with the currency swap by nominal rates assumed applicable if the loans were refinanced for the duration of the current maturity.)

(4) Deposits received from tenants

These fair values of these deposits are the discounted present values by estimated periods until the deposits are returned and discount rates reflected credit risks of the Company.

(5) Derivative transactions

Please refer to the following section entitled "Derivative Transactions".

2. Repayment schedule for investment corporation bonds, long-term borrowings and other interest-bearing debt after the closing date

	Thousands of yen					
	As of March 31, 2022					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	—	10,000,000	—	20,000,000	10,000,000	2,993,175
Long-term borrowings	48,500,000	39,500,000	54,800,000	52,500,000	25,700,000	144,700,000
Total	48,500,000	49,500,000	54,800,000	72,500,000	35,700,000	147,693,175

	Thousands of yen					
	As of September 30, 2022					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	—	10,000,000	10,000,000	10,000,000	10,000,000	2,993,175
Long-term borrowings	48,500,000	42,300,000	57,000,000	36,700,000	21,000,000	153,200,000
Total	48,500,000	52,300,000	67,000,000	46,700,000	31,000,000	156,193,175

(Derivative Transactions)

a. Derivatives not designated as hedging instruments

As of March 31, 2022

“Not applicable”

As of September 30, 2022

“Not applicable”

b. Derivatives designated as hedging instruments

As of March 31, 2022

The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows:

(Thousands of yen)

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Special Treatment for interest-rate swap	Receive floating, pay fixed interest-rate swap transactions	Long-term borrowings	26,300,000	9,800,000	*1	—
Integrated Treatment (Special Treatment and Allocation Treatment) for interest-rate and currency swap	Receive floating USD, pay fixed JPY, interest-rate and currency swap transactions (with initial and final exchange)	Long-term borrowings	10,000,000	10,000,000	*1	—
Allocation Treatment for currency swap	Receive fixed USD, pay fixed JPY, currency swap transactions (with initial and final exchange)	Investment corporation bonds	2,993,175	2,993,175	*2	—

As of September 30, 2022

The contract amount or the equivalent principal amount set out in the contract as of the closing date for each derivative designated as a hedging instrument is as follows:

(Thousands of yen)

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Special Treatment for interest-rate swap	Receive floating, pay fixed interest-rate swap transactions	Long-term borrowings	16,800,000	6,800,000	*1	—
Integrated Treatment (Special Treatment and Allocation Treatment) for interest-rate and currency swap	Receive floating USD, pay fixed JPY, interest-rate and currency swap transactions (with initial and final exchange)	Long-term borrowings	10,000,000	10,000,000	*1	—
Allocation Treatment for currency swap	Receive fixed USD, pay fixed JPY, currency swap transactions (with initial and final exchange)	Investment corporation bonds	2,993,175	2,993,175	*2	—

*1. The derivative transactions eligible for Special Treatment for interest-rate swap and Integrated Treatment (Special Treatment for interest-rate swap and Allocation Treatment for currency swap) are accounted for as integral parts of the hedged loans, and the fair value of those derivative transactions is included in that of the underlying long-term borrowings as of March 31, 2022 and September 30, 2022. Please refer to page 19, Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments”, as well as subheadings (1) and (3) concerning derivative transactions.

*2. Currency swap transactions eligible for allocation treatment are accounted for as integrated parts of the hedged investment corporation bonds, and the fair value of the currency swap transactions is included in that of the underlying investment bonds as of March 31, 2022 and September 30, 2022. Please refer to page 19, Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments”, as well as subheading (2) concerning derivative transactions.

(Income Taxes)

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Act, an investment corporation is allowed to deduct dividends of earnings or dividend distributions, paid to unitholders from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its profit available for dividends for the fiscal period as stipulated by Article 67-15 of the Special Taxation Measures Act. The significant components of deferred tax assets and liabilities as of March 31, 2022 and September 30, 2022 were as follows:

	Thousands of yen	
	As of March 31, 2022	As of September 30, 2022
Deferred tax assets:		
Accrued enterprise tax	929	926
Amortization of a term leasehold interest	122,288	127,763
Asset retirement obligations	126,914	128,193
	250,132	256,883
Valuation allowance	(147,747)	(154,501)
Total deferred tax assets	102,385	102,381
Deferred tax liabilities:		
Asset retirement obligations	101,455	101,455
Reserve for advanced depreciation of non-current assets	1,953,125	2,408,105
Total deferred tax liabilities	2,054,581	2,509,561
Net deferred tax liabilities	1,952,196	2,407,179

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate as of March 31, 2022 and September 30, 2022 was as follows:

	As of March 31, 2022	As of September 30, 2022
Statutory tax rate	34.59%	34.59%
Deductible dividend distribution	(33.74%)	(31.93%)
Change in valuation allowance	0.04%	0.04%
Others	0.00%	0.00%
Effective tax rate	0.90%	2.70%

(Asset Retirement Obligations)

For the six months March 31, 2022 and September 30, 2022

Asset retirement obligations reported on balance sheets

The Company acquired Osaki Front Tower on February 1, 2011 under the term leasehold for business use agreement which, at the expiry of the leasehold, obligates the Company to restore the leased land to its original state. At the inception of a lease with such an obligation, the Company recognized an asset retirement obligation and a corresponding capital asset in an amount equal to the present value of the estimated demolition cost required for the removal of the properties located on the leased land. The present value is calculated using 2.015% as the discount rate over 42 years, which is the term of the leasehold.

Change in the asset retirement obligations for the six months ended March 31, 2022 and September 30, 2022 consisted of the following:

	Thousands of yen	
	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Balance at the beginning of the period	363,251	366,911
Increase in tangible fixed assets	—	—
Accretion expense	3,659	3,696
Balance at the end of the period	366,911	370,608

(Investment and Rental Property)

For the six months ended March 31, 2022 and September 30, 2022

The Company owns primarily a portfolio of office properties in Tokyo and other prefectures in order to gain rental revenue from them.

The book values on balance sheets as of March 31, 2022 and September 30, 2022 and the fair values as of March 31, 2022 and September 30, 2022 are as follows:

Thousands of yen			
Book value		Fair value	
As of September 30, 2021	Change during the period *1	As of March 31, 2022	As of March 31, 2022
954,902,065	47,718,397	1,002,620,463	1,322,980,000

Thousands of yen			
Book value		Fair value	
As of March 31, 2022	Change during the period *2	As of September 30, 2022	As of September 30, 2022
1,002,620,463	(25,534,367)	977,086,095	1,303,560,000

Notes: 1. Book value on balance sheets means the acquisition cost less accumulated depreciation.

2. Significant changes

*1. As for the increases/decreases for the period, the major reasons for the increases were the acquisitions of GRAND FRONT OSAKA (North Building) (¥9,869,891 thousand), GRAND FRONT OSAKA (Umekita Plaza and South Building) (¥11,347,537 thousand), Toyosu Front (¥25,643,143 thousand) and the additional acquisition of Otemachi Financial City North Tower (¥6,429,989 thousand), and the major reasons for the decreases were the disposition of Nagoya Misono Building (¥1,293,228 thousand) and by depreciation.

*2. As for the increases/decreases for the period, the major reasons for the decreases were the disposition of Harumi Center Building (¥20,813,797 thousand) and by depreciation.

3. Fair values as of March 31, 2022 and September 30, 2022 are defined as the appraised values provided by an external qualified professional appraiser. As of March 31, 2022, Harumi Center Building, for which the disposition agreement was made dated May 16, 2022, was valued at the disposition price, and as of September 30, 2022, Harumi Front, for which the disposition agreement was made dated November 15, 2022, was valued at the disposition price.

Profits and losses related to investment and rental property are listed in the “Breakdown of property-related revenues and expenses” under “Notes to Statements of Income and Retained Earnings”.

(Revenue Recognition)

Breakdown information on revenue from contracts with customers

For the period from October 1, 2021 to March 31, 2022

Thousands of yen		
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	—	1,318,376 *2
Utilities income	1,567,099 *3	1,567,099
Others	—	33,568,167
Total	1,567,099	36,453,643

*1 Rent revenues subject to “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies” (the Accounting System Committee Statement No. 15 of the Japanese Institute of Certified Public Accountants (JICPA)) are excluded from “Revenue from contracts with customers” as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from utilities income.

*2 Sales of real estate properties are recorded as gains or losses on sales of real estate properties in the statements of income in accordance with Article 48-2 of the Regulations on Accounting of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006), and therefore the amount is the proceeds from sales of real estate properties, less the cost of real estate properties sold and other sales expenses.

*3 Utilities income is the amount of income recognized in proportion to the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements.

For the period from April 1, 2022 to September 30, 2022

Thousands of yen		
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	—	3,365,229 *2
Utilities income	1,699,920 *3	1,699,920
Others	—	32,589,399
Total	1,699,920	37,654,549

*1 Rent revenues subject to “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to “Practical Guidelines on Accounting by Transferors for Derecognition of Real Estate Securitized by means of Special Purpose Companies” (the Accounting System Committee Statement No. 15 of the Japanese Institute of Certified Public Accountants (JICPA)) are excluded from “Revenue from contracts with customers” as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from utilities income.

- *2 Sales of real estate properties are recorded as gains or losses on sales of real estate properties in the statements of income in accordance with Article 48-2 of the Regulations on Accounting of Investment Corporation (Cabinet Office Ordinance No. 47 of 2006), and therefore the amount is the proceeds from sales of real estate properties, less the cost of real estate properties sold and other sales expenses.
- *3 Utilities income is the amount of income recognized in proportion to the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements.

(Segment Information)

For the six months ended March 31, 2022 and September 30, 2022

Since the Company has been engaged in the real estate leasing business using a single segment, segment information has been omitted.

Information on products and services

Since revenues from external customers for a single segment accounted for more than 90% of total operating revenues, segment information on products and services has been omitted.

Information on geographic area

a. Revenue

Since 100% of total operating revenues was generated from external customers within Japan, a geographical breakdown of revenues has been omitted.

b. Property and equipment

Since 100% of total property and equipment on the balance sheets was located within Japan, a geographical breakdown of such property and equipment has been omitted.

Information on major clients

Since no single external client represents 10% or more of the Company's total operating revenues, information on major clients has been omitted.

(Per Unit Information)

The following table summarizes information about net assets per unit and profit per unit as of March 31, 2022 and September 30, 2022 and for the periods then ended, respectively:

	Yen	
	For the period from October, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Net assets per unit	373,057	373,778
Profit per unit	11,583	12,121

- Notes: 1. Profit per unit is computed by dividing profit by the weighted average number of units outstanding during each period.
Diluted profit per unit has not been presented since no warrants or convertible bonds were outstanding during the period.
2. The basis for the computation of profit per unit is as follows:

	Thousands of yen	
	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
Profit	16,045,702	16,790,285
Amount not attributable to normal unitholders	—	—
Profit applicable to normal investment units	16,045,702	16,790,285
Average number of units	1,385,210 units	1,385,210 units

(Subsequent Events)

“Not applicable”

(9) Increase/Decrease in Total Number of Units Outstanding

There is no change in the number of investment units outstanding and the amount of unitholders' capital during the period under review. Changes in the past five years are as follows.

Date	Remarks	Number of Units Outstanding		Total Unitholders' Capital (Millions of yen)		Notes
		Increase/Decrease	Balance	Increase/Decrease	Balance	
April 16, 2018	Issuance of new investment units (public offering)	69,000	1,378,310	35,659	493,675	*1
May 9, 2018	Issuance of new investment units (third-party allocation)	6,900	1,385,210	3,565	497,241	*2

*1. New investment units were issued at 533,120 yen per unit (underwriting price of 516,800 yen) for the purpose of funding the acquisition of specified assets and the partial repayment of short-term loans, and in the event there are any funds remaining, cash reserves.

*2. New investment units were issued at 516,800 yen per unit for the purpose of funding the partial repayment of short-term loans and, in the event there are any funds remaining, cash reserves.

3. Reference Data

a. Composition of the Company's Assets

Asset type	Region	As of March 31, 2022		As of September 30, 2022	
		Total of net book value* ¹ (¥ million)	Ratio to total assets (%)	Total of net book value* ¹ (¥ million)	Ratio to total assets (%)
Real property	Tokyo 23 wards	512,411	49.5	489,486	48.5
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	40,506	3.9	40,316	4.0
	Other major cities	77,456	7.5	76,810	7.6
	Total	630,374	60.9	606,612	60.1
Real property in trust	Tokyo 23 wards	264,067	25.5	263,060	26.1
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	15,731	1.5	15,584	1.5
	Other major cities	92,446	8.9	91,828	9.1
	Total	372,245	36.0	370,473	36.7
Savings and other assets		32,452	3.1	31,884	3.2
		(-)	(-)	(-)	(-)
Total amount of assets		1,035,072	100.0	1,008,970	100.0
		(1,002,620)	(96.9)	(977,086)	(96.8)

*1. Totals of net book value as of March 31, 2022 and September 30, 2022 are based on the total amounts from the balance sheets as of March 31, 2022 and September 30, 2022, respectively. Real property and real property in trust present the net book values after depreciation and amortization.

*2. Tokyo metropolitan area encompasses the prefectures of Tokyo, Kanagawa, Chiba and Saitama throughout this document.

*3. The figures in parentheses indicate the value of real property held. Ratios are rounded to the first decimal place.

b. Real Estate Investment Property and Trust Beneficiary Rights in Trust of Real Estate

i) Outline of real estate and other assets included in the Company's holdings (quick reference guide)

The table below is a quick reference guide outlining the real estate and other assets included in the Company's holdings as of, September 30, 2022.

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2	
								(¥ thousand)	Ratio *2		
Tokyo metropolitan area	Tokyo 23 wards	Kitanomaru Square	Real property	7 *5	25,678 *5	96.8% *5	88,400	69,080	81,555,500	7.5%	76.7%
		JRE Kanda-Ogawamachi Building	Real property	8	6,269	89.5%	9,310	8,567	9,520,000	0.9%	
		Kandabashi Park Building	Real property	9	3,687	83.5%	5,360	4,377	4,810,000	0.4%	
		Otemachi Financial City North Tower	Real property /Trust	12	7,420	77.6%	28,800	20,711	15,462,900 6,380,000 Total: 21,842,900	2.0%	
		Otemachi Park Building	Trust	22	2,372	100.0%	11,000	10,095	10,175,000	0.9%	
		Nibancho Garden	Real property	1 *5	9,316 *5	100.0% *5	18,400	11,883	14,700,000	1.3%	
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	100.0%	57,300	28,486	44,700,000	4.1%	
		Burex Kojimachi Building	Real property	1	4,495	100.0%	7,570	5,285	7,000,000	0.6%	
		Sanno Grand Building	Real property	42	20,589	82.5%	26,500	20,794	10,200,000 10,700,000 Total: 20,900,000	1.9%	
		Yurakucho Denki Building	Real property	9	4,697	93.2%	9,470	7,635	7,200,000	0.7%	
		Front Place Nihonbashi	Real property	2	8,468	100.0%	21,200 *6	17,282	17,560,000	1.6%	
		JRE Kayabacho 2Chome Building	Trust	9	4,419	87.5%	5,050	4,029	4,410,000	0.4%	
		Burex Kyobashi Building	Real property	1	4,279	100.0%	7,680	4,246	5,250,000	0.5%	
		JRE Ginza 1Chome East Building	Trust	8	4,513	100.0%	8,160	5,940	6,459,000	0.6%	
Ginza Sanwa Building	Real property	11	4,326	100.0%	19,600	17,052	16,830,000	1.5%			

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2
								(¥ thousand)	Ratio *2	
Tokyo metropolitan area	Tokyo 23 wards	JRE Ginza 3Chome Building	10	4,255	100.0%	6,480	7,128	5,353,500 2,645,922 *7 Total: 7,999,422	0.7%	76.7%
		Harumi Front	7	33,369	99.7%	38,000 *8	25,229	31,300,000	2.9%	
		Akasaka Park Building	32 *5	44,999 *5	91.7% *5	83,100	57,071	60,800,000	5.6%	
		JRE Aoyama Crystal Building	8	4,898	90.2%	9,800	6,987	7,680,000	0.7%	
		Clover Shiba-koen	9	2,550	100.0%	5,040 *6	4,351	4,500,000	0.4%	
		Shiodome Building	38	44,213	67.7%	123,000	99,209	21,250,000 54,600,000 10,100,000 10,450,000 10,530,000 Total: 106,930,000	9.8%	
		JER Shiba 2Chome Daimon Building	23	9,525	98.3%	8,990	5,841	4,859,000	0.4%	
		JRE Cosmo Kanasugibashi Building	6	4,062	87.0%	3,790	2,440	2,808,000	0.3%	
		Seavans S Building	13	6,082	84.6%	7,350	5,610	5,400,000	0.5%	
		Tamachi Front Building	10	3,792	100.0%	7,930 *6	5,964	6,210,000	0.6%	
		Shinjuku Eastside Square	40	40,941	98.5%	74,500 *6	58,915	23,100,000 6,660,000 25,460,000 8,460,000 Total: 63,680,000	5.8%	
		Shinjuku Front Tower	39	21,416	78.6%	37,500 *6	34,170	25,025,000 10,100,000 Total: 35,125,000	3.2%	
		JRE Nishi-Shinjuku Terrace	12	6,036	100.0%	9,350	7,635	7,830,000	0.7%	
		Tokyo Opera City Building*9	93	34,963	90.8%	36,000	27,685	9,350,000 22,426,831 Total: 31,776,831	2.9%	
		Front Place Minami-Shinjuku	2	4,095	100.0%	10,400 *6	9,215	9,250,000	0.8%	
		Link Square Shinjuku	17	9,786	100.0%	25,400	22,410	6,670,000 (1,170,000) *10 17,300,000 Total: 22,800,000	2.1%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2	
								(¥ thousand)	Ratio *2		
Tokyo metropolitan area	Tokyo 23 wards	JRE Yoyogi 1 Chome Building	Real Property	8	7,745	100.0%	13,900	6,597	8,700,000	0.8%	76.7%
		JRE Jingumae Terrace	Real property	6	3,147	100.0%	7,410	4,767	4,885,000	0.4%	
		JRE Jingumae Media Square Building	Real property	6	5,558	100.0%	10,200	10,638	12,200,000*11	1.1%	
		Shibuya Cross Tower (Land)	Real property	*12	*12	*12	43,800	27,186	34,600,000 (8,076,000)*13 Total: 26,524,000	2.4%	
		Ebisu Neonato	Real property	4	8,659	100.0%	20,200	13,749	3,740,000 360,000 10,512,000 Total: 14,612,000	1.3%	
		TIXTOWER UENO	Real property	16	15,016	100.0%	26,600	17,837	22,000,000	2.0%	
		Toyosu Front	Trust	21	17,407	98.9%	26,600	25,502	25,500,000	2.3%	
		JRE Higashi Gotanda 1Chome Building	Real property	4	5,205	100.0%	7,140	4,165	5,500,000	0.5%	
		Osaki Front Tower*14	Real property	1	16,856	100.0%	17,900*8	7,176	12,300,000	1.1%	
		JRE Omori-Eki Higashiguchi Building	Trust	26	7,706	100.0%	6,020	4,633	5,123,000	0.5%	
		Harmony Tower	Real property	23	14,340	97.3%	15,200	9,490	8,500,000 520,000 2,100,000 Total: 11,120,000	1.0%	
		JRE Ikebukuro 2Chome Building*15	Trust	9	2,186	100.0%	2,000	1,548	1,728,000	0.2%	
		JRE Minami-Ikebukuro Building	Real property	10	5,932	93.4%	6,260	3,913	4,500,000	0.4%	
		Tokyo metropolitan area, excluding Tokyo 23 wards		Hachioji First Square	Real property	48	10,125	100.0%	5,190	4,692	
JRE Saitama Urawa Building	Real property			19	4,510	100.0%	3,190	2,413	1,232,000 1,342,000 Total: 2,574,000	0.2%	
MM Park Building	Real property			33	38,415	93.7%	42,400	29,582	37,400,000	3.4%	
Queen's Tower A	Trust			50	26,669	98.5%	25,100*6	15,584	17,200,000	1.6%	
Musashi Kosugi STM Building	Real property			27	5,378	98.1%	4,620	3,628	4,000,000	0.4%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2
								(¥ thousand)	Ratio *2	
Other major cities	8·3 Square Kita Building	Real property	8	12,265	100.0%	10,900	5,420	7,100,000	0.7%	17.2%
	Jozenji Park Building	Real property	20	2,518	98.0%	1,120	914	1,000,000	0.1%	
	JRE Higashi Nibancho Square	Real property	22	20,526	100.0%	15,100*8	8,103	9,950,000	0.9%	
	JRE Sendai Honcho Honma Building	Trust	27	6,234	98.7%	2,780	2,767	2,924,000 250,000 Total: 3,174,000	0.3%	
	AER	Real property	62	23,612	96.6%	19,300	17,780	18,640,000	1.7%	
	Daido Seimei Niigata Building	Real property	10	3,928	100.0%	1,900	1,644	1,770,000	0.2%	
	Kanazawa Park Building	Real property	75	20,946	85.4%	7,110	4,430	2,880,000 1,700,000 Total: 4,580,000	0.4%	
	JRE Kanazawa Kamitsutsumicho Building	Real property	27	7,213	98.1%	3,050	2,307	2,780,000	0.3%	
	Nishiki Park Building*16	Real property	63*5	10,338*5	93.0%*5	5,550	4,813	3,850,000 1,300,000 650,000 175,000 Total: 5,975,000	0.5%	
	JRE Nagoya Hirokoji Place	Trust	32	13,200	87.1%	14,300*6	7,537	8,567,000	0.8%	
	Nagoya Hirokoji Building	Real property	41	21,377	96.7%	13,100	14,334	14,533,000	1.3%	
	JRE Shijo Karasuma Center Building	Real property	12	6,634	85.2%	7,240*6	3,545	4,400,000	0.4%	
	GRAND FRONT OSAKA(North Building)*17	Trust	5	8,462	98.3%	10,400*8	9,806	9,750,000	0.9%	
	GRAND FRONT OSAKA (Umekita Plaza and South Building)*17	Trust	2	5,178	89.6%	11,800*8	11,242	11,250,000	1.0%	
	JRE Umeda Square Building*18	Trust	37	10,375	99.3%	16,800	15,537	15,523,520	1.4%	
	JRE Dojima Tower	Trust	46	28,403	96.8%	20,000	20,418	24,000,000	2.2%	
	JRE Sakaisujihonmachi Building	Real property	24	11,520	100.0%	3,880	3,482	2,264,000 1,900,000 Total: 4,164,000	0.4%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2
								(¥ thousand)	Ratio *2	
Other major cities	JRE Midotsuji Daiwa Building	Trust	40	20,450	100.0 %	14,700	13,352	6,934,000 7,380,000 Total: 14,314,000	1.3%	17.2 %
	JRE Amagasaki Front Building	Trust	31	15,500	92.9%	10,500	7,865	9,300,000	0.9%	
	Lit City Building	Real property	28	8,885	91.8%	5,110	2,319	4,650,000 (555,131) *19 Total: 4,094,868	0.4%	
	NHK Hiroshima Broadcasting Center Building	Real property	12	9,881	94.8%	3,460	2,909	1,320,000 1,450,000 Total: 2,770,000	0.3%	
	JRE Tenjin 3Chome Building	Real property	19	3,995	100.0 %	1,980	1,331	1,550,000	0.1%	
	JRE Tenjin Crystal Building	Real property	30	5,964	100.0 %	3,270	3,471	5,000,000	0.5%	
	Hinode Tenjin Building	Trust	4	5,944	100.0 %	4,940	3,299	3,657,000	0.3%	
	Total		1,499	875,648	93.9%	1,302,450	977,086	1,091,248,154	100.0%	

- *1. The total number of tenants is based on the gross number of tenants in each building. Each instance of occupancy of a single tenant leasing space is considered separately on a per property basis even if said tenant leases floor area in multiple properties. Moreover, a portion of GRAND FRONT OSAKA (North Building) and GRAND FRONT OSAKA (Umekita Plaza and South Building) are leased in bulk through a pass-through master lease system, the number of bulk lessees is defined as the number of tenants. For the portion of GRAND FRONT OSAKA (North Building) leased in part under a fixed master lease or direct lease, the bulk lessees or end tenants of the said portion are added to the total number of tenants of the same property.
- *2. Occupancy rate, ratio of acquisition price and ratio by region are rounded to the nearest first decimal place.
- *3. Appraisal value at the end of period is, as a rule, the value assessed by real estate appraisers based on the Company's Articles of Incorporation and the Cabinet Office Ordinance on Accountings of Investment Corporations. The book closing date is used as the appraisal date and the appraisal value is calculated by Daiwa Real Estate Appraisal Co., Ltd.
- *4. Incidental expenses arising from acquisitions are not included in the acquisition price.
- *5. Residential portions are not included in the total number of tenants, the occupancy rate or the leasable floor area for Kitanomaru Square, Nibancho Garden, Akasaka Park Building or Nishiki Park Building. The residential portions for these properties are as follows: Kitanomaru Square, leasable floor area: 11,694m², occupancy rate: 96.3%; Nibancho Garden, leasable floor area: 1,686m², occupancy rate: 100.0%; Akasaka Park Building, leasable floor area: 10,780m², occupancy rate: 89.2%; Nishiki Park Building, leasable floor area: 954m², occupancy rate: 83.6%.
- *6. Appraisal values by Japan Real Estate Institute.
- *7. This includes the acquisition price of the land and building adjacent to JRE Ginza 3Chome East Building dated July 4, 2008, the cost of the adjacent building's demolition and the total expense of the construction and expansion of the Ryoshin Ginza East Mirror Building (excluding brokerage fees and other acquisition-related expenses) after its completion on May 24, 2010.
- *8. Appraisal values by Chuo Real Estate Appraisal Co., Ltd.
- *9. Accompanying the acquisition of Tokyo Opera City Building on September 13, 2005, the Company acquired 33 shares of Tokyo Opera City Building Co., Ltd. (the business that maintains, services and operates the building) at a total acquisition price of 2,797 thousand yen and inherited the 874 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller. In an additional acquisition, on March 24, 2010, the Company acquired 91 shares of Tokyo Opera City Building Co., Ltd. at a total acquisition price of 7,539 thousand yen. Concurrently, the Company acquired 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. (the supplier of heat to the building) at a total acquisition price of 566,831 thousand yen, inheriting the 2,360 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller. Regarding the appraisal value at the end of the fiscal period of the above-mentioned shares, the 124 shares of Tokyo Opera City Building Co., Ltd. are valued at 10,336 thousand yen and the 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. are valued at 566,831 thousand yen.
- *10. Because the building was disposed on August 23, 2013, the acquisition price of the building at the time of the land and building

purchase dated March 24, 2004, has been deducted.

- *11. This is the acquisition price dated October 9, 2003, and includes a portion of the site disposed of and a portion of the extinguished easement related to the site (liquidation cost, 615 million yen) thereafter.
- *12. Because the building portion of Shibuya Cross Tower (land with leasehold interest) was disposed on January 18, 2018, no total number of tenants, leasable floor area or occupancy rate are provided. Furthermore, the 5,153 m² portion of land still held is being rented to the transferee of the building, Mitsubishi Estate Co., Ltd.
- *13. Because the building was disposed on January 18, 2018, the acquisition price of the building at the time of the land and building purchase dated November 30, 2001, has been deducted.
- *14. On acquiring Osaki Front Tower, the Company inherited the land renter's lease deposit of 1,040,000 thousand yen held by the seller of the building. The value of the lease deposit was appraised at the end of the fiscal period and remained unchanged.
- *15. The name of the property was changed from Ikebukuro 2Chome Building on July 1, 2022.
- *16. On acquiring Nishiki Park Building on October 2, 2006, the Company inherited the 9,000 thousand yen lease deposit made by the land renters held by the seller of the building.
- *17. Accompanying the acquisitions of GRAND FRONT OSAKA (North Building) and GRAND FRONT OSAKA (Umekita Plaza and South Building) on October 1, 2021, the Company acquired 1,666 shares of KMO Corporation (planning and management business related to the "Knowledge Capital" facility) at a total acquisition price of 83,300 thousand yen, a right to claim a refund of funds related to Knowledge Capital Association (planning and management business related to the "Knowledge Capital" facility) at a total acquisition price of 4,900 thousand yen, and a right to claim a refund of funds related to GRAND FRONT OSAKA TMO General Incorporated Association (business related to regional revitalization, etc.) at an acquisition price of 490 thousand yen. Regarding the appraisal values at the end of the fiscal period for the above-mentioned shares and the rights to claim a refund of funds, the 1,666 shares of KMO Corporation were valued at 83,300 thousand yen, the right to claim a refund of funds related to Knowledge Capital Association was valued at 4,900 thousand yen, and the right to claim a refund of funds related to GRAND FRONT OSAKA TMO General Incorporated Association was valued at 490 thousand yen.
- *18. Trust assets of the trust beneficiary right acquired by the Company include a claim for 500,000 thousand yen of deposit for construction to connect to underground shopping centers given to Osaka Shigaichi Kaihatsu Co., Ltd., which was held by the previous owner.
- *19. Because the retail units were disposed on September 28, 2018, the acquisition price of the retail units at the time of the land and building purchase dated February 1, 2006, has been deducted.
- *20. In the above quick reference guide, if the real estate or other assets are classified as shared ownership or compartmental ownership, only the real estate or other assets owned by the Company are presented and the portions owned by the other shared owners or compartmental owners are excluded.

ii) Breakdown of property-related revenues and expenses for real estate and other assets included in the Company's holdings

The table below is a quick reference guide outlining the revenues and expenses on each real estate and other asset for the September 2022 period (April 1, 2022 – September 30, 2022). Furthermore, the income summary is presented based on the previously mentioned “Summary of Significant Accounting Policies”.

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2022 – September 30, 2022)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
			Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses				
Kitanomaru Square	1,685	623	137	82	98	1	44	259	0	1,062	1,321	55	1,265
JRE Kanda-Ogawamachi Building	219	91	16	15	22	0	6	29	-	128	158	67	91
Kandabashi Park Building	118	43	2	-	18	0	2	19	-	75	95	16	78
Otemachi Financial City North Tower	335	270	46	51	69	0	0	101	0	64	166	-	166
Otemachi Park Building	191	95	8	14	34	0	0	37	0	96	134	-	134
Nibancho Garden	492	215	61	30	58	0	7	57	-	276	333	5	328
Mitsubishi UFJ Trust and Banking Building	986	372	59	55	166	0	2	84	2	614	698	3	695
Burex Kojimachi Building	162	57	-	-	15	0	8	33	-	104	138	-	138
Sanno Grand Building	859	443	100	60	128	0	90	63	-	416	479	2	477
Yurakucho Denki Building	280	128	32	22	51	0	-	21	-	151	173	-	173
Front Place Nihonbashi	403	139	23	19	41	0	0	53	0	263	317	5	311
JRE Kayabacho 2Chome Building	138	58	10	11	12	0	2	21	-	79	100	-	100
Burex Kyobashi Building	158	41	-	-	12	0	6	23	-	116	140	6	133
JRE Ginza 1Chome East Building	191	87	14	10	11	0	3	47	-	103	151	-	151
Ginza Sanwa Building	400	164	26	16	93	0	3	24	0	235	260	1	258
JRE Ginza 3Chome Building	164	89	13	11	17	0	6	40	-	74	115	36	79
Harumi Front	1,141	517	87	45	82	1	2	296	0	624	921	19	902
Harumi Center Building*2	199	102	25	18	16	0	-	41	0	97	138	-	138
Akasaka Park Building	2,161	1,246	238	252	276	3	48	424	1	915	1,340	88	1,251
JRE Aoyama Crystal Building	209	86	14	11	34	0	2	23	0	123	146	-	146
Clover Shiba-koen	117	42	10	7	7	0	4	12	-	74	87	-	87
Shiodome Building	1,984	953	195	127	201	1	12	413	2	1,030	1,444	59	1,385
JRE Shiba 2Chome Daimon Building	316	163	34	22	42	0	4	60	0	152	213	23	190

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2022 – September 30, 2022)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
JRE Cosmo Kanasugibashi Building	117	51	12	7	14	0	3	14	-	66	80	-	80
Seavans S Building	220	136	34	31	20	0	9	39	0	84	124	16	108
Tamachi Front Building	167	65	11	8	14	0	1	29	0	102	131	4	127
Shinjuku Eastside Square	1,653	703	131	139	123	1	19	286	1	949	1,235	13	1,222
Shinjuku Front Tower	688	414	91	50	86	1	12	171	1	274	445	66	378
JRE Nishi-Shinjuku Terrace	246	96	18	15	21	0	0	39	-	150	189	6	182
Tokyo Opera City Building*3	1,525	1,068	*3	*3	*3	*3	*3	*3	*3	457	*3	40	*3
Front Place Minami-Shinjuku	198	84	15	10	26	0	0	30	0	114	144	2	142
Link Square Shinjuku	587	272	44	33	60	0	-	132	0	315	447	-	447
JRE Yoyogi 1Chome Building	310	122	24	22	26	0	9	39	-	188	228	31	197
JRE Jingumae Terrace	187	61	10	8	21	0	5	16	-	125	142	-	142
JRE Jingumae Media Square Building	232	190	39	22	63	0	15	49	-	42	91	3	88
Shibuya Cross Tower(Land)	542	90	-	-	90	-	-	-	-	452	452	-	452
Ebisu Neonato	483	254	50	19	38	1	41	101	-	228	330	179	151
TIXTOWER UENO	662	365	69	43	38	1	20	192	-	297	490	26	463
Toyosu Front	715	299	69	50	-	1	1	176	0	415	592	-	592
JRE Higashi Gotanda 1Chome Building	197	90	13	22	15	0	14	24	0	107	132	2	129
Osaki Front Tower	727	415	66	51	25	0	10	164	96	312	476	0	475
JRE Omori-Eki Higashiguchi Building	242	158	30	21	26	0	40	40	0	83	124	69	54
Harmony Tower	499	163	43	-	57	0	12	50	-	335	385	2	383
JRE Ikebukuro 2Chome Building	70	30	7	5	5	0	2	9	0	39	48	-	48
JRE Minami-Ikebukuro Building	186	76	19	12	16	0	1	26	-	110	136	21	114
Hachioji First Square	236	122	51	2	26	0	4	36	0	114	150	2	148

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2022 – September 30, 2022)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
			Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses				
JRE Saitama Urawa Building	128	54	13	10	9	0	2	18	-	74	92	18	74
MM Park Building	1,192	624	131	184	81	1	45	177	1	568	746	44	701
Queen's Tower A	1,018	694	204	103	116	2	10	249	7	323	573	102	470
Musashi Kosugi STM Building	168	68	22	1	12	0	3	27	0	99	127	4	123
8・3 Square Kita Building	377	168	33	57	23	0	15	38	-	208	247	31	215
Jozenji Park Building	66	41	9	7	7	0	5	12	-	24	36	-	36
JRE Higashi Nibancho Square	608	269	68	53	42	0	2	101	-	339	440	8	432
JRE Sendai Honcho Honma Building	142	68	16	13	17	0	2	18	-	73	92	17	75
AER	703	357	89	54	66	0	21	124	0	346	470	24	446
Daido Seimei Niigata Building	79	52	12	5	6	0	2	25	-	26	52	6	45
Kanazawa Park Building	470	350	100	41	67	1	55	83	0	120	204	90	113
JRE Kanazawa Kamitsutsumicho Building	141	89	18	15	9	0	4	40	-	52	92	-	92
Nishiki Park Building	284	183	56	27	25	0	6	60	6	101	161	13	148
JRE Nagoya Hirokoji Place	448	169	37	41	36	0	5	48	-	279	327	13	314
Nagoya Hirokoji Building	585	394	92	57	68	0	19	155	0	191	346	4	342
JRE Shijo Karasuma Center Building	211	105	28	16	11	0	3	45	0	106	151	2	149
GRAND FRONT OSAKA(North Building)*4	*4	*4	*4	*4	*4	*4	*4	*4	*4	84	144	10	133
GRAND FRONT OSAKA(Umekita Plaza and South Building)*4	*4	*4	*4	*4	*4	*4	*4	*4	*4	144	201	6	194
JRE Umeda Square Building	477	230	54	31	53	0	6	83	-	247	330	17	313
JRE Dojima Tower	741	525	107	76	77	1	9	252	-	216	469	23	446
JRE Sakaisujihonmachi Building	260	144	43	33	36	0	5	25	-	115	141	16	125
JRE Midosuji Daiwa Building	570	306	64	53	78	0	12	96	0	263	360	11	348
JRE Amagasaki Front Building	407	252	65	31	26	0	23	105	0	155	260	6	253

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2022 – September 30, 2022)												
	Property-related revenues	Property-related expenses							Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④	
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
Lit City Building	240	115	29	22	16	1	13	31	-	124	156	-	156
NHK Hiroshima Broadcasting Center Building	258	201	49	28	24	0	9	63	26	56	119	19	100
JRE Tenjin 3Chome Building	101	48	12	6	7	0	7	13	0	53	66	-	66
JRE Tenjin Crystal Building	167	135	23	19	19	0	9	64	0	31	96	22	73
Hinode Tenjin Building	207	84	32	16	15	0	1	19	0	122	141	13	128
Total	34,289	17,480	3,836	2,760	3,521	48	849	6,275	187	16,808	23,084	1,411	21,672

*1. Construction expenses that correspond to capital expenditures incurred during the period under review are listed under capital expenditures. This does not include expenses capitalized as construction in progress, expenses capitalized as furniture, etc., or such expenses included in the book value as brokerage fees for acquiring real estate or other assets, real estate acquisition taxes or other acquisition-related expenses.

*2. Harumi Center Building has been disposed of as of May 31, 2022.

*3. Disclosure of NOI and NCF in the breakdown of the expenses of the property leasing business for Tokyo Opera City Building has been withheld at the request of the joint owners of the relevant real estate.

*4. The Property-related revenues and expenses (including breakdown) of Grand Front Osaka (North Building) and Grand Front Osaka (Umekita Plaza and South Building) have been refrained from disclosure as the consent of the co-owners, etc. has not been obtained.

c. Condition of Other Assets

(i) Shares/Investment Securities

Securities	Number of shares	Acquisition price (¥ thousand)		Appraisal value (¥ thousand)		Valuation gain/loss (¥ thousand)	Notes
		Unit price	Amount	Unit price	Amount		
Tokyo Opera City Building Co., Ltd.	124	83	10,336	83	10,336	—	*
Tokyo Opera City Heat Supply Co., Ltd.	4,931	114	566,831	114	566,831	—	*
KMO Corporation	1,666	50	83,300	50	83,300	—	*
Total	—	—	660,468	—	660,468	—	—

* Appraisal value for relevant non-listed stock are defined as acquisition costs.

(ii) Securities Other Than Shares/Investment Securities

Specified asset type	Quantity	Acquisition price (¥ thousand)		Appraisal value (¥ thousand)		Valuation gain/loss (¥ thousand)	Notes
		Unit price	Amount	Unit price	Amount		
Right to claim a refund of funds	1	—	4,900	—	4,900	—	*

* Appraisal value for the right to claim a refund of funds is defined as an acquisition cost.

(iii) Other Specified Assets

Specified asset type	Quantity	Book value (¥ thousand)		Appraisal value (¥ thousand)		Valuation gain/loss (¥ thousand)	Notes
		Unit price	Amount	Unit price	Amount		
Monetary claim (Guarantee deposits)	1	1,040,000	1,040,000	1,040,000	1,040,000	—	—
Right to claim a refund of funds	1	—	490	—	490	—	*
Monetary claim (Operating accounts receivable)	1	5,024	5,024	5,024	5,024	—	—
Total	—	—	1,045,514	—	1,045,514	—	—

* Appraisal value for the right to claim a refund of funds is defined as an acquisition cost.

Trust beneficiary rights, mainly consisted of the trust asset of real estate, are included in the previous section b. “Real Estate Investment Property and Trust Beneficiary Rights in Trust of Real Estate”.

d. Capital Expenditures

(i) Schedule for Capital Expenditures

The significant scheduled capital expenditures, such as current plans for repair, maintenance and renovation work on existing properties, are listed below.

The following scheduled capital expenditures include those accounted for as expenses.

Name of property (Location)	Purpose	Scheduled period	Estimated cost (¥ million)		
			Total amount	Payment amount for the fiscal under review period	Total amount already paid
Burex Kyobashi Building (Chuo-ku, Tokyo)	Upgrade of air conditioning facilities	From September 2022 To May 2023	196	—	—
JRE Umeda Square Building (Osaka, Osaka Prefecture)	Upgrade of electrical equipment	From June 2022 To September 2023	194	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Elevator renewal construction	From June 2022 To March 2023	149	—	—
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Upgrade of air conditioning facilities	From April 2022 To March 2023	146	—	—
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Construction work	From October 2022 To March 2023	104	—	—
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioning facilities	From June 2021 To November 2022	80	—	—
JRE Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2022 To March 2023	61	—	—
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Elevator renewal construction	From April 2022 To December 2022	55	—	—
Daido Seimei Niigata Building (Niigata, Niigata Prefecture)	Elevator renewal construction	From February 2023 To March 2023	19	—	—

(ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled ¥1,411 million and repair, maintenance and renovation expenses classified as expenses in the period under review totaled ¥849 million, for a total of ¥2,261 million worth of construction that has been carried out.

The major item in the capital expenditure was the upgrade of air conditioning facilities of Ebisu Neonato.

Name of property (Location)	Purpose	Period	Expenditures for construction (¥ million)
Ebisu Neonato (Shibuya-ku, Tokyo)	Upgrade of air conditioning facilities	From June 2021 To August 2022	167
JRE Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Upgrade of air conditioning facilities	From April 2022 To September 2022	61
Other real estate			1,182
Total			1,411

(iii) Money Saved for Long-term Repair Plans
“Not applicable”

e. Expenses and Liabilities

(i) Details on Operation-related Expenses

Item	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2022 to September 30, 2022
(a) Asset management fees *1	¥1,541,945 thousand	¥1,718,962 thousand
(breakdown) NOI-linked fee	¥962,819 thousand	¥923,364 thousand
Distribution-linked fee I *2	¥414,329 thousand	¥374,944 thousand
Distribution-linked fee II*2	¥164,797 thousand	¥420,653 thousand
(b) Asset custody fees	¥64,774 thousand	¥64,634 thousand
(c) Administrative service fees	¥134,403 thousand	¥136,484 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission expenses	¥122,766 thousand	¥83,339 thousand
(f) Other operating expenses	¥83,716 thousand	¥120,248 thousand
Total	¥1,955,406 thousand	¥2,131,469 thousand

*1 In addition to the asset management fees listed above, in the case that a property is acquired, an “acquisition fee” is included in the acquisition cost of the property and paid to the asset management company. In the case that a property is sold, a “disposition fee” is included in the loss on sale and paid to the asset management company. These fees are calculated by multiplying the buying/selling price of the property by a fee rate. In the period ended March 31, 2022, the acquisition fee amounted to ¥264,400 thousand, and the disposition fee amounted to ¥13,145 thousand, and in the period September 30, 2022, the disposition fee amounted to ¥103,737 thousand.

*2 The Company set up “Distribution-linked fee I”, which is mainly linked to leasing business profit, which is a distributable resource of a regular nature, and “Distribution-linked fee II”, which is linked to gains on the sale of real estate (the positive value after taking into account the gains and losses on the sale of real estate), which is a distributable resource of a transient nature.

(ii) Borrowings

The condition of loans by financial institutions as of September 30, 2022 is as follows.

Classification	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes	
	Lender								
Short-term borrowings	Sumitomo Mitsui Trust Bank, Limited	April 20, 2021	2,000,000	—	0.1254	April 20, 2022	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd. *3	February 18, 2022	11,000,000	—	0.10727	May 18, 2022			
	MUFG Bank, Ltd. *4	May 18, 2022	—	—	0.10727	August 18, 2022			
	MUFG Bank, Ltd. *5	August 18, 2022	—	11,000,000	0.10364	November 18, 2022			
	MUFG Bank, Ltd.	November 30, 2021	3,200,000	3,200,000	0.11739	November 30, 2022			
	MUFG Bank, Ltd.	March 29, 2022	15,000,000	—	0.11995	March 29, 2023 *6			
	Mizuho Bank, Ltd.	March 29, 2022	10,000,000	—	0.1199	March 29, 2023 *7			
	Sumitomo Mitsui Trust Bank, Limited	April 20, 2022	—	2,000,000	0.11987	April 20, 2023			
	Mizuho Bank, Ltd.	April 25, 2022	—	—	0.11758	April 25, 2023 *8			
	MUFG Bank, Ltd.	June 15, 2022	—	—	0.12182	June 15, 2023 *9			
	Shinsei Bank, Limited	June 15, 2022	—	2,500,000	0.12205	June 15, 2023			
	MUFG Bank, Ltd.	July 15, 2022	—	—	0.12383	July 10, 2023 *10			
	Mizuho Bank, Ltd.	July 25, 2022	—	3,000,000	0.12127	July 10, 2023			
	Subtotal		41,200,000	21,700,000					
Long-term borrowings	Mizuho Bank, Ltd.	April 24, 2013	3,000,000	—	0.87375	April 25, 2022	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd.	June 15, 2012	4,000,000	—	1.1975	June 15, 2022			
	MUFG Bank, Ltd.	June 15, 2012	2,500,000	—	1.2725	June 15, 2022			
	Shinsei Bank, Limited	June 15, 2012	2,500,000	—	1.2725	June 15, 2022			
	The Norinchukin Bank	June 17, 2014	3,000,000	—	0.6785	June 17, 2022			
	The Gunma Bank, Ltd.	August 10, 2015	1,000,000	—	0.3925	August 10, 2022			
	The Shinkumi Federation Bank		1,000,000	—					
	Daishi Hokuetsu Bank, Ltd.		1,000,000	—					
	The Chugoku Bank, Limited		1,000,000	—					
	The Toho Bank, Ltd.		1,000,000	—					
	The Fukui Bank, Ltd.		1,000,000	—					
The Tochigi Bank, Ltd.	500,000		—						

Classification	Lender	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	MUFG Bank, Ltd.	September 1, 2015	2,000,000	—	0.47125	September 1, 2022	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Hachijuni Bank, Ltd.	December 20, 2017	1,000,000	1,000,000	0.1863	December 20, 2022 *11			
	Development Bank of Japan Inc.	January 7, 2013	3,000,000	3,000,000	1.115	January 6, 2023 *11			
	Daishi Hokuetsu Bank, Ltd.	January 7, 2016	1,500,000	1,500,000	0.2802	January 10, 2023 *11			
	The 77 Bank, Ltd.	January 10, 2018	1,000,000	1,000,000	0.205	January 10, 2023 *11			
	The Hachijuni Bank, Ltd.	January 15, 2016	1,000,000	1,000,000	0.265	January 16, 2023 *11			
	The Iyo Bank, Ltd.	January 15, 2016	1,000,000	1,000,000	0.265	January 16, 2023 *11			
	Sumitomo Mitsui Trust Bank, Limited	January 17, 2018	3,000,000	3,000,000	0.210	January 17, 2023 *11			
	Development Bank of Japan Inc.	January 31, 2014	5,000,000	5,000,000	0.9325	January 31, 2023 *11			
	The Yamaguchi Bank, Ltd.	March 25, 2013	1,000,000	1,000,000	0.945	March 24, 2023 *11			
	The Bank of Fukuoka, Ltd.	March 24, 2015	2,000,000	2,000,000	0.5125	March 24, 2023 *11			
	The Norinchukin Bank	March 25, 2015	3,500,000	3,500,000	0.46825	March 27, 2023 *11			
	The Chugoku Bank, Limited	March 26, 2018	2,000,000	2,000,000	0.1988	March 27, 2023 *11			
	Sumitomo Mitsui Banking Corporation	November 29, 2018	3,000,000	3,000,000	0.1694	May 29, 2023 *11			
	Sumitomo Mitsui Trust Bank, Limited	November 29, 2018	3,000,000	3,000,000	0.1694	May 29, 2023 *11			
	MUFG Bank, Ltd.	June 1, 2017	12,000,000	12,000,000	0.0415 *12 *13	June 1, 2023 *11			
	The Chugoku Bank, Limited	June 15, 2015	3,000,000	3,000,000	0.61175	June 15, 2023 *11			
	The Bank of Fukuoka, Ltd.	June 15, 2017	2,500,000	2,500,000	0.2388	June 15, 2023 *11			
	MUFG Bank, Ltd.	December 19, 2014	10,000,000	10,000,000	0.42375 *14	December 19, 2023			
	MUFG Bank, Ltd.	March 26, 2018	5,000,000	5,000,000	0.07985 *12 *15	March 26, 2024			
	The Hachijuni Bank, Ltd.	March 26, 2018	1,000,000	1,000,000	0.2338	March 26, 2024			
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2019	5,000,000	5,000,000	0.075	May 29, 2024			
	The Iyo Bank, Ltd.	June 15, 2017	2,500,000	2,500,000	0.275	June 17, 2024			
	The Hachijuni Bank, Ltd.	June 15, 2017	1,000,000	1,000,000	0.275	June 17, 2024			
	MUFG Bank, Ltd.	September 1, 2015	3,500,000	3,500,000	0.630	September 2, 2024			
	Sumitomo Mitsui Trust Bank, Limited	September 2, 2015	3,800,000	3,800,000	0.536	September 2, 2024			

Classification	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes	
	Lender								
Long-term borrowings	The Norinchukin Bank	September 1, 2017	5,000,000	5,000,000	0.240	September 2, 2024	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Sumitomo Mitsui Trust Bank, Limited	September 26, 2019	5,500,000	5,500,000	0.105	September 26, 2024			
	Taiyo Life Insurance Company	October 1, 2014	2,000,000	2,000,000	0.7825	October 1, 2024			
	Mizuho Bank, Ltd.	October 1, 2015	2,500,000	2,500,000	0.5575	October 1, 2024			
	The Gunma Bank, Ltd.	November 18, 2019	1,000,000	1,000,000	0.11642 *12	November 18, 2024			
	MUFG Bank, Ltd.	June 1, 2018	10,000,000	10,000,000	0.2544	December 2, 2024			
	Shinkin Central Bank	January 7, 2020	2,000,000	2,000,000	0.2075	January 7, 2025			
	The Ashikaga Bank, Ltd.	January 9, 2018	1,000,000	1,000,000	0.285	January 9, 2025			
	Mizuho Trust & Banking Co., Ltd.	March 2, 2015	3,000,000	3,000,000	0.5585	March 3, 2025			
	MUFG Bank, Ltd.	March 26, 2018	2,000,000	2,000,000	0.2725	March 26, 2025			
	Development Bank of Japan Inc.	March 30, 2017	5,000,000	5,000,000	0.315	March 31, 2025			
	Taiyo Life Insurance Company	May 29, 2015	1,500,000	1,500,000	0.7375	May 29, 2025			
	Sumitomo Mitsui Trust Bank, Limited	June 15, 2020	7,000,000	7,000,000	0.2075	June 16, 2025			
	Sumitomo Mitsui Banking Corporation	July 20, 2021	5,000,000	5,000,000	0.15375	July 22, 2025			
	Sumitomo Mitsui Trust Bank, Limited	August 31, 2018	3,000,000	3,000,000	0.320	August 29, 2025			
	Development Bank of Japan Inc.	September 1, 2015	7,000,000	7,000,000	0.7175	September 1, 2025			
	Sumitomo Mitsui Trust Bank, Limited	September 23, 2020	5,000,000	5,000,000	0.1475	September 24, 2025			
	Mizuho Bank, Ltd.	December 26, 2016	5,000,000	5,000,000	0.3625	December 26, 2025			
	Sumitomo Mitsui Trust Bank, Limited	January 29, 2021	2,000,000	2,000,000	0.1625	January 29, 2026			
	MUFG Bank, Ltd.	February 26, 2018	6,500,000	6,500,000	0.3413	February 26, 2026			
Mizuho Bank, Ltd.	March 27, 2018	5,500,000	5,500,000	0.300	March 27, 2026				
Shinkin Central Bank	March 30, 2017	5,000,000	5,000,000	0.360	March 30, 2026				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	June 28, 2021	3,700,000	3,700,000	0.17875	June 29, 2026	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Norinchukin Bank	January 23, 2019	4,000,000	4,000,000	0.1988	July 23, 2026			
	Shinkin Central Bank	September 1, 2017	5,000,000	5,000,000	0.3188	September 1, 2026			
	MUFG Bank, Ltd.	October 31, 2016	3,000,000	3,000,000	0.240	October 30, 2026			
	Mizuho Bank, Ltd.	December 21, 2016	5,000,000	5,000,000	0.415	December 21, 2026			
	Shinkin Central Bank	January 23, 2019	5,000,000	5,000,000	0.2213	January 25, 2027			
	Shinkin Central Bank	April 24, 2018	6,000,000	6,000,000	0.3675	April 26, 2027			
	The Norinchukin Bank	July 3, 2020	2,000,000	2,000,000	0.24375	July 5, 2027			
	The Joyo Bank, Ltd.	January 9, 2018	1,000,000	1,000,000	0.4188	January 11, 2028			
	Sumitomo Mitsui Banking Corporation	January 19, 2018	3,000,000	3,000,000	0.4338	January 19, 2028			
	The Bank of Fukuoka, Ltd.	January 29, 2021	2,500,000	2,500,000	0.21875	January 31, 2028			
	Mizuho Bank, Ltd.	March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	MUFG Bank, Ltd.	March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	Taiyo Life Insurance Company	March 30, 2018	1,000,000	1,000,000	0.3963	March 30, 2028			
	The Bank of Fukuoka, Ltd.	August 31, 2021	1,500,000	1,500,000	0.20625	August 31, 2028			
	Mizuho Bank, Ltd.	November 15, 2019	8,500,000	8,500,000	0.34875	November 15, 2028			
	The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.27875	December 18, 2028			
	Shinkin Central Bank	January 15, 2020	5,000,000	5,000,000	0.325	January 15, 2029			
	Mizuho Bank, Ltd.	November 1, 2019	6,000,000	6,000,000	0.35125	November 1, 2029			
	MUFG Bank, Ltd.	January 15, 2020	5,500,000	5,500,000	0.3625	January 15, 2030			
MUFG Bank, Ltd.	April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Mizuho Bank, Ltd.	April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd.	June 15, 2020	4,000,000	4,000,000	0.36125	June 14, 2030			
	MUFG Bank, Ltd.	October 20, 2020	5,000,000	5,000,000	0.2925	October 18, 2030			
	MUFG Bank, Ltd.	December 21, 2020	10,000,000	10,000,000	0.2825	December 20, 2030			
	The Iyo Bank, Ltd.	March 24, 2021	2,000,000	2,000,000	0.16719 *12	March 24, 2031			
	The Yamanashi Chuo Bank, Ltd.	March 26, 2019	2,000,000	2,000,000	0.3688	March 26, 2031			
	MUFG Bank, Ltd.	April 5, 2021	5,000,000	5,000,000	0.41875	April 4, 2031			
	MUFG Bank, Ltd.	April 26, 2021	5,000,000	5,000,000	0.35625	April 25, 2031			
	Mizuho Bank, Ltd.	June 15, 2021	4,000,000	4,000,000	0.28875	June 16, 2031			
	The Norinchukin Bank *16	January 29, 2021	5,000,000	5,000,000	0.34625	July 31, 2031			
	The Chugoku Bank, Limited	October 1, 2021	1,000,000	1,000,000	0.345	October 1, 2031			
	The Norinchukin Bank *17	November 15, 2021	5,000,000	5,000,000	0.395	November 17, 2031			
	Shinkin Central Bank	November 15, 2021	5,000,000	5,000,000	0.405	November 17, 2031			
	Daishi Hokuetsu Bank, Ltd.	November 15, 2021	3,200,000	3,200,000	0.395	November 17, 2031			
	The Chugoku Bank, Limited	November 15, 2021	1,000,000	1,000,000	0.405	November 17, 2031			
	The 77 Bank, Ltd.	November 15, 2021	1,000,000	1,000,000	0.395	November 17, 2031			
	The Hachijuni Bank, Ltd.	November 15, 2021	1,000,000	1,000,000	0.16636 *12	November 17, 2031			
	The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.37375	December 17, 2031			
	Sumitomo Mitsui Banking Corporation	January 7, 2022	2,000,000	2,000,000	0.415	January 7, 2032			
	Mizuho Bank, Ltd.	January 17, 2022	5,000,000	5,000,000	0.4475	January 19, 2032			
	The Norinchukin Bank *18	January 29, 2021	5,000,000	5,000,000	0.3675	January 30, 2032			
	The Norinchukin Bank	January 31, 2022	3,500,000	3,500,000	0.4725	January 30, 2032			
	The Shiga Bank, Ltd.	February 21, 2022	3,000,000	3,000,000	0.440	February 24, 2032			

	Classification	Drawdown date	Balance at beginning of current period (¥thousand)	Balance at end of current period (¥thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Lender								
Long-term borrowings	The Chugoku Bank, Limited	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Gunma Bank, Ltd.	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032			
	The Chugoku Bank, Limited	June 15, 2022	—	1,000,000	0.57375	June 15, 2032			
	The 77 Bank, Ltd.	June 15, 2022	—	1,000,000	0.57375	June 15, 2032			
	The Norinchukin Bank *19	June 17, 2022	—	3,000,000	0.61625	June 17, 2032			
	The Shinkumi Federation Bank	August 10, 2022	—	3,000,000	0.37875	August 10, 2032			
	The Toho Bank, Ltd.		—	1,000,000					
	The Keiyo Bank, Ltd.		—	1,000,000					
	The Tochigi Bank, Ltd.		—	500,000					
	Daishi Hokuetsu Bank, Ltd.	August 10, 2022	—	2,000,000	0.39875	August 10, 2032			
	The Chugoku Bank, Limited	August 10, 2022	—	1,000,000	0.39875	August 10, 2032			
	MUFG Bank, Ltd.	September 9, 2022	—	2,000,000	0.555	September 9, 2032			
	The Nishi-Nippon City Bank, Ltd.	September 12, 2022	—	1,000,000	0.5475	September 13, 2032			
	Sumitomo Life Insurance Company	March 26, 2019	1,000,000	1,000,000	0.505	March 27, 2034			
	Sumitomo Life Insurance Company	December 16, 2019	2,000,000	2,000,000	0.490	December 18, 2034			
Subtotal		365,700,000	358,700,000						
Total		406,900,000	380,400,000						

- *1. The average for floating interest rates is recorded as the weighted average during the period. The average is rounded off to the fifth decimal place. The weighted average for interest rates of loans for which floating interest rates were swapped to fixed rates in order to hedge the risk of interest rate fluctuations is calculated taking the effect of this swap into consideration.
- *2. The purposes of executing these loans are to purchase real properties or beneficiary right of real estate in trust, to repay existing loans, and to fund the redemption of investment corporation bonds.
- *3. As of February 18, 2022, MUFG Bank, Ltd. transferred its loan receivable of ¥10,600 million to Mitsubishi UFJ Trust and Banking Corporation.
- *4. As of May 18, 2022, MUFG Bank, Ltd. transferred its loan receivable of ¥10,800 million to Mitsubishi UFJ Trust and Banking Corporation.
- *5. As of August 18, 2022, MUFG Bank, Ltd. transferred its loan receivable of ¥6,800 million to Mitsubishi UFJ Trust and Banking Corporation.
- *6. The Company made a full repayment (¥15,000 million) before maturity on May 31, 2022.
- *7. The Company made a full repayment (¥10,000 million) before maturity on May 31, 2022.
- *8. The Company made a full repayment (¥3,000 million) before maturity on July 25, 2022.
- *9. The Company made a full repayment (¥4,500 million) before maturity on July 15, 2022.
- *10. The Company made a repayment (¥3,000 million) before maturity on August 10, 2022, and made a repayment for the remaining (¥1,500 million) before maturity on September 12, 2022.
- *11. At the end of the period under review, these loans are accounted for under current liabilities on the balance sheets as the current portion of long-term borrowings.

- *12. These are floating rate borrowings which are not swapped into fixed rates.
- *13. The loan was based on floating rate (Base rate (Risk free rate (TONA) compounded in arrears over rate observation period (1 month) according to the lookback method + spread adjustment (-0.02923%) + 0.09%).
- *14. In order to hedge the risk of exchange rate and interest rate fluctuations related to foreign currency-denominated loans, the Company conducted an interest-rate and currency swap transaction, which substantially secured exchange and interest rates. Accordingly, the balance and the weighted average for interest rates during the period are calculated taking the effect of this interest-rate and currency swap into consideration.
- *15. The loan was based on floating rate (Base rate (Risk free rate (TONA) compounded in arrears over rate observation period (3 months) according to the lookback method + spread adjustment (0.00835%) + 0.09%).
- *16. The applicable interest rate will be lowered by 0.01% from the original rate of 0.35625% for a corresponding period pursuant to the loan agreement on the condition that either one of the targets set for CO₂ emissions reduction or the number of ZEB-certified buildings the Company owns, respectively, is achieved. Since the target was achieved at the time of confirmation at the end of July 2021, the interest rate for the period until the next confirmation was 0.34625%.
- *17. The applicable interest rate will be lowered by 0.01% from the original rate of 0.405% for a corresponding period pursuant to the loan agreement on the condition that either one of the targets set for CO₂ emissions reduction or the number of ZEB-certified buildings the Company owns, respectively, is achieved. Since the target was achieved at the time of confirmation on May 16, 2022, the interest rate for the period until the next confirmation was 0.395%.
- *18. The applicable interest rate will be lowered by 0.01% from the original rate of 0.3775% for a corresponding period pursuant to the loan agreement on the condition that either one of the targets set for CO₂ emissions reduction or the number of ZEB-certified buildings the Company owns, respectively, is achieved. Since the target was achieved at the time of confirmation at the end of July 2021, the interest rate for the period until the next confirmation was 0.3675%.
- *19. The applicable interest rate will be lowered by 0.01% from the original rate of 0.61625% for a corresponding period pursuant to the loan agreement on the condition that either one of the targets set for CO₂ emissions reduction or the number of ZEB-certified buildings the Company owns, respectively, is achieved.

(iii) Investment Corporation Bonds

Outstanding investment corporation bonds as of September 30, 2022 are as follows.

Securities	Date of issue	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Interest rate (%)	Repayment period	Repayment method	Use of proceeds	Notes
4th unsecured investment corporation bond	September 29, 2005	10,000,000	10,000,000	2.56	September 29, 2025	Bullet	*1	*2
10th unsecured investment corporation bond	March 30, 2017	10,000,000	10,000,000	0.3975	March 30, 2027	Bullet	*1	*2 *3
11th unsecured investment corporation bond	October 26, 2017	2,993,175	2,993,175	0.2788	October 26, 2027	Bullet	*1	*2 *3 *4
12th unsecured investment corporation bond (Japan Real Estate Investment Green Bonds)	November 1, 2018	10,000,000	10,000,000	0.23	November 1, 2023	Bullet	*1	*2
13th unsecured investment corporation bond	October 26, 2020	10,000,000	10,000,000	0.2	October 24, 2025	Bullet	*1	*2
Total		42,993,175	42,993,175					

*1. The investment corporation bonds are primarily used to fund the acquisition of real properties or beneficiary right of real estate in trust, and to repay existing loans.

*2. Financial covenants, such as a negative pledge, are not included in these bonds.

*3. Bond issuance was limited to qualified institutional investors by a private placement.

*4. For the purpose of avoiding foreign currency risk with respect to foreign currency investment corporation bonds, the Company engages in currency swap transactions to fix the exchange rates. Considering the effects of the currency swap transactions, the balances and interest rates are reflected in the schedule.

(iv) New Unit Acquisition Rights

“Not applicable”

f. Examination of the Value of Specified Assets

(i) Real Estate, etc.

Acquisition or Disposition	Property name	Date of transaction	Acquisition/disposition cost*1 (¥ million)	Real estate appraisal value (¥ million)	Appraising institution	Date of appraisal
Disposition	Harumi Center Building	May 31, 2022	24,330	21,000	Daiwa Real Estate Appraisal Co., Ltd.	May 1, 2022

*1. The “acquisition/disposition cost” refers to the amount listed in the sale and purchase contract, and does not include various expenses necessary in the acquisition or disposition of the property such as trading intermediate fees.

*2. The appraisal value listed above is decided in accordance with the 3rd chapter of the Japanese Real Estate Appraisal Act and Real Estate Appraisal Standards.

(ii) Other assets

Acquisition or Disposition	Date of transaction	Type	Name and address of Creditor	Name and address of Debtor	Transaction price (¥ million)	Investigated price specified assets (¥ million)
Acquisition	August 30, 2022	Monetary claim	Japan Real Estate Investment Corporation Chiyoda-ku, Tokyo	Tokyo Metropolitan Government Shinjuku-ku, Tokyo	5,024	5,024

*1. For transactions which require investigations into the value of monetary claim related to specified assets pursuant to Paragraph 2, Article 201 of the ITA, the Company has outsourced Yoshihiro Tanaka CPA Office to conduct the investigations pursuant to Practical Guidelines for Specialized Operations 4400 “Practical Guidelines for Agreed-Upon Procedures Engagements” and Practical Guidelines for Specialized Operations 4460 “Practical Guidelines for Agreed-Upon Procedures Engagements Pertaining to Investigation into the Value, etc. of Specified Assets of Investment Trusts and Investment Corporations” published by The Japanese Institute of Certified Public Accountants, and the Company has been notified of the results of the investigations.

*2. No collateral has been established.

g. Transactions with Interested Parties (from April 1, 2022 to September 30, 2022)

(i) Transactions

Segment	Buying and selling amounts	
	Buying amounts	Selling amounts
Total Amount	¥ — thousand	¥ 24,330,000 thousand
Breakdown of Transactions with Interested Parties		
Total	¥ — thousand (—%)	¥ — thousand (—%)

* The numerical values within the () represent a percentage of the total buying/selling amounts.

(ii) Amount of Commission Fees and Other Expenses

Segment	Total amount of commission fees and other expenses A	Breakdown of transactions with interested parties		Percentage of total amount B/A
		Payment recipient	Amount paid B	
Property management expenses	¥3,836,799 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥2,487,663 thousand	64.8 %
		Mitsubishi Estate Co., Ltd.	¥181,096 thousand	4.7 %
		Mitsubishi Real Estate Services Co., Ltd.	¥43,336 thousand	1.1 %
		Yuden Building Kanri Co., Ltd.	¥30,044 thousand	0.8 %
		Mitsubishi Estate Parks Co., Ltd.	¥1,087 thousand	0.0 %
Utilities expenses	¥2,760,966 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥98,260 thousand	3.6 %
Other operating expenses	¥159,511 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥23,431 thousand	14.7 %
		Mitsubishi Estate Co., Ltd.	¥1,103 thousand	0.7 %
		Mitsubishi Jisho Design Inc.	¥4,000 thousand	2.5 %

*1. Interested parties refers to interested parties of the asset management company who has concluded consignment agreements with the Company, as stipulated in Article 123 of the enforcement order of the ITA, and Section 26, Paragraph 1, Item 27 of the Regulations for Management Reports Concerning Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

*2. In addition to the transactions and commission fees listed above, other amounts paid to interested parties, such as orders placed for repair work, are listed below.

Mitsubishi Jisho Property Management Co., Ltd.	¥650,837 thousand
Mitsubishi Estate Co., Ltd.	¥151,436 thousand
Mitsubishi Jisho Design Inc.	¥9,600 thousand
Mitsubishi Real Estate Services Co., Ltd.	¥48,278 thousand

h. Other Announcements

Board of Directors

Below is an overview of the important changes and the conclusions of major contracts that were accepted by the Company's Board of Directors

Date of acceptance	Accepted item	Overview
May 16, 2022	Consignment of a general administrative work concerning the issuance of investment corporation bonds	In connection with the comprehensive resolution adopted on the same date on the issuance of investment corporate bonds, the approval was given to the candidate agents to whom an administrative work for the said bonds was consigned. Other items necessary for its operation are entrusted to the executive directors to decide.

Selected Financial Data

	Millions of yen				
	For the period from April 1, 2022 to September 30, 2022	For the period from October 1, 2021 to March 31, 2022	For the period from April 1, 2021 to September 30, 2021	For the period from October 1, 2020 to March 31, 2021	For the period from April 1, 2020 to September 30, 2020
Operating revenues	37,654	36,453	36,901	34,944	34,966
Operating expenses	19,612	19,346	18,507	18,464	18,468
Operating profit	18,042	17,107	18,394	16,479	16,498
Ordinary profit	17,256	16,191	17,477	15,508	15,608
Profit before income taxes	17,256	16,191	17,477	15,508	15,608
Profit	16,790	16,045	16,865	15,560	15,598
Total assets	1,008,970	1,035,072	1,003,583	1,001,734	1,000,254
Interest-bearing debt	423,393	449,893	419,493	419,493	418,993
Net assets	517,761	516,762	516,447	515,262	515,302
Unitholders' capital	497,241	497,241	497,241	497,241	497,241
Number of units (Units)	1,385,210	1,385,210	1,385,210	1,385,210	1,385,210
Net assets per unit (Yen)	373,778	373,057	372,829	371,974	372,002
Cash distribution	15,929	15,791	15,730	15,680	15,600
Dividend payout ratio (Note 1)	94.9%	98.4%	93.3%	100.8%	100.0%
Dividend per unit (Yen)	11,500	11,400	11,356	11,320	11,262
Net operating income (NOI)	23,084	24,070	24,204	24,825	24,943
Funds from operations (FFO)	19,700	21,053	20,583	22,089	22,225
Return on assets (ROA) (Note 2)	1.7%	1.6%	1.7%	1.5%	1.6%
	(3.4% annualized)	(3.2% annualized)	(3.5% annualized)	(3.1% annualized)	(3.1% annualized)
Return on equity (ROE) (Note 3)	3.2%	3.1%	3.3%	3.0%	3.0%
	(6.5% annualized)	(6.2% annualized)	(6.5% annualized)	(6.1% annualized)	(6.0% annualized)
EOP equity ratio (Note 4)	51.3%	49.9%	51.5%	51.4%	51.5%
EOP interest-bearing debt ratio on total assets (Note 5)	42.0%	43.5%	41.8%	41.9%	41.9%
FFO multiple (Times)	21.0	21.0	22.5	20.4	16.8
Debt service coverage ratio (Times) (Note 6)	29.2	26.9	27.7	24.8	24.2

- Notes: 1. Dividend payout ratio = Dividend per unit / Profit per unit × 100
2. ROA = Ordinary profit / Average of Total assets during the period × 100
3. ROE = Profit / Average of Net assets during the period × 100
(Annualized portion of the calculation given in Note 2 and Note 3 assumes a fiscal period of 183 days for the period ended September 30, 2020, 182 days for the period ended March 31, 2021, 183 days for the period ended September 30, 2021, 182 days for the period ended March 31, 2022 and 183 days for the period ended September 30, 2022.)
4. EOP equity ratio = (Net assets at the end of period / Total assets at the end of period) × 100
5. EOP interest-bearing debt ratio on total assets = (Interest-bearing debt at the end of period / Total assets at the end of period) × 100
6. Debt service coverage ratio = Profit before Interest, Taxes, Depreciation and Amortization / Interest expenses