

**(REIT) Financial Report for Fiscal Period Ended February 28, 2023**

April 21, 2023

REIT Securities Issuer: Takara Leben Real Estate Investment Corporation  
 Securities Code: 3492  
 Representative: Tetsuo Saida, Executive Director  
 Stock Exchange Listing: Tokyo Stock Exchange  
 URL: <https://takara-reit.co.jp/>  
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Scheduled date of submission of securities report: May 31, 2023  
 Scheduled date of commencement of cash distribution payment: May 22, 2023  
 Preparation of supplementary financial results briefing materials: Yes  
 Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

## 1. Financial Results for Fiscal Period Ended February 28, 2023 (September 1, 2022 to February 28, 2023)

## (1) Operating Results (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal period ended February 28, 2023	3,612	1.9	2,092	(0.2)	1,743	(3.1)	1,717	(3.3)
Fiscal period ended August 31, 2022	3,545	(12.0)	2,096	0.2	1,799	(0.4)	1,776	(1.4)

Fiscal period	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
	yen	%	%	%
Fiscal period ended February 28, 2023	2,689	2.7	1.4	48.3
Fiscal period ended August 31, 2022	3,089	3.0	1.5	50.8

(Note) Due to a change in accounting policies in the fiscal period ended February 28, 2023, the figures for the fiscal period ended August 31, 2022 have been applied retrospectively. The same applies hereafter.

## (2) Distribution

Fiscal period	Distributions per unit (not including distributions in excess of earnings)	Total distributions (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Distributions per unit (including distributions in excess of earnings)	Total distributions (including distributions in excess of earnings)	Distribution payout ratio	Ratio of distribution to net assets
	yen	million yen	yen	million yen	yen	million yen	%	%
Fiscal period ended February 28, 2023	2,710	1,730	-	-	2,710	1,730	100.7	2.6
Fiscal period ended August 31, 2022	3,008	1,729	-	-	3,008	1,729	97.4	2.9

(Note) The amount of total distributions for the fiscal periods ended August 31, 2022, and February 28, 2023, is the amount of unappropriated retained earnings less the amount of retained earnings for stabilization of future distributions and the amount of reversal of allowance for temporary difference adjustments.

## (3) Financial Position

Fiscal period	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	million yen	million yen	%	yen
Fiscal period ended February 28, 2023	133,774	65,769	49.2	102,989
Fiscal period ended August 31, 2022	122,458	59,361	48.5	103,238

#### (4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal period ended February 28, 2023	6,049	(12,034)	9,381	6,840
Fiscal period ended August 31, 2022	3,577	(6,531)	(961)	3,444

#### 2. Forecasts of Financial Results for Fiscal Periods Ending August 31, 2023 (from March 1, 2023 to August 31, 2023) and February 29, 2024 (from September 1, 2023 to February 29, 2024)

(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (not including distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
Fiscal period ending August 31, 2023	3,775	4.5	2,161	3.3	1,782	2.2	1,756	2.2	2,600	-	2,600
Fiscal period ending February 29, 2024	3,811	1.0	2,215	2.5	1,839	3.2	1,813	3.3	2,623	-	2,623

(Reference) Forecast net income per unit (fiscal period ending August 31, 2023): 2,540 yen

Forecast net income per unit (fiscal period ending February 29, 2024): 2,623 yen

(Note) For the fiscal periods ending August 31, 2023, the amount obtained by adding a portion of the retained earnings carried forward from the previous fiscal period to net income is distributed as a profit distribution. Therefore, the projected amount of net income per unit for the fiscal period (not including distributions in excess of earnings) differs from the projected amount of net income per unit.

#### \*Other

##### (1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- 1) Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- 2) Changes in accounting policies other than 1): Yes
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(Note) For details, see "Changes in Accounting Policies" on page 20.

##### (2) Total number of investment units issued and outstanding

###### 1) Total number of investment units issued and outstanding (including treasury units) at the end of the period

Fiscal period ended February 28, 2023 : 638,600 units

Fiscal period ended August 31, 2022 : 575,000 units

###### 2) Number of treasury units at the end of the period

Fiscal period ended February 28, 2023 : 0 units

Fiscal period ended August 31, 2022 : 0 units

(Note) For the number of investment units serving as the basis for calculation of net income per unit, please see "Per Unit Information" on page 31.

##### (3) Rounding processing

Unless otherwise specified in this document, numerical values such as monetary amounts are rounded down to the nearest unit and % figures are rounded off to the first decimal place.

\* Presentation of Status of Implementation of Audit Procedures at the time of disclosure of these financial results, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

#### \* Explanation of Appropriate Use of Forecasts of Financial Results, and Other Matters of Special Note

(Notes to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by Takara Leben Real Estate Investment Corporation (hereinafter referred to as the "Investment Corporation"), and the actual operating results and so on may differ significantly from that anticipated by the Investment Corporation due to various factors. Moreover, the forecasts are not intended to guarantee any amount of distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2023, and February 29, 2024" on pages 9-10.

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## 1. Operating Results

### (1) Operating Results

#### 1) Overview of the Fiscal Period Under Review

##### a. Key Events of the Investment Corporation

The Investment Corporation was established in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter, the “Investment Trust Act”) on September 11, 2017, with Takara PAG Real Estate Advisory Ltd. (formerly PAG Real Estate Advisory Ltd.; hereinafter, the “Asset Management Company”) as founding planner, and completed its registration with the Kanto Local Finance Bureau on October 11, 2017 (registration number: Director of Kanto Local Finance Bureau No. 129). Subsequently, on July 27, 2018, the Investment Corporation was listed on the Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (Securities Code: 3492). After three subsequent capital increases through public offering, the total number of investment units issued and outstanding was 638,600 units as of the end of the period under review (February 28, 2023) and unitholders’ capital was 63,801 million yen.

##### b. Investment Environment and Performance

###### Investment Environment:

During the period under review, the Japanese economy showed signs of a gradual recovery centered on personal consumption as restrictions on socioeconomic activities caused by the COVID-19 pandemic began to ease. Furthermore, corporate earnings remained at a high level despite the impact of high resource prices, and capital expenditures showed a gradual upward trend. On the other hand, the effects of the prolonged global surge in energy and raw material prices against the backdrop of ongoing financial uncertainty and yen depreciation in Europe, the U.S., and other major countries, as well as the worsening situation in Ukraine, are becoming apparent, and the situation continues to require close attention. In the real estate trading market, appetites for investment among domestic and overseas investors remained strong and the environment for property acquisitions remained challenging. In the real estate leasing market, overall conditions remained generally strong due in part to the gradual normalization of socioeconomic activities. In terms of offices, vacancy rates in major office areas in Tokyo, Nagoya and Osaka have remained almost flat and the decline in average rents has abated. As for residential properties, both occupancy rates and rents have generally remained stable. In retail facilities, lifestyle-oriented retail facilities trended strongly. As for hotels, travel support by the government and local governments and the easing of restrictions on the entry of foreign visitors to Japan have encouraged the occupancy rate to gain momentum in the recovery.

###### Investment Performance:

Under such circumstances, while striving to limit the impact of COVID-19 on its asset holdings, based on four investment strategies of “steady expansion of asset size,” “improvement of portfolio quality and stability,” “realization of solid internal growth,” and “implementation of financial strategies and other measures,” the Investment Corporation acquired nine new properties on September 2, 2022 (total acquisition price: 11,185 million yen) using funds raised from capital increase through public offering, including eight residential properties and one retail property. Meanwhile, the Investment Corporation actively replaced its portfolio by disposing of Hotel Sunshine Utsunomiya on September 20, 2022, Co-op Sapporo Shunko on October 7, 2022, and Akasaka Kawase Building on December 16, 2022.

As a result of these investment activities, operating revenues were 3,612 million yen, ordinary income was 1,743 million yen, and net income was 1,717 million for the fiscal period under review. Distributions per unit in the period ended February 28, 2023 (10th Period) were 2,710 yen, the same amount as the forecast distribution per unit announced in “Earnings Summary (REIT) for the Fiscal Period Ended August 31, 2022” dated October 18, 2022.

##### c. Overview of Funds Procurement

The Investment Corporation raised funds through a public offering (number of new investment units issued: 63,600 units; total issue price: 6,418 million yen) on September 1, 2022, to allocate funds for acquisition of properties, etc. Additionally, on September 2, 2022, the Investment Corporation borrowed a total of 5,780 million yen through a syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and repaid 975 million yen in short-term loans on the same date. As a result, the balance of borrowings as of the end of the period ended February 28, 2023 (10th Period) was 63,080 million yen and the ratio of interest-bearing debt to total assets (“LTV”) was 47.2%.

As of the date of this document, Rating and Investment Information, Inc. (R&I) assigned an “A-/Stable” issuer credit rating, and Japan Credit Rating Agency, Ltd. (JCR) assigned an “A-/Stable” long-term issuer credit rating.

#### d. Overview of Performance and Dividends

As a result of the aforementioned investment activities, the Investment Corporation recorded operating revenues of 3,612 million yen, ordinary income of 1,743 million yen, and net income of 1,717 million yen for the fiscal period under review.

Dividend amount shall exceed the amount equivalent to 90% of the amount of dividends available to the Investment Corporation as stipulated in Article 36, Paragraph 1 (1) of the Articles of Incorporation and Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided to reserve 245 million yen internally in order to stabilize future distributions, and to distribute as a profit distribution the entire amount of 1,730 million yen after deducting reversal of retained earnings and the reserve for temporary difference adjustment (which is defined in Article 2, Paragraph 2, Item 30 of the Regulation on Accounting at Investment Corporations) from unappropriated retained earnings at the end of the fiscal period under review. In addition, in consideration of the impact of the discrepancy in excess of income tax (as defined in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accounting at Investment Corporations of Japan) on dividends, the Investment Corporation will distribute excess earnings in accordance with Article 36, Paragraph 1 (2) of the Articles of Incorporation as an amount equivalent to the discrepancy in excess income tax as determined by the Investment Corporation. However, in the fiscal period under review, no distribution in excess of earnings was made due to internal reserves. As a result of the above, distributions for the fiscal period under review totaled 1,730 million yen, with distributions per unit of 2,710 yen (distributions per unit of 2,710 yen and distributions in excess of earnings per unit of 0 yen).

### 2) Forecast for the Next Fiscal Period

#### a. Future Investment Policy

In the pursuit of “external growth,” as well as “stable investment and internal growth,” the Investment Corporation’s basic policy is to target achieving external growth through asset acquisitions leveraging PAG Investment Management Limited’s (“PAG”) information collection capabilities and investment decisions and expertise capable of adapting flexibly to the market environment, and leveraging the stable property supply from the MIRARTH HOLDINGS Group (refers to MIRARTH HOLDINGS, Inc., its subsidiaries and affiliates; the same shall apply hereinafter), an entity with high development capabilities. This basic policy also includes targeting stable investment and internal growth by combining the MIRARTH HOLDINGS Group’s value chain with PAG’s asset management expertise in the Japanese real estate market, as well as the unique networks and investment expertise cultivated for individual asset classes of Kyoritsu Maintenance Co., Ltd. and Yamada Holdings Co., Ltd.

Furthermore, based on the four investment strategies of “steady expansion of asset size,” “improvement of portfolio quality and stability,” “realization of solid internal growth,” and “implementation of financial strategies and other measures,” the Investment Corporation will take the measures of “expanding asset size through stronger property acquisition,” “active investment and stable management leveraging comprehensive REIT strengths,” “solid portfolio management amid the COVID-19 pandemic,” and “expanding financing methods and acquiring external evaluations with a focus on medium- to long-term strategies” in order to improve unitholder value.

#### (i) External Growth Strategy

The Investment Corporation aims to grow its property acquisition opportunities and achieve external growth by leveraging the dual axis of the MIRARTH HOLDINGS Group’s development capabilities and PAG’s sourcing capabilities, both of which are backed by extensive track records, as well as by utilizing the Asset Management Company’s unique network. Aiming to create a well-balanced portfolio, we will acquire mainly development properties from the MIRARTH HOLDINGS Group and acquire carefully selected properties from PAG in areas and scales undeveloped by the MIRARTH HOLDINGS Group. In addition, we will consider asset replacement, etc. in consideration of improving our portfolio quality.

#### (ii) Internal Growth Strategy

The Investment Corporation will conduct stable investment in real estate by receiving and utilizing expertise on real estate management suited to various asset classes from the sponsors. We will also explore a number of other actions on an ongoing basis, including switching management companies to reduce costs and improve management standards, as well as switching to LEDs and switching power contracts at properties held to reduce costs.

(iii) Financial Strategy

The Investment Corporation's basic policy is to build a stable and sound financial base for the purpose of securing stable earnings over the medium to long term and achieving sustainable growth in the property portfolio. In order to realize this basic policy, the Investment Corporation shall procure and manage funds in accordance with the following policies.

(a) Fund Procurement (Equity Financing)

We may flexibly issue additional investment units for the purpose of property acquisitions, repair of properties, payment of management expenses of the Investment Corporation including repayment of borrowings or other activities and are mindful of the potential of dilution of our investment units in considering economic conditions and other factors.

(b) Fund Procurement (Debt Financing)

The Investment Corporation may borrow funds or issue investment corporation bonds (including short-term investment corporation bonds) contributing to the steady growth of investment assets and efficient and stable management of the Investment Corporation's assets for the purpose of asset acquisition, payment of repair expenses or distributions, funding required for the Investment Corporation's management, or repayment of debts (including refund of leasehold and security deposits, repayment of borrowings, and redemption of investment corporation bonds).

With regard to lenders, the Investment Corporation will establish a stable bank formation that focuses on procurement from major financial institutions, and will consider various borrowing methods including commitment lines, and give consideration to the fixed and floating ratio and diversification of repayment deadlines.

(c) LTV

LTV (Note) shall be in principle no higher than 60%, with attention paid to securing sufficient funds.

(Note) LTV (%) = (a / b) × 100 (%)

a = Balance of interest-bearing debt at end of period

b = Total assets at end of period

b. Operating Results Forecast

The Investment Corporation's operating results for the period ending August 31, 2023, and the period ending February 29, 2024, is forecast as follows. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2023, and February 29, 2024" on pages 9-10.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
Fiscal period ending August 31, 2023 (11th FP)	3,775 million yen	2,161 million yen	1,782 million yen	1,756 million yen	2,600 yen	— yen	2,600 yen
Fiscal period ending February 29, 2024 (12th FP)	3,811 million yen	2,215 million yen	1,839 million yen	1,813 million yen	2,623 yen	— yen	2,623 yen

(Note) The above forecast figures are calculated based on certain assumptions, and actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary due to future acquisitions or sales of real estate, etc., changes in the real estate market, etc., fluctuations in interest rates, changes in other circumstances surrounding the Investment Corporation and other factors, and this forecast is not a guarantee of the figures provided.

### 3) Significant Subsequent Events

#### a. Issuance of new investment units

Pursuant to the resolutions on the issuance of new investment units made at the Board of Directors' meetings held on February 14, 2023, and February 21, 2023, the Investment Corporation issued 48,735 new investment units through primary offering and 4,000 new investment units through third-party allotment, for which payment of 4,156,754,355 yen and payment of 341,172,000 were completed on March 1, 2023, and March 28, 2023, respectively. As a result, unitholders' capital is 68,299,018,055 yen and the total number of investment units issued and outstanding is 691,335 units as of March 28, 2023.

##### <Issuance of New Investment Units Through Public Offering (Primary Offering)>

• Number of new units issued	48,735 units
• Issue price (offer price)	88,422 yen per unit
• Total issue price (total offer price)	4,309,246,170 yen
• Issue amount (paid-in amount)	85,293 yen per unit
• Total issue price (total paid-in amount)	4,156,754,355 yen
• Payment date	March 1, 2023
• Purpose of funds raised	Allocation to funds for new acquisition of domestic real estate trust beneficiary interests per "c. Acquisition of Assets," below, and allocation to a portion of associated costs.

##### <Issuance of New Investment Units Through Third-Party Allotment>

• Number of new units issued	4,000 units
• Issue amount (paid-in amount)	85,293 yen per unit
• Total issue price (total paid-in amount)	341,172,000 yen
• Payment date	March 28, 2023
• Purpose of funds raised	The funds will be used for a portion of the repayment of borrowings or for a portion of future acquisition of specified assets.

#### b. Borrowing of Funds

In order to allocate funds for the acquisition of seven new domestic real estate trust beneficiary interests excluding Fiel Kiyofune as described in "c. Acquisition of Assets" below as well as a portion of related expenses, the Investment Company conducted the following borrowings on March 2, 2023.

Category (Note 1)	Lender	Amount borrowed (million yen)	Interest rate (Note 3)	Drawdown date	Repayment date (Note 4)	Repayment method	Notes
Long-term loans payable	A syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	4,070	0.67455% *Base interest rate (Note 3) +0.60%	March 2, 2023	February 29, 2028	Lump-sum repayment on maturity	Unguaranteed/unsecured

(Note 1) "Long-term loans payable" refers to loans with a maturity of more than one year from the drawdown date to the repayment date.

(Note 2) The "syndicate of lenders" is composed of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Aozora Bank, Ltd., Resona Bank, Limited, Kansai Mirai Bank, Ltd., The Chiba Bank, Ltd., The Yamagata Bank, Ltd., The Kiyo Bank, Ltd., and The 77 Bank, Ltd.

(Note 3) The first interest payment date shall be May 31, 2023, and subsequent interest payment dates shall be the last day of every third month thereafter and the principal repayment date. However, if the payment date is not a bank business day, this shall fall on the next business day, and if the next business day falls in the next month, this shall fall on the previous business day. The base interest rate is the 3-month JBA Japanese Yen TIBOR published by the JBA TIBOR Administration (JBATA). However, if the rate corresponding to such an interest period is not indicated, it will be the base interest rate calculated based on the method specified in the contract. The base interest rate corresponding to the calculation period of each interest payment due date is determined two business days immediately before the borrowing date for the first interest calculation period and two business days before the interest payment due date immediately before the interest calculation period thereafter.

(Note 4) After the borrowing commences and up to the repayment date, all or part of the borrowings may be repaid in advance upon prior written notice, provided that certain conditions are met. If the repayment date is not a bank business day, the repayment date shall become the business day immediately following the repayment date, and if the following business day is in the next month, this shall become the previous business day.

c. Acquisition of Assets

The Investment Corporation acquired the following domestic real estate trust beneficiary interests on March 2, 2023.

Category	Property number (Note 1)	Property name	Location	Acquisition price (million yen) (Note 2)	Seller
Residence	R-31	TLR Residence Ryogoku	Sumida Ward, Tokyo	2,000	GK Island Ship No. 4
	R-32	TLR Residence Otorii	Ota Ward, Tokyo	1,470	GK Island Ship No. 4
	R-33	TLR Residence Kameari	Katsushika Ward, Tokyo	1,900	GK Island Ship No. 4
	R-34	Fiel Kiyofune	Nagoya City, Aichi	1,500	Undisclosed (Note 4)
	R-35	SERENiTE Namba west	Osaka City, Osaka	1,300	GK Island Ship No. 4
	R-36	Colline Ensoleille	Wako City, Saitama	970	GK Island Ship No. 4
	R-37	Rock Field Nishi-Oi	Shinagawa Ward, Tokyo	535	GK Island Ship No. 4
	R-38	La Vita YATSUKA-EKIMAE I&II (Note 3)	Soka City, Saitama	970	GK Island Ship No. 4
Total			-	10,645	

(Note 1) The code “R” represents residential properties.

(Note 2) “Acquisition price” refers to the purchase price (not including consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement for each investment asset, rounded down to the nearest million yen.

(Note 3) La Vita YATSUKA-EKIMAE I & II are registered as separate land and buildings, but since they are adjacent to each other and have development permission as one property, we evaluated and decided to acquire them as one property and treated them as one property. The same applies hereafter.

(Note 4) For Fiel Kiyofune, though the seller is a domestic limited liability company, this information is undisclosed as the seller has not provided consent for disclosure.

(2) Investment Risk

Disclosure is omitted as there are no significant changes from “Investment Risk” as provided in the Securities Registration Statement (submitted on February 14, 2023).



Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2023, and February 29, 2024

Item	Assumptions																														
Calculation period	<ul style="list-style-type: none"> <li>Fiscal period ending August 31, 2023 (11th Period: from March 1, 2023 to August 31, 2023) (184 days)</li> <li>Fiscal period ending February 29, 2024 (12th Period: from September 1, 2023 to February 29, 2024) (182 days)</li> </ul>																														
Property portfolio	<ul style="list-style-type: none"> <li>It is assumed that there will be no changes (acquisition of new assets, disposal of property portfolio, etc.) to the total of 62 properties as of the date of this document (hereinafter, "Owned Assets") by the end of the fiscal period ending February 29, 2024 (12th Period).</li> <li>The actual property portfolio may vary due to the acquisition of new properties or the disposal of Owned Assets, etc.</li> </ul>																														
Operating revenues	<ul style="list-style-type: none"> <li>Operating revenues from Owned Assets are based on the expected occupancy rate and the expected rent fluctuations, in turn based on the assumptions of tenant fluctuation and rent level, the contents of lease agreement that are effective as of the date of this document.</li> <li>Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant.</li> </ul>																														
Operating expenses	<ul style="list-style-type: none"> <li>The main operating expenses are as follows: <table border="1" style="margin-left: 40px; width: 100%;"> <thead> <tr> <th></th> <th align="center">Fiscal period ending August 31, 2023 (11th FP)</th> <th align="center">Fiscal period ending February 29, 2024 (12th FP)</th> </tr> </thead> <tbody> <tr> <td>Expenses related to leasing business total</td> <td align="right">1,289 million yen</td> <td align="right">1,257 million yen</td> </tr> <tr> <td>    Subcontract expenses</td> <td align="right">261 million yen</td> <td align="right">237 million yen</td> </tr> <tr> <td>    (Of which, maintenance expenses)</td> <td align="right">200 million yen</td> <td align="right">175 million yen</td> </tr> <tr> <td>    (Of which, property management fees)</td> <td align="right">61 million yen</td> <td align="right">61 million yen</td> </tr> <tr> <td>    Repair expenses</td> <td align="right">67 million yen</td> <td align="right">66 million yen</td> </tr> <tr> <td>    Taxes and dues</td> <td align="right">256 million yen</td> <td align="right">256 million yen</td> </tr> <tr> <td>    Depreciation</td> <td align="right">522 million yen</td> <td align="right">528 million yen</td> </tr> <tr> <td>Those other than expenses related to leasing business total</td> <td align="right">325 million yen</td> <td align="right">338 million yen</td> </tr> <tr> <td>    Asset management fees</td> <td align="right">174 million yen</td> <td align="right">185 million yen</td> </tr> </tbody> </table> </li> <li>Property-related expenses constituting major operating expenses other than depreciation are calculated based on historical data and these costs reflect expected fluctuations.</li> <li>Depreciation expenses are calculated using the straight-line depreciation method, including certain ancillary expenses.</li> <li>In accounting for property tax, city planning tax, etc. ("property tax, etc.") on Owned Assets, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as expenses related to leasing business. In general, upon acquisition of real estate, etc., property taxes, etc. are calculated on a pro-rata basis for the period with the previous owner and settled at the time of acquisition. The amount equivalent to this settlement is included in the acquisition cost and is not recorded as an expense.</li> <li>As for repair expenses, the amount assumed as necessary for each property is based on the repair plan of the Asset Management Company for each fiscal period. However, the repair expenses may be substantially different from the expected amount during the operating period due to certain unexpected factors, including the fact that amounts generally differ greatly from period to period, and those amounts are not incurred on a regular basis.</li> </ul>		Fiscal period ending August 31, 2023 (11th FP)	Fiscal period ending February 29, 2024 (12th FP)	Expenses related to leasing business total	1,289 million yen	1,257 million yen	Subcontract expenses	261 million yen	237 million yen	(Of which, maintenance expenses)	200 million yen	175 million yen	(Of which, property management fees)	61 million yen	61 million yen	Repair expenses	67 million yen	66 million yen	Taxes and dues	256 million yen	256 million yen	Depreciation	522 million yen	528 million yen	Those other than expenses related to leasing business total	325 million yen	338 million yen	Asset management fees	174 million yen	185 million yen
	Fiscal period ending August 31, 2023 (11th FP)	Fiscal period ending February 29, 2024 (12th FP)																													
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Taxes and dues	256 million yen	256 million yen																													
Depreciation	522 million yen	528 million yen																													
Those other than expenses related to leasing business total	325 million yen	338 million yen																													
Asset management fees	174 million yen	185 million yen																													
Non-operating expenses	<ul style="list-style-type: none"> <li>The costs to issue and list the new investment units will be amortized on a monthly basis over three years from the time they are incurred and are expected to be 13 million yen and 13 million yen for the fiscal periods ending August 31, 2023 (11th Period) and February 29, 2024 (12th Period), respectively.</li> <li>For interest expenses and other borrowing-related expenses, 365 million yen and 362 million yen are expected for the fiscal periods ending August 31, 2023 (11th Period) and February 29, 2024 (12th Period), respectively.</li> </ul>																														
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that the total amount of interest-bearing debt will be 67,150 million yen as of the end of each of the fiscal periods ending August 31, 2023 (11th Period) and February 29, 2024 (12th Period), respectively.</li> <li>The LTV ratio is expected to be around 47.2% as of the end of each of the fiscal periods ending August 31, 2023 (11th Period) and February 29, 2024 (12th Period).</li> <li>The LTV ratio is calculated using the following formula: LTV ratio = (Total amount of interest-bearing debt as of the end of the fiscal period / Total assets as of the end of the fiscal period) × 100</li> </ul>																														

Item	Assumptions
Investment units	<ul style="list-style-type: none"> <li>• It is assumed that there will be no change in the number of investment units issued and outstanding as of the date of this document (691,335) due to the issuance of new investment units and other factors by the end of the fiscal period ending February 29, 2024 (12th Period).</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy stipulated in the Investment Corporation's Articles of Incorporation.</li> <li>• For the fiscal period ending August 31, 2023 (11th Period), it is assumed that the amount obtained by adding a portion of the internally reserved retained earnings brought forward in addition to net income will be distributed as profit distribution.</li> <li>• Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in rental revenues, changes in investment assets and tenants, and unexpected repairs and other factors.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• Distribution in excess of earnings is not scheduled at this point.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there will be no change in laws and regulations, the taxation system, accounting standards, the Securities Listing Regulations of the Tokyo Stock Exchange, or the rules of the Investment Trust Association, Japan, etc. that could affect the above forecasts.</li> <li>• It is assumed that there will be no unexpected significant change in general economic trends, real estate market conditions, etc.</li> </ul>

## 2. Financial Statements

### (1) Balance Sheet

(Unit: thousand yen)

	9th Fiscal Period (As of August 31, 2022)	10 Fiscal Period (As of February 28, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	3,619,842	6,880,357
Cash and deposits in trust	2,577,890	2,765,198
Operating accounts receivable	93,166	95,711
Prepaid expenses	226,484	223,809
Other	4,363	-
Total current assets	6,521,747	9,965,076
Non-current assets		
Property, plant and equipment		
Buildings	4,179,803	4,136,596
Accumulated depreciation	(253,964)	(298,846)
Buildings, net	3,925,838	3,837,749
Structures	28,587	28,587
Accumulated depreciation	(1,021)	(1,261)
Structures, net	27,566	27,325
Machinery and equipment	47,540	47,540
Accumulated depreciation	(7,131)	(8,319)
Machinery and equipment, net	40,409	39,221
Tools, furniture and fixtures	33,338	31,481
Accumulated depreciation	(7,769)	(9,565)
Tools, furniture and fixtures, net	25,568	21,915
Land	6,284,713	5,617,204
Buildings in trust	29,274,365	32,171,374
Accumulated depreciation	(2,080,086)	(2,308,742)
Buildings in trust, net	27,194,278	29,862,632
Structures in trust	147,154	187,638
Accumulated depreciation	(6,836)	(8,743)
Structures in trust, net	140,318	178,895
Machinery and equipment in trust	9,793	17,302
Accumulated depreciation	(274)	(951)
Machinery and equipment in trust, net	9,519	16,350
Tools, furniture and fixtures in trust	85,956	99,283
Accumulated depreciation	(15,267)	(19,214)
Tools, furniture and fixtures in trust, net	70,688	80,068
Land in trust	77,778,055	83,699,906
Construction in progress in trust	8,851	14,417
Total property, plant and equipment	115,505,809	123,395,686
Intangible assets		
Software	2,362	1,702
Total intangible assets	2,362	1,702
Investments and other assets		
Long-term prepaid expenses	396,334	363,948
Leasehold and security deposits	11,000	11,000
Other	10	10
Total investments and other assets	407,344	374,958
Total non-current assets	115,915,516	123,772,347
Deferred assets		
Investment unit issuance costs	21,388	37,109
Total deferred assets	21,388	37,109
Total assets	122,458,651	133,774,533

(Unit: thousand yen)

	9th Fiscal Period (As of August 31, 2022)	10 Fiscal Period (As of February 28, 2023)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	310,387	460,534
Short-term loans payable	975,000	-
Current portion of long-term loans payable	6,000,000	6,000,000
Current portion of tenant leasehold and security deposits in trust	62,103	62,103
Accounts payable – other	238,190	210,283
Accrued expenses	21,443	18,330
Income taxes payable	598	598
Accrued consumption taxes	131,364	2,689
Advances received	8,499	32,817
Other	7,156	14,241
Total current liabilities	7,754,743	6,801,598
Non-current liabilities		
Long-term loans payable	51,300,000	57,080,000
Tenant leasehold and security deposits	198,676	189,070
Tenant leasehold and security deposits in trust	3,672,238	3,755,432
Deferred tax liabilities	48,972	74,196
Asset retirement obligations	89,310	82,835
Other	32,757	22,290
Total non-current liabilities	55,341,956	61,203,825
Total liabilities	63,096,699	68,005,423
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	57,382,134	63,801,091
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*1 (10,218)	*1 (8,537)
Total deduction from unitholders' capital	(10,218)	(8,537)
Unitholders' capital, net	57,371,916	63,792,554
Surplus		
Unappropriated retained earnings (undisposed loss)	1,990,036	1,976,555
Total surplus	1,990,036	1,976,555
Total unitholders' equity	59,361,952	65,769,110
Total net assets	*2 59,361,952	*2 65,769,110
<b>Total liabilities and net assets</b>	122,458,651	133,774,533

## (2) Statement of Income

(Unit: thousand yen)

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10 Fiscal Period (from September 1, 2022 to February 28, 2023)
<b>Operating revenues</b>		
Leasing business revenue	*1 3,163,845	*1 3,323,900
Other leasing business revenue	*1 133,435	*1 151,279
Gain on sales of real estate properties	*2 248,108	*2 137,582
<b>Total operating revenue</b>	<b>3,545,389</b>	<b>3,612,762</b>
<b>Operating expenses</b>		
Expenses related to leasing business	*1 1,130,145	*1 1,227,789
Asset management fees	199,266	173,785
Asset custody and administrative service fees	23,642	24,481
Directors' compensations	2,400	2,400
Taxes and dues	26,256	33,570
Other operating expenses	66,876	58,622
<b>Total operating expenses</b>	<b>1,448,586</b>	<b>1,520,649</b>
<b>Operating income</b>	<b>2,096,803</b>	<b>2,092,113</b>
<b>Non-operating income</b>		
Interest income	41	42
Reversal of distributions payable	832	370
Interest on tax refund	122	-
Income from insurance claims	2,327	405
Other	952	-
<b>Total non-operating income</b>	<b>4,275</b>	<b>818</b>
<b>Non-operating expenses</b>		
Interest expenses	184,114	224,185
Borrowing related expenses	105,225	115,555
Amortization of investment unit issuance costs	12,216	9,560
<b>Total non-operating expenses</b>	<b>301,556</b>	<b>349,301</b>
<b>Ordinary income</b>	<b>1,799,522</b>	<b>1,743,629</b>
Income before income taxes	1,799,522	1,743,629
Income taxes – current	605	605
Income taxes – deferred	22,718	25,223
<b>Total income taxes</b>	<b>23,323</b>	<b>25,828</b>
<b>Net income</b>	<b>1,776,199</b>	<b>1,717,801</b>
<b>Retained earnings brought forward</b>		
Profit (loss) carried forward from previous period (-)	156,638	258,754
Cumulative effect of a change in accounting policies	57,199	-
Retroactive profit (loss) carried forward from the previous period	213,837	258,754
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>1,990,036</b>	<b>1,976,555</b>

## (3) Statement of Changes in Net Assets

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	57,382,134	(11,086)	(11,086)	57,371,047	1,951,506	1,951,506	
Cumulative effect of a change in accounting policies					57,199	57,199	57,199
Balance at beginning of period after retrospective adjustment	57,382,134	(11,086)	(11,086)	57,371,047	2,008,705	2,008,705	59,379,753
Changes during the period							
Dividends of surplus					(1,794,000)	(1,794,000)	(1,794,000)
Reversal of allowance for temporary difference adjustments		868	868	868	(868)	(868)	-
Net income					1,776,199	1,776,199	1,776,199
Net changes of items other than unitholders' equity							
Total changes during the period	-	868	868	868	(18,669)	(18,669)	(17,800)
Balance at end of period	*1 57,382,134	(10,218)	(10,218)	57,371,916	1,990,036	1,990,036	59,361,952

(Unit: thousand yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(2,041)	(2,041)	59,320,513
Cumulative effect of a change in accounting policies			57,199
Balance at beginning of period after retrospective adjustment	(2,041)	(2,041)	59,377,712
Changes during the period			
Dividends of surplus			(1,794,000)
Reversal of allowance for temporary difference adjustments			-
Net income			1,776,199
Net changes of items other than unitholders' equity	2,041	2,041	2,041
Total changes during the period	2,041	2,041	(15,759)
Balance at end of period	-	-	59,361,952

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	57,382,134	(10,218)	(10,218)	57,371,916	1,990,036	1,990,036	
Changes during the period							
Issuance of new investment units	6,418,957			6,418,957			6,418,957
Dividends of surplus					(1,729,600)	(1,729,600)	(1,729,600)
Reversal of allowance for temporary difference adjustments		1,681	1,681	1,681	(1,681)	(1,681)	-
Net income					1,717,801	1,717,801	1,717,801
Total changes during the period	6,418,957	1,681	1,681	6,420,638	(13,480)	(13,480)	6,407,158
Balance at end of period	*1 63,801,091	(8,537)	(8,537)	63,792,554	1,976,555	1,976,555	65,769,110

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	59,361,952
Changes during the period	
Issuance of new investment units	6,418,957
Dividends of surplus	(1,729,600)
Reversal of allowance for temporary difference adjustments	-
Net income	1,717,801
Total changes during the period	6,407,158
Balance at end of period	65,769,110

## (4) Statements of Cash Distributions

(Unit: yen)

Category	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
I. Unappropriated retained earnings	1,990,036,195	1,976,555,911
II. Distributions in excess of earnings	-	-
Distributions in excess of earnings from allowance for temporary difference adjustments	-	-
III. Reversal of distributions in excess of earnings in previous periods	1,681,368	648,705
Reversal of allowance for temporary difference adjustments	1,681,368	648,705
IV. Distributions	1,729,600,000	1,730,606,000
[Distributions per unit]	(3,008)	(2,710)
Distributions of earnings	1,729,600,000	1,730,606,000
[Distributions of earnings per unit]	(3,008)	(2,710)
Distributions in excess of earnings from allowance for temporary difference adjustments	-	-
[Distributions in excess of earnings from allowance for temporary difference adjustments per unit]	(-)	(-)
V. Retained earnings carried forward	258,754,827	245,301,206
Method of calculation of amount of cash distributions	Pursuant to the cash distribution policy defined in Article 36, Paragraph 1, Item 1 of the Articles of Incorporation of the Investment Corporation, it shall distribute in excess of the amount equivalent to 90% of the amount of distributable income of the Investment Corporation as defined in Article 67-15, Item 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided profit distribution (excluding the amount in excess of earnings) as 1,729,600,000 yen for the period. The amount of this profit distribution is the entire amount after deducting 258,754,827 yen as internal reserve for the purpose of stabilizing future distributions and the reversal of the allowance for temporary difference adjustments (as defined in Article 2, Paragraph 2, Item 30 of the Regulation on Accounting at Investment Corporation of Japan) from unappropriated retained earnings. In addition, in consideration of the impact of the temporary difference between accounting and income tax (as defined in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accounting at Investment Corporation of Japan) on dividends, the Investment Corporation will distribute the amount in excess of earnings which is equivalent to such a temporary difference in accordance with Article 36, Paragraph 1, Item 2 of the Articles of Incorporation. However, no such distribution was made due to internal reserve.	Pursuant to the cash distribution policy defined in Article 36, Paragraph 1, Item 1 of the Articles of Incorporation of the Investment Corporation, it shall distribute in excess of the amount equivalent to 90% of the amount of distributable income of the Investment Corporation as defined in Article 67-15, Item 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided profit distribution (excluding the amount in excess of earnings) as 1,730,606,000 yen for the period. The amount of this profit distribution is the entire amount after deducting 245,301,206 yen as internal reserve for the purpose of stabilizing future distributions and the reversal of the allowance for temporary difference adjustments (as defined in Article 2, Paragraph 2, Item 30 of the Regulation on Accounting at Investment Corporation of Japan) from unappropriated retained earnings. In addition, in consideration of the impact of the temporary difference between accounting and income tax (as defined in Article 2, Paragraph 2, Item 30 (a) of the Regulation on Accounting at Investment Corporation of Japan) on dividends, the Investment Corporation will distribute the amount in excess of earnings which is equivalent to such a temporary difference in accordance with Article 36, Paragraph 1, Item 2 of the Articles of Incorporation. However, no such distribution was made due to internal reserve.



## (5) Statements of Cash Flows

(Unit: thousand yen)

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10 Fiscal Period (from September 1, 2022 to February 28, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,799,522	1,743,629
Depreciation	445,136	488,110
Amortization of investment unit issuance costs	12,216	9,560
Borrowing related expenses	97,197	102,830
Interest income	(41)	(42)
Interest expenses	184,114	224,185
Loss on retirement of fixed assets	-	5,354
Decrease (increase) in operating accounts receivable	(6,392)	3,673
Decrease (increase) in consumption taxes receivable	99,075	-
Increase (decrease) in accrued consumption taxes	131,364	(128,674)
Decrease (increase) in prepaid expenses	(12,491)	11,379
Decrease (increase) in long-term prepaid expenses	675	6,271
Increase (decrease) in operating accounts payable	60,048	(36,874)
Increase (decrease) in accounts payable - other	26,054	(26,430)
Increase (decrease) in advances received	(15,128)	24,318
Decrease in disposal of property, plant and equipment due to sale	-	712,110
Decrease in disposal of property, plant and equipment in trust due to sale	930,789	3,114,175
Other	4,482	23,315
Subtotal	3,756,624	6,276,893
Interest income received	41	42
Interest expenses paid	(178,256)	(227,298)
Income taxes paid	(605)	(605)
Net cash provided by (used in) operating activities	3,577,803	6,049,032
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,898)	(41)
Purchase of property, plant and equipment in trust	(6,530,197)	(12,031,780)
Purchase of intangible assets	(1,096)	-
Proceeds from leasehold and guarantee deposits received	8,414	-
Refund of leasehold and guarantee deposits received	-	(13,375)
Proceeds from leasehold and guarantee deposits received in trust	11,651	89,543
Refund of leasehold and guarantee deposits received in trust	(17,542)	(78,827)
Net cash provided by (used in) investing activities	(6,531,670)	(12,034,483)
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans payable	974,800	-
Repayments of short-term loans payable	-	(975,000)
Proceeds from long-term loans payable	9,814,340	5,693,103
Repayments of long-term loans payable	(9,950,000)	-
Proceeds from issuance of investment units	-	6,393,675
Payment of investment unit issuance costs	(8,913)	-
Distributions paid	(1,791,762)	(1,730,016)
Net cash provided by (used in) financing activities	(961,535)	9,381,761
Net increase (decrease) in cash and cash equivalents	(3,915,402)	3,396,311
Cash and cash equivalents at beginning of period	7,360,022	3,444,620
Cash and cash equivalents at end of period	*1 3,444,620	*1 6,840,931

(6) Going Concern Assumption

Not applicable.

(7) Summary of Significant Accounting Policies

1. Method of Depreciation of Non-Current Assets	<p>(1) Property, plant and equipment (including property, plant and equipment in trust) Depreciation of property, plant and equipment is calculated by the straight-line method over the estimated useful lives as follows:</p> <table border="0"><tr><td>Buildings</td><td>2 to 66 years</td></tr><tr><td>Structures</td><td>10 to 65 years</td></tr><tr><td>Machinery and equipment</td><td>10 to 20 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr></table> <p>(2) Intangible assets Intangible assets are amortized by the straight-line method over the estimated useful lives as follows:</p> <table border="0"><tr><td>Software</td><td>5 years</td></tr></table> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	Buildings	2 to 66 years	Structures	10 to 65 years	Machinery and equipment	10 to 20 years	Tools, furniture and fixtures	2 to 15 years	Software	5 years
Buildings	2 to 66 years										
Structures	10 to 65 years										
Machinery and equipment	10 to 20 years										
Tools, furniture and fixtures	2 to 15 years										
Software	5 years										
2. Accounting for Deferred Assets	Amortization of investment unit issuance costs Investment unit issuance costs are amortized by the straight-line method over three years.										
3. Standards for Revenue and Expense Recognition	<p>1) Standards regarding revenue recognition The details of main performance obligations concerning revenue from contracts with the Investment Corporation's customers and the general timing to satisfy performance obligations (general timing to recognize revenue) are as follows:</p> <p>(1) Sales of real estate properties The Investment Corporation recognizes revenue from sales of real estate properties when buyers, as the customers, obtain control of the real estate properties upon fulfilling its delivery obligations specified in the purchase and sales agreements. On the statement of income, an amount after deducting the "cost of sales of real estate properties" and "other sales expenses" from "revenue on sales of real estate properties" is presented as "gain on sales of real estate properties" or "loss on sales of real estate properties."</p> <p>(2) Utilities reimbursement revenue The Investment Corporation recognizes utilities reimbursement revenue in accordance with the supply of electricity, water, etc. to lessees, as the customers, based on the terms of the lease agreements and the supplementary agreements for the real estate properties.</p> <p>2) Accounting for property tax, etc. Property-related taxes, such as property taxes, city planning taxes and depreciable asset taxes are expensed on an accrual basis. When the Investment Corporation acquires the property, the property-related taxes reimbursed to the seller for the amount related to the period from the acquisition date to the end of the calendar year in which such acquisition occurs is capitalized as acquisition costs. The amount of property-related taxes included in the acquisition cost of real estate was 11,724 thousand yen for the fiscal period ended August 31, 2022 (9th Period) and 12,312 thousand yen for the fiscal period ended February 28, 2023 (10th Period).</p>										
4. Scope of Cash and Cash Equivalents on the Statement of Cash Flows	Cash and cash equivalents on the statement of cash flows include cash on hand, entrusted cash, demand deposits, entrusted bank deposits, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash that are subject to an insignificant risk of changes in value.										

<p>5. Other Matters Serving as the Basis for Preparation of Financial Statements</p>	<p>(1) Accounting policy for trust beneficiary interests in real estate  The Investment Corporation accounts for trust beneficiary interests by recognizing all assets and liabilities with respect to the assets in trust as assets and liabilities on the balance sheet and recognizing all income derived from and expenses related to the assets in trust on the statement of income.  The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <ol style="list-style-type: none"> <li>1) Cash and deposits in trust</li> <li>2) Buildings in trust, Structures in trust, Machinery and equipment in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress in trust</li> <li>3) Current portion of tenant leasehold and security deposits in trust, and Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting for non-deductible consumption taxes  Non-deductible consumption taxes related to non-current assets are included in the acquisition cost of individual assets.</p>
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(Additional Information)

[Provision and Reversal of Allowance for Temporary Difference Adjustments]

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reasons for reversal	Changes in allowance for temporary difference adjustments
Deferred gains or losses on hedges	Termination of derivative transactions	(1,681)
Total		(1,681)

2. Reversal of Allowance for Temporary Difference Adjustments

(1) Deferred gains or losses on hedges

The balance will be reversed due to termination of hedging derivative transactions.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reasons for reversal	Allowance for temporary difference adjustments
Buildings in trust	Fulfillment of asset retirement obligations	(648)
Total		(648)

2. Reversal of Allowance for Temporary Difference Adjustments

(1) Buildings in trust

The allowance for temporary difference adjustments will be reversed corresponding to removal of related assets or the sale of the buildings.

(8) Changes in Accounting Policies

Previously, non-deductible consumption taxes related to fixed assets, etc., were recorded as long-term prepaid expenses and amortized equally over five years, but effective from the fiscal period under review, such taxes are now included in the acquisition cost of individual fixed assets, etc.

This change was made in order to more precisely and appropriately reflect the actual status of the Investment Corporation's operations in the financial statements, since the Investment Corporation's main sponsor the MIRARTH Holdings Group changed and strengthened its organizational structure to facilitate the supply of housing to the Investment Corporation; in response, the Investment Corporation changed its investment policy to acquire properties centering on residences by fully leveraging the main sponsor's real estate development capabilities.

This change in accounting policies was applied retrospectively and the financial statements for the previous fiscal period are after retrospective application. As a result, compared with the balance sheet before retrospective application, prepaid expenses and long-term prepaid expenses decreased by 176,295 thousand yen and 544,492 thousand yen, respectively, and property, plant and equipment and deferred tax liabilities increased by 875,277 thousand yen and 48,972 thousand yen, respectively, in the previous fiscal period. Compared with the income statement before retrospective application, taxes and dues decreased by 83,684 thousand yen, expenses related to leasing business increased by 7,154 thousand yen, borrowing-related expenses increased by 3,788 thousand yen, and income taxes – deferred increased by 22,718 thousand yen in the previous fiscal period. As a result, operating income increased by 76,530 thousand yen, ordinary income and income before income taxes increased by 72,212 thousand yen, respectively, and net income increased by 49,494 thousand yen.

The statement of cash flows for the previous fiscal period shows increases of 72,212 thousand yen in income before income taxes, 7,154 thousand yen in depreciation, 3,788 thousand yen in borrowing-related expenses, decreases of 33,239 thousand yen in prepaid expenses and 48,342 thousand yen in long-term prepaid expenses, and an increase of 165,266 thousand yen in purchase of property, plant and equipment in trust.

The cumulative effect of the change in accounting policies reflected in the carrying amount of net assets at the beginning of the previous fiscal period increased the balance at beginning of period of surplus in the statement of changes in net assets by 57,199 thousand yen after retrospective application.

The impact on the per unit information is stated in the relevant section.

(9) Notes to Financial Statements

[Notes to Balance Sheet]

\*1 Allowance for temporary difference adjustments

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reason for provision	Initial amount	Balance at beginning of period	Provision	Reversal	Balance at end of period	Reason for reversal
Buildings in trust	Book-tax differences on recognition of asset retirement obligations	105,723 (Note)	8,537	-	-	8,537	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	1,627	2,549	-	(868)	1,681	Changes in fair value of derivative transactions
Total		107,350	11,086	-	(868)	10,218	-

(Note) The initial amount for buildings in trust is the total amount of temporary differences arising from related assets, which is the basis for provision and reversals.

2. Reversal of Allowance for Temporary Difference Adjustments

(1) Buildings in trust

The allowance for temporary difference adjustments will be reversed corresponding to removal of related assets or the sale of the buildings.

(2) Deferred gains or losses on hedges

The allowance will be reversed corresponding to future change in values of the hedging derivatives.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reason for provision	Initial amount	Balance at beginning of period	Provision	Reversal	Balance at end of period	Reason for reversal
Buildings in trust	Book-tax differences on recognition of asset retirement obligations	105,723 (Note 1)	8,537	-	-	8,537	-
Deferred gains or losses on hedges	Valuation losses on interest rate swaps	1,627	1,681	-	(1,681)	-	Termination of derivative transactions (Note 2)
Total		107,350	10,218	-	(1,681)	8,537	

(Note 1) The initial amount for buildings in trust is the total amount of temporary differences arising from related assets, which is the basis for provision and reversals.

(Note 2) The balance is reversed because the hedging derivative transaction has been terminated.

## 2. Reversal of Allowance for Temporary Difference Adjustments

### (1) Buildings in trust

The allowance for temporary difference adjustments will be reversed corresponding to removal of related assets or the sale of the buildings.

\*2 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

9th Fiscal Period (As of August 31, 2022)	10th Fiscal Period (As of February 28, 2023)
50,000	50,000

[Notes to the Statement of Income]

\*1 Breakdown of operating income from real estate leasing business

(Unit: thousand yen)

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
<b>A. Operating revenue from real estate leasing business</b>		
Leasing business revenue		
Rental revenue	2,895,637	3,059,558
Common area charges	167,287	163,576
Parking revenue	74,764	78,768
Other rental revenue	26,155	21,998
	3,163,845	3,323,900
Other leasing business revenue		
Utilities reimbursement revenue	111,741	120,525
Other revenue	21,694	30,753
	133,435	151,279
Total operating revenue from real estate leasing business	3,297,281	3,475,179
<b>B. Operating expenses from real estate leasing business</b>		
Expenses related to leasing business		
Management fees	225,506	261,135
Utilities expenses	124,783	138,888
Taxes and dues	231,033	226,355
Insurance premiums	6,431	7,001
Repair expenses	81,090	81,533
Trust fees	13,033	15,958
Depreciation	444,477	487,450
Loss on retirement of fixed assets	-	5,354
Other expenses	3,788	4,110
Total operating expenses from real estate leasing business	1,130,145	1,227,789
<b>C. Operating income from real estate leasing business (A-B)</b>	<b>2,167,135</b>	<b>2,247,390</b>

(Note) Due to a change in accounting policies in the fiscal period ended February 28, 2023, the figures for the fiscal period ended August 31, 2022 are after retrospective application. The same applies hereafter.

\*2 Breakdown of gain on sales of real estate properties

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Chuo Bakuromachi Building (63% quasi-co-ownership interest)		(Unit: thousand yen)
Revenue on sales of real estate properties		1,228,500
Cost of sales of real estate properties	930,789	
Other sales expenses	49,601	
Gain on sales of real estate properties		248,108

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Hotel Sunshine Utsunomiya		(Unit: thousand yen)
Revenue on sales of real estate properties		2,196,850
Cost of sales of real estate properties	2,107,531	
Other sales expenses	70,239	
Gain on sales of real estate properties		19,079

Co-op Sapporo Shunko		(Unit: thousand yen)
Revenue on sales of real estate properties		1,110,000
Cost of sales of real estate properties	1,006,644	
Other sales expenses	35,330	
Gain on sales of real estate properties		68,025

Akasaka Kawase Building		(Unit: thousand yen)
Revenue on sales of real estate properties		775,300
Cost of sales of real estate properties	712,110	
Other sales expenses	12,711	
Gain on sales of real estate properties		50,477

[Notes to Statement of Changes in Net Assets]

\*1 Total number of investment units authorized, and total number of investment units issued and outstanding

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	575,000 units	638,600 units

[Notes to Statement of Cash Flows]

\*1 Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheet

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Cash and deposits	3,619,842 thousand yen	6,880,357 thousand yen
Cash and deposits in trust	2,577,890 thousand yen	2,765,198 thousand yen
Restricted deposits (Note)	(2,753,112 thousand yen)	(2,804,624 thousand yen)
Cash and cash equivalents	3,444,620 thousand yen	6,840,931 thousand yen

(Note) Deposits and deposits in trust are reserved for the repayment of security deposits from tenants.

[Lease Transactions]

Disclosure is omitted due to immateriality.

[Financial Instruments]

1. Our Policy on Financial Instruments

(1) Policy for financial instruments

The Investment Corporation's financing policy is to maintain a sound financial foundation by improving balance sheet stability for the purpose of producing stable profits and achieving continued growth of the Investment Corporation's unitholder value through equity and debt financing. The Investment Corporation effectively controls debt maturities by diversifying the repayment dates and maintains diversified funding sources and multiple financing options as well as an appropriate level of fixed interest rate ratio.

The Investment Corporation conducts equity financing at appropriate timing when the Investment Corporation needs funds to acquire properties, conducts repairs and other work, pays expenses to operate the Investment Corporation and repay the Investment Corporation's obligations upon considering the dilutive effect of equity finance and market conditions. The Investment Corporation will consider the market risk and liquidity risk when the Investment Corporation invests surplus funds.

The Investment Corporation invests in financial derivative transactions only to reduce the Investment Corporation's interest rate fluctuation risk and not for speculative purposes.

(2) Financial instrument risk management

The Investment Corporation takes out borrowings to acquire the properties and repay the Investment Corporation's indebtedness and is exposed to refinancing and interest rate risks. The Investment Corporation minimizes those risks by diversifying funding sources and maintaining an appropriate level of LTV through equity financing and fixed interest rate ratio.

(3) Supplementary information on fair value of financial instruments

The fair value of financial instruments is determined based on the market price. When there is no market price, the fair value of financial instruments is determined by a reasonable calculation. Because certain assumptions are adopted in the calculation of the above value, the value may differ depending on different assumptions.

2. Fair Value of Financial Instruments

The carrying amount, the fair value, and the difference between them as of August 31, 2022, are as follows. The notes for "cash and deposits," "cash and deposits in trust," and "short-term loans payable" are omitted as they are cash and short-term settlements, and the fair value approximates the book value. In addition, the notes for "current portion of tenant leasehold and security deposits in trust," "tenant leasehold and security deposits" and "tenant leasehold and security deposits in trust" are omitted because they are immaterial.

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	6,000,000	6,000,000	-
(2) Long-term loans payable	51,300,000	51,121,687	(178,312)



The carrying amount, the fair value, and the difference between them as of February 28, 2023, are as follows. The notes for “cash and deposits” and “cash and deposits in trust” are omitted as they are cash and short-term settlements and the fair value approximates the book value.

(Unit: thousand yen)

	Carrying amount	Fair value	Difference
(1) Current portion of long-term loans payable	6,000,000	6,000,000	-
(2) Long-term loans payable	57,080,000	56,593,807	(486,192)

(Note 1) Calculation method of fair value of financial instruments

(1) Current portion of long-term loans payable; (2) Long-term loans payable

Of long-term loans payable, those with fixed interest rates are calculated by discounting the total amount of principal and interest by the interest rate assumed to be applied if a new similar loan is taken out corresponding to the remaining period. As interest rates of long-term loans payable with floating interest rates are reflected by market interest rates periodically, their fair values are considered to be approximately equal to their book values.

(Note 2) Maturity analysis of long-term loans payable (August 31, 2022)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Long-term loans payable	6,000,000	9,550,000	17,400,000	14,400,000	5,060,000	4,890,000
Total	6,000,000	9,550,000	17,400,000	14,400,000	5,060,000	4,890,000

Maturity analysis of long-term loans payable (February 28, 2023)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Long-term loans payable	6,000,000	16,900,000	16,600,000	13,630,000	5,060,000	4,890,000
Total	6,000,000	16,900,000	16,600,000	13,630,000	5,060,000	4,890,000

[Securities]

9th Fiscal Period (As of August 31, 2022)

Not applicable.

10th Fiscal Period (As of February 28, 2023)

Not applicable.

[Derivative Transactions]

1. Derivative Transactions to Which Hedge Accounting Is Not Applied

9th Fiscal Period (As of August 31, 2022)

Not applicable.

10th Fiscal Period (As of February 28, 2023)

Not applicable.

2. Derivative Transactions to Which Hedge Accounting Is Applied

9th Fiscal Period (As of August 31, 2022)

Not applicable.

10th Fiscal Period (As of February 28, 2023)

Not applicable.

[Retirement Benefits]

9th Fiscal Period (As of August 31, 2022)

Not applicable.

10th Fiscal Period (As of February 28, 2023)

Not applicable.

[Tax Effect Accounting]

1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities

(Unit: thousand yen)

	9th Fiscal Period (As of August 31, 2022)	10th Fiscal Period (As of February 28, 2023)
Deferred tax assets		
Asset retirement obligations	28,097	26,059
Deferred consumption taxes	235,388	206,356
Subtotal of deferred tax assets	263,486	232,416
Valuation allowance	(5,333)	(5,505)
Total deferred tax assets	258,152	226,911
Deferred tax liabilities		
Building and equipment corresponding to the asset retirement obligations	22,797	20,579
Consumption tax not deductible for property and equipment	275,362	272,947
Consumption tax not deductible for deferred assets	8,965	7,581
Total deferred tax liabilities	307,124	301,107
Deferred tax liabilities, net	48,972	74,196

2. Reconciliation of Significant Differences Between the Statutory Tax Rate and the Effective Income Tax Rate

(Unit: %)

	9th Fiscal Period (As of August 31, 2022)	10th Fiscal Period (As of February 28, 2023)
Statutory tax rate	31.46	31.46
(Adjustments)		
Deductible distributions	(30.24)	(30.03)
Other	0.08	0.05
Effective income tax rate	1.30	1.48

[Related-Party Transactions]

1. Parent Company and Major Corporate Unitholders

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Not applicable.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Not applicable.

2. Affiliated Companies

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Not applicable.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Not applicable.

3. Fellow Subsidiaries

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Not applicable.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Not applicable.

#### 4. Directors and Major Individual Unitholders

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Type	Name	Location	Stated capital (million yen)	Business or occupation	Percentage of voting rights (owned) (%)	Relationship	Transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, Takara PAG Real Estate Advisory Ltd.	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, Takara PAG Real Estate Advisory Ltd.	Payment of asset management fee to the Asset Management Company	256,939	Accounts payable – other	219,192

(Note 1) The transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 2) The transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and asset management agreement.

(Note 3) Asset management fees include the property acquisition fee of 57,672 thousand yen recorded as the book value of the acquired properties.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Type	Name	Location	Stated capital (million yen)	Business or occupation	Percentage of voting rights (owned) (%)	Relationship	Transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, Takara PAG Real Estate Advisory Ltd.	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, Takara PAG Real Estate Advisory Ltd.	Payment of asset management fee to the Asset Management Company	253,960	Accounts payable – other	191,164

(Note 1) The transaction amount does not include consumption tax, while the balance at the end of the period includes consumption tax.

(Note 2) The transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and asset management agreement.

(Note 3) Asset management fees include the property acquisition fee of 80,175 thousand yen recorded as the book value of the acquired properties.

#### [Profit or Loss of Affiliates Accounted for Under the Equity Method]

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

Not applicable.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

Not applicable.

#### [Asset Retirement Obligations]

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

##### 1. Asset Retirement Obligations Booked on the Balance Sheet

###### (1) Overview

The Investment Corporation has recorded the asset retirement obligations to remove asbestos from Nagoya Center Plaza Building and Sendai Nikko Building and PCBs from Nagoya Center Plaza Building, which were acquired on July 30, 2018.

###### (2) Measurement of the asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the expected period of use based on the useful life of the properties and using the following discount rates.

	Property name	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%
PCB	Nagoya Center Plaza Building	26 years	0.748%

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

## 1. Asset Retirement Obligations Booked on the Balance Sheet

### (1) Overview

The Investment Corporation has recorded the asset retirement obligations to remove asbestos from Nagoya Center Plaza Building and Sendai Nikko Building, which were acquired on July 30, 2018.

### (2) Measurement of the asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the expected period of use based on the useful life of the properties and using the following discount rates.

	Property name	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%

### (3) Movements of the asset retirement obligations

(Unit: thousand yen)

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Balance at beginning of period	88,970	89,310
Increase due to acquisition of properties	-	-
Decrease due to disposition of properties	-	-
Decrease due to fulfillment of asset retirement obligations	-	(6,812)
Adjustment for passage of time	340	336
Balance at end of period	89,310	82,835

## [Segment Information]

### (Segment information)

Disclosure is omitted because the Investment Corporation operates a single segment of the real estate leasing business.

### (Related information)

9th Fiscal Period (from March 1, 2022 to August 31, 2022)

#### (1) Information by product and service

Disclosure is omitted because operating revenues from external customers in a single product and service category exceed 90% of operating revenues on the statement of income.

#### (2) Information by geographical area

##### 1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan exceed 90% of operating revenues on the statement of income.

##### 2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

#### (3) Information by major customers

Disclosure is omitted because there are no customers that account for 10% or more of total operating revenues.

10th Fiscal Period (from September 1, 2022 to February 28, 2023)

#### (1) Information by product and service

Disclosure is omitted because operating revenues from external customers in a single product and service category exceed 90% of operating revenues on the statement of income.

(2) Information by geographical area

1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan exceed 90% of operating revenues on the statement of income.

2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information by major customers

Name of customer	Operating revenues	Related segment
Yamada Holdings Co., Ltd.	(Note)	Real estate leasing business

(Note) Since the tenant has not provided consent to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

[Investment and Rental Properties]

The Investment Corporation mainly owns office, residence, hotel, retail and other properties for the purpose of earning rental income in the four major metropolitan areas and the major regional cities. The carrying amount and fair value of the properties are as follows.

(Unit: thousand yen)

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Carrying amount		
Balance at beginning of period	110,422,691	115,505,809
Increase (decrease) during the period	5,083,118	7,889,877
Balance at end of period	115,505,809	123,395,686
Fair value at end of period	121,675,000	129,698,000

(Note 1) Carrying amount is the amount of the cost of acquisition, less accumulated depreciation.

(Note 2) In the previous fiscal period, the main increase is attributable to the acquisition of three properties (6,195,954 thousand yen) and the main decrease is attributable to the sale of one property (930,789 thousand yen) and depreciation (444,477 thousand yen). In the fiscal period under review, the main increase is attributable to the acquisition of nine properties (11,735,064 thousand yen) and the main decrease is attributable to the sale of three properties (3,826,286 thousand yen) and depreciation (487,450 thousand yen).

(Note 3) Fair value at end of period is the disposition price for properties for which a disposition agreement has been executed, and the appraisal value by an independent real estate appraiser for other properties.

(Note 4) The beginning balance for the previous period includes the cumulative effect of a change in accounting policies (717,165 thousand yen).

The income (loss) concerning investment and rental properties for the fiscal period ended August 31, 2022 (9th Period) and the fiscal period ended February 28, 2023 (10th Period) is as stated in "Notes to Statement of Income."

[Revenue Recognition]

Information about disaggregation of revenue from contracts with customers

Major revenues generated from contracts with customers are "revenue on sales of real estate properties" and "utilities reimbursement revenue." As for the amounts, refer to "\*1 Breakdown of operating income from real estate leasing business," "\*2. Breakdown of gain on sales of real estate properties" in the "Notes to Statement of Income" above. As for revenue from the real estate leasing business to which the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is applied, as the Standard for Revenue Recognition is not applied, they are not included in the revenues generated from contracts with customers.

[Per Unit Information]

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Net assets per unit	103,238 yen	102,989 yen
Net income per unit	3,089 yen	2,689 yen

(Note 1) Net income per unit is calculated by dividing net income by daily weighted average number of investment units during the period. In addition, diluted net income per unit is not stated, because there are no diluted investment units.

(Note 2) As described in “Changes in Accounting Policies,” the Investment Corporation changed its accounting policies for consumption taxes not deductible on fixed assets, etc. The change in accounting policies was applied retrospectively and the per unit information for the previous period is after retrospective application. As a result, net asset value per unit and net income per unit for the previous period increased by 186 yen and 87 yen, respectively, compared with those before the retroactive application.

(Note 3) The basis for calculation of net income per unit is as follows:

	9th Fiscal Period (from March 1, 2022 to August 31, 2022)	10th Fiscal Period (from September 1, 2022 to February 28, 2023)
Net income (thousand yen)	1,776,199	1,717,801
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,776,199	1,717,801
Average number of investment units during the period (units)	575,000	638,600

[Significant Subsequent Events]

1. Issuance of new investment units

Pursuant to the resolutions on the issuance of new investment units made at the Board of Directors’ meetings held on February 14, 2023, and February 21, 2023, the Investment Corporation issued 48,735 new investment units through primary offering and 4,000 new investment units through third-party allotment, for which payment of 4,156,754,355 yen and that of 341,172,000 yen were completed on March 1, 2023, and March 28, 2023, respectively. As a result, unitholders’ capital was 68,299,018,055 yen and the total number of investment units issued and outstanding was 691,335 units as of March 28, 2023.

<Issuance of New Investment Units through Public Offering (Primary Offering)>

- Number of new units issued 48,735 units
- Issue price (offer price) 88,422 yen per unit
- Total issue price (total offer price) 4,309,246,170 yen
- Issue amount (paid-in amount) 85,293 yen per unit
- Total issue price (total paid-in amount) 4,156,754,355 yen
- Payment date March 1, 2023
- Purpose of funds raised Allocation to funds for acquisition of new domestic real estate trust beneficiary interests per “3. Acquisition of Assets,” below, and allocation to a portion of associated costs.

<Issuance of new investment units through third-party allotment>

- Number of new units issued 4,000 units
- Issue amount (paid-in amount) 85,293 yen per unit
- Total issue price (total paid-in amount) 341,172,000 yen
- Payment date March 28, 2023
- Purpose of funds raised The funds will be used for a portion of the repayment of borrowings or for a portion of future acquisition of specified assets.

## 2. Borrowing of Funds

In order to allocate funds for the acquisition of seven new domestic real estate trust beneficiary interests excluding Fiel Kiyofune as described in “3. Acquisition of Assets” below as well as a portion of related expenses, the Investment Company conducted the following borrowings on March 2, 2023.

Category (Note 1)	Lender	Amount borrowed (million yen)	Interest rate (Note 3)	Drawdown date	Repayment date (Note 4)	Repayment method	Notes
Long-term loans payable	A syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	4,070	0.67455% *Base interest rate (Note 3) +0.60%	March 2, 2023	February 29, 2028	Lump-sum repayment on maturity	Unguaranteed/unsecured

(Note 1) “Long-term loans payable” refers to loans with a maturity of more than one year from the drawdown date to the repayment date.

(Note 2) The “syndicate of lenders” is composed of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Aozora Bank, Ltd., Resona Bank, Limited., Kansai Mirai Bank, Ltd., The Chiba Bank, Ltd., The Yamagata Bank, Ltd., The Kiyo Bank, Ltd., and The 77 Bank, Ltd.

(Note 3) The first interest payment date shall be May 31, 2023, and subsequent interest payment dates shall be the last day of every third month thereafter and the principal repayment date. However, if the payment date is not a bank business day, this shall fall on the next business day, and if the next business day falls in the next month, this shall fall on the previous business day. The base interest rate is the 3-month JBA Japanese Yen TIBOR published by the JBA TIBOR Administration (JBATA). However, if the rate corresponding to such an interest period is not indicated, it will be the base interest rate calculated based on the method specified in the contract. The base interest rate corresponding to the calculation period of each interest payment due date is determined two business days immediately before the borrowing date for the first interest calculation period and two business days before the interest payment due date immediately before the interest calculation period thereafter.

(Note 4) After the borrowing commences and up to the repayment date, all or part of the borrowings may be repaid in advance upon prior written notice, provided that certain conditions are met. If the repayment date is not a bank business day, the repayment date shall become the business day immediately following the repayment date, and if the following business day is in the next month, this shall become the previous business day.

## 3. Acquisition of Assets

The Investment Corporation acquired the following domestic real estate trust beneficiary interests on March 2, 2023.

Category	Property number (Note 1)	Property name	Location	Acquisition price (million yen) (Note 2)	Seller
Residence	R-31	TLR Residence Ryogoku	Sumida Ward, Tokyo	2,000	GK Island Ship No. 4
	R-32	TLR Residence Otorii	Ota Ward, Tokyo	1,470	GK Island Ship No. 4
	R-33	TLR Residence Kameari	Katsushika Ward, Tokyo	1,900	GK Island Ship No. 4
	R-34	Fiel Kiyofune	Nagoya City, Aichi	1,500	Undisclosed (Note 3)
	R-35	SERENiTE Namba west	Osaka City, Osaka	1,300	GK Island Ship No. 4
	R-36	Colline Ensoleille	Wako City, Saitama	970	GK Island Ship No. 4
	R-37	Rock Field Nishi-Oi	Shinagawa Ward, Tokyo	535	GK Island Ship No. 4
	R-38	La Vita YATSUKA-EKIMAE I • II (Note 3)	Soka City, Saitama	970	GK Island Ship No. 4
Total			-	10,645	

(Note 1) The code “R” represents residential properties.

(Note 2) “Acquisition price” refers to the purchase price (not including consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement for each investment asset, rounded down to the nearest million yen.

(Note 3) For Fiel Kiyofune, though the seller is a domestic limited liability company, this information is undisclosed as the seller has not provided consent for disclosure.



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

Note that the changes in unitholders' capital and the total number of investment units issued and outstanding since establishment of the Investment Corporation until the end of the fiscal period under review are as follows.

Date	Notes	Unitholders' capital (Note 2) (thousand yen)		Total number of investment units issued and outstanding (units)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 11, 2017 (Note 1)	Establishment through private placement	150,000	150,000	150	150	(Note 3)
April 21, 2018	Investment unit split	-	150,000	1,350	1,500	(Note 4)
July 26, 2018	Capital increase through public offering	31,841,672	31,991,672	344,000	345,500	(Note 5)
September 2, 2019	Capital increase through public offering	13,197,600	45,189,272	117,000	462,500	(Note 6)
September 1, 2021	Capital increase through public offering	12,192,862	57,382,134	112,500	575,000	(Note 7)
September 1, 2022	Capital increase through public offering	6,418,957	63,801,091	63,600	638,600	(Note 8)

(Note 1) The Investment Corporation was established on September 11, 2017.

(Note 2) Changes in unitholders' capital due to distributing in excess of earnings from allowance for temporary difference adjustment, etc. have not been taken into account.

(Note 3) New investment units were issued at an offer price of 1,000,000 yen per unit upon the establishment of the Investment Corporation.

(Note 4) The Investment Corporation has conducted a 10-for-1 unit split of its investment units held by unitholders listed or recorded in the final register of unitholders, with April 21, 2018, as the record date and effective date.

(Note 5) New investment units were issued through public offering at an issue price of 96,000 yen (paid-in amount of 92,563 yen) per unit for the purpose of acquisition of new properties, etc.

(Note 6) New investment units were issued through public offering at an issue price of 117,000 yen (paid-in amount of 112,800 yen) per unit for the purpose of acquisition of new properties, repayment of borrowings, etc.

(Note 7) New investment units were issued through public offering at an issue price of 112,417 yen (paid-in amount of 108,381 yen) per unit for the purpose of acquisition of new properties, etc.

(Note 8) New investment units were issued through public offering at an issue price of 104,685 yen (paid-in amount of 100,927 yen) per unit for the purpose of acquisition of new properties, etc.

### 3. Appendix

#### (1) Prices of Assets

##### 1) Investment Status

Type of asset	Primary use	Geographic area (Note 1)	9th Fiscal Period (As of August 31, 2022)		10th Fiscal Period (As of February 28, 2023)		
			Total amount held (million yen) (Note 2)	As a percentage of total assets (%)	Total amount held (million yen) (Note 2)	As a percentage of total assets (%)	
Real estate	Office	Four major metropolitan areas	712	0.6	-	-	
		Major regional cities	-	-	-	-	
	Residence	Four major metropolitan areas	2,861	2.3	2,841	2.1	
		Major regional cities	-	-	-	-	
	Hotel	Four major metropolitan areas	-	-	-	-	
		Major regional cities	2,387	1.9	2,359	1.8	
	Retail and Other	Four major metropolitan areas	503	0.4	501	0.4	
		Major regional cities	3,773	3.1	3,773	2.8	
	Subtotal			10,238	8.4	9,477	7.1
	Real estate in trust	Office	Four major metropolitan areas	41,942	34.3	42,152	31.5
Major regional cities			3,379	2.8	3,402	2.5	
Residence		Four major metropolitan areas	28,983	23.7	35,512	26.5	
		Major regional cities	1,192	1.0	1,187	0.9	
Hotel		Four major metropolitan areas	2,490	2.0	2,479	1.9	
		Major regional cities	4,401	3.6	2,271	1.7	
Retail and Other		Four major metropolitan areas	17,876	14.6	17,889	13.4	
		Major regional cities	4,999	4.1	9,022	6.7	
Subtotal			105,267	86.0	113,918	85.2	
Deposits and other assets			6,952	5.7	10,378	7.8	
Total amount of assets			122,458	100.0	133,774	100.0	

	9th Fiscal Period (As of August 31, 2022)		10th Fiscal Period (As of February 28, 2023)	
	Amount (million yen)	As a percentage of total assets (%)	Amount (million yen)	As a percentage of total assets (%)
Total amount of liabilities (Note 2)	63,096	51.5	68,005	50.8
Total amount of net assets (Note 2)	59,361	48.5	65,769	49.2

(Note 1) Japan's "four major metropolitan areas" refers to the Tokyo, Nagoya, Osaka, and Fukuoka metropolitan areas. "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Chiba, and Saitama prefectures. "Osaka metropolitan area" refers to Osaka, Kyoto, and Hyogo prefectures. "Nagoya metropolitan area" refers to Aichi, Gifu, and Mie prefectures. "Fukuoka metropolitan area" refers to Fukuoka Prefecture.

Japan's "major regional cities" refers to ordinance-designated cities, core cities, specially designated cities and prefectural capital cities, excluding those included in Japan's four major metropolitan areas. "Ordinance-designated cities" refers to the cities of Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Okayama, Hiroshima, and Kumamoto as of the date of this document. "Core cities" refers to Japanese cities that have a population of at least 200,000 persons and are designated as such by an ordinance under the Local Autonomy Act of Japan. "Specially designated cities" refers to Japanese cities that have a population of at least 200,000 people and are designated as such by an ordinance under the same act at the time of the abolishment of the system of specially designated cities as of April 1, 2015.

(Note 2) "Total amount held," "Total amount of liabilities" and "Total amount of net assets" are based on the balance sheet (for real estate and real estate in trust, the book value after depreciation) as of the end of the previous fiscal period and the fiscal period under review, respectively, rounded down to the nearest million yen.

2) Invested Assets

a. Major Investment Securities

Not applicable.

b. Investment Properties

As of the end of the fiscal period under review, the Investment Corporation holds real estate and trust beneficiary interests in real estate. Therefore, for convenience of reference, the following “c. Other Major Investment Assets” summarizes the real estate and the trust beneficiary interests in real estate.

c. Other Major Investment Assets

(a) Summary of Investment Assets

The Investment Assets held by the Investment Corporation as of the end of the fiscal period under review (trust beneficiary interests in real estate and trust beneficiary interests in real estate, hereinafter collectively referred to as “investment assets”), are as follows.

Category	Property number (Note 1)	Property name	Location	Acquisition price (million yen) (Note 2)	Percentage of total acquisition price (%) (Note 3)	Book value at period end (million yen)	Appraisal value (million yen) (Note 4)	Acquisition date
Office	O-01	NT Building	Shinagawa Ward, Tokyo	12,350	10.2	12,627	12,700	July 30, 2018
	O-02	Higashi-Ikebukuro Central Place	Toshima Ward, Tokyo	9,780	8.1	9,869	10,900	July 30, 2018
	O-03	Nagoya Center Plaza Building	Nagoya City, Aichi	4,870	4.0	5,239	5,260	July 30, 2018
	O-05	Omiya NSD Building	Saitama City, Saitama	3,493	2.9	3,528	3,960	July 30, 2018
	O-07	Hakata Gion Building	Fukuoka City, Fukuoka	2,500	2.1	2,510	2,960	July 30, 2018
	O-09	L.Biz Jimbocho	Chiyoda Ward, Tokyo	1,006	0.8	1,006	1,170	July 30, 2018
	O-11	L.Biz Sendai	Sendai City, Miyagi	1,680	1.4	1,641	1,670	July 30, 2018
	O-12	Sendai Nikko Building	Sendai City, Miyagi	1,740	1.4	1,761	1,790	July 30, 2018
	O-19	Yoyogi 1-chome Building	Shibuya Ward, Tokyo	1,850	1.5	1,925	2,170	April 30, 2021
	O-20	Kawagoe West Building	Kawagoe City, Saitama	2,600	2.1	2,635	2,760	September 2, 2021
	O-21	HAKATA REISENMACHI Building	Fukuoka City, Fukuoka	2,700	2.2	2,809	2,610	September 2, 2021
		Subtotal		-	44,569	36.8	45,555	47,950
Residence	R-01	Amare Tokaidori	Nagoya City, Aichi	1,100	0.9	1,058	1,210	July 30, 2018
	R-02	Dormy Ukimafunado	Itabashi Ward, Tokyo	1,080	0.9	1,083	1,130	July 30, 2018
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka City, Fukuoka	1,032	0.9	994	1,210	July 30, 2018
	R-04	LUXENA HIGASHI-KOENJI	Suginami Ward, Tokyo	1,060	0.9	1,071	1,200	July 30, 2018
	R-06	J City Hatchobori	Hiroshima City, Hiroshima	1,200	1.0	1,187	1,260	July 30, 2018
	R-07	LUXENA HEIWADAI	Nerima Ward, Tokyo	3,910	3.2	3,894	4,510	September 3, 2019
	R-08	LUXENA KACHIDOKI	Chuo Ward, Tokyo	1,120	0.9	1,128	1,350	September 3, 2019
	R-09	LUXENA HONATSUGI	Atsugi City, Kanagawa	705	0.6	716	784	March 17, 2020
	R-10	LUXENA KADOMA	Kadoma City, Osaka	2,000	1.7	2,124	2,170	April 13, 2021
	R-11	LUXENA TODAKOEN	Toda City, Saitama	910	0.8	950	978	September 2, 2021
	R-12	LUXENA TODAKOEN II	Toda City, Saitama	1,200	1.0	1,247	1,280	September 2, 2021
	R-13	LUXENA AKIHABARA	Taito Ward, Tokyo	2,300	1.9	2,359	2,430	September 2, 2021
	R-14	Fiore Residence Dejima Kaigan Dori	Sakai City, Osaka	560	0.5	593	609	September 2, 2021
	R-15	LUXENA MUSASHI-SHINJO	Kawasaki City, Kanagawa	1,900	1.6	1,965	2,030	September 2, 2021

Category	Property number (Note 1)	Property name	Location	Acquisition price (million yen) (Note 2)	Percentage of total acquisition price (%) (Note 3)	Book value at period end (million yen)	Appraisal value (million yen) (Note 4)	Acquisition date
Residence	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Nagareyama City, Chiba	2,840	2.3	2,943	3,130	September 2, 2021
	R-17	PRIME SQUARE	Funabashi City, Chiba	620	0.5	647	748	September 2, 2021
	R-18	Winbell Chorus Seiseki Sakuragaoka	Tama City, Tokyo	730	0.6	756	856	September 2, 2021
	R-19	Mare Isogo Building	Yokohama City, Kanagawa	1,900	1.6	2,011	2,200	November 25, 2021
	R-20	TLR Residence Kawasaki Daishi	Kawasaki City, Kanagawa	1,346	1.1	1,451	1,420	April 11, 2022
	R-21	TLR Residence Honmachi WEST	Osaka City, Osaka	3,479	2.9	3,696	3,490	June 1, 2022
	R-22	TLR Residence Takaيدا	Higashi Osaka City, Osaka	942	0.8	1,014	1,010	June 1, 2022
	R-23	LUXENA KITASENJU	Adachi Ward, Tokyo	1,540	1.3	1,608	1,610	September 2, 2022
	R-24	La Vita Higashi Ueno	Taito Ward, Tokyo	1,280	1.1	1,316	1,290	September 2, 2022
	R-25	LUXENA JOSHIN	Nagoya City, Aichi	620	0.5	661	634	September 2, 2022
	R-26	LUXENA UMEKOJI-KYOTONISHI	Kyoto City, Kyoto	725	0.6	767	772	September 2, 2022
	R-27	LUXENA KIYOMIZU-GOJO	Kyoto City, Kyoto	515	0.4	545	597	September 2, 2022
	R-28	La Vita Nijo Gekko	Kyoto City, Kyoto	515	0.4	541	535	September 2, 2022
	R-29	La Vita Toji	Kyoto City, Kyoto	465	0.4	494	477	September 2, 2022
	R-30	Pleiades Namba east	Osaka City, Osaka	675	0.6	707	717	September 2, 2022
		Subtotal	-	38,269	31.6	39,541	41,637	-
	Hotel	H-01	Dormy Inn Matsuyama	Matsuyama City, Ehime	2,427	2.0	2,271	2,550
H-03		Dormy Inn Morioka	Morioka City, Iwate	2,520	2.1	2,359	2,560	June 28, 2019
H-04		ACCESS by LOISIR HOTEL Nagoya	Nagoya City, Aichi	2,500	2.1	2,479	2,200	September 3, 2019
		Subtotal	-	7,447	6.2	7,111	7,310	-
Retail and Other	C-01	Prio Daimyo II	Fukuoka City, Fukuoka	980	0.8	996	1,130	July 30, 2018
	C-03	TA Shonan Kugenmakaignan	Fujisawa City, Kanagawa	500	0.4	501	571	March 28, 2019
	C-05	YAMADA web.com Matsuyama Toiya-cho	Matsuyama City, Ehime	4,030	3.3	3,974	4,410	September 3, 2019
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	Kobe City, Hyogo	4,227 (Note 5)	3.5	4,281	4,290	September 3, 2019
	C-07	AEON Style Onomichi (Land)	Onomichi City, Hiroshima	900	0.7	930	1,040	March 1, 2021
	C-08	BIGMOTOR Sapporo Kiyota (Land)	Sapporo City, Hokkaido	1,610	1.3	1,650	1,790	May 19, 2021
	C-09	DCM Daiki Onomichi (Land)	Onomichi City, Hiroshima	1,170	1.0	1,193	1,240	April 1, 2021
	C-10	Cainz Omiya	Saitama City, Saitama	2,520	2.1	2,533	2,600	July 1, 2021
	C-11	APiTA NAGOYA-MINAMI	Nagoya City, Aichi	7,800	6.4	7,896	8,270	September 2, 2021
	C-12	BIGMOTOR Konosu (Land)	Konosu City, Saitama	2,150	1.8	2,181	2,290	September 2, 2021
	C-13	Kaden Sumairu Kan×YAMADA web.com Nara	Nara City, Nara	4,850	4.0	5,048	5,170	September 2, 2022
		Subtotal	-	30,737	25.4	31,187	32,801	-
		Total	-	121,023	100.0	123,395	129,698	-

(Note 1) The code "O" represents office properties, "R" represents residential properties, "H" represents hotel properties and "C" represents retail and other properties. The same applies hereafter.

- (Note 2) “Acquisition price” refers to the purchase price (excluding consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement or real estate purchase agreement for each investment asset, rounded down to the nearest million yen. Therefore, the total acquisition price of each investment asset may not match the amount shown in the “Total” and “Subtotal” columns.
- (Note 3) “Percentage of total acquisition price” is the ratio of the acquisition price of each investment asset to the total acquisition price, rounded off to the first decimal place. Therefore, the sum of the percentages of total acquisition price for each investment asset may not match the percentages shown in the “Total” and “Subtotal” columns.
- (Note 4) “Appraisal value” indicates the appraisal value stated in the real estate appraisal report as of the end of the period. In addition, the term “real estate appraisal report” generically refers to real estate appraisal reports prepared by the Investment Corporation in accordance with notes on real estate appraisal evaluation based on the Investment Trusts Act, the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended), and the Japanese Real Estate Appraisal Standards by entrusting the appraisal evaluation of each invested asset to a real estate appraiser or an appraisal evaluation institution based on the evaluation standards.
- (Note 5) Since a portion of the “Tecc LIFE SELECT Kobe Tarumi (Land)” land was disposed on June 24, 2020, the “Acquisition price” is the amount obtained by subtracting the price commensurate with the share of the transferred area from the purchase price stated in the real estate trust beneficiary interests purchase agreement (excluding consumption tax, local consumption tax and various costs required for acquisition) is stated.

## (b) Summary of Buildings

The buildings held by the Investment Corporation as of the end of the period are as follows:

Category	Property number	Property name	Date of construction (Note 1)	Number of tenants (Note 2)	Annual contracted rent (million yen) (Note 3)	Leasehold and security deposits (million yen) (Note 4)	Total leased area (m <sup>2</sup> ) (Note 5)	Total leasable area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)
Office	O-01	NT Building	March 1996	19	474	411	8,873.14 (Note 8)	9,918.91 (Note 8)	89.5
	O-02	Higashi-Ikebukuro Central Place	November 1984	7	473	394	7,793.59	7,793.59	100.0
	O-03	Nagoya Center Plaza Building	November 1978	33	337	276	9,571.13	9,571.13	100.0
	O-05	Omiya NSD Building	March 1993	11	225	157	4,006.68	4,006.68	100.0
	O-07	Hakata Gion Building	November 2007	15	159	75	3,653.70	3,653.70	100.0
	O-09	L.Biz Jimbocho	June 2009	1	53	17	859.82	859.82	100.0
	O-11	L.Biz Sendai	March 1993	25	110	83	3,227.97	3,368.94	95.8
	O-12	Sendai Nikko Building	March 1989	6	115	84	2,540.11	2,540.11	100.0
	O-19	Yoyogi 1-chome Building	July 2010	1	85	50	810.45	810.45	100.0
	O-20	Kawagoe West Building	September 1996	8	143	128	2,375.04	2,375.04	100.0
	O-21	HAKATA REISENMACHI Building	December 2020	11	71	77	1,819.20	2,045.01	89.0
	Subtotal/Average				137	2,251	1,759	45,530.83	46,943.38
Residence	R-01	Amare Tokaidori	July 2007	85	73	9	2,842.28	2,935.38	96.8
	R-02	Dormy Ukimafunado	April 1997	2	62	49	2,462.60	2,462.60	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	March 2009	66	66	2	2,702.41	2,782.51	97.1
	R-04	LUXENA HIGASHI-KOENJI	July 2008	34	60	8	1,369.32	1,405.28	97.4
	R-06	J City Hatchobori	November 2005	56	80	11	2,509.74	2,623.39	95.7
	R-07	LUXENA HEIWADAI	March 2019	100	210	56	5,169.93	5,354.76	96.5
	R-08	LUXENA KACHIDOKI	May 2019	25	58	5	1,066.50	1,121.26	95.1
	R-09	LUXENA HONATSUGI	November 1999	58	53	6	1,482.77	1,482.77	100.0
	R-10	LUXENA KADOMA	November 2020	123	127	0	3,906.10	4,034.10	96.8
	R-11	LUXENA TODAKOEN	March 2021	12	51	4	1,130.50	1,130.50	100.0
	R-12	LUXENA TODAKOEN II	March 2021	32	61	1	1,636.57	1,790.85	91.4
	R-13	LUXENA AKIHABARA	March 2021	57	104	1	1,896.30	1,896.30	100.0
	R-14	Fiore Residence Dejima Kaigan Dori	October 2007	36	36	0	1,278.27	1,380.56	92.6
	R-15	LUXENA MUSASHI-SHINJO	June 2021	13	98	14	2,312.24	2,312.24	100.0
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	August 2019	73	163	45	4,371.83	4,516.34	96.8
	R-17	PRIME SQUARE	December 2008	1	36	3	1,125.49	1,125.49	100.0
	R-18	Winbell Chorus Seiseki Sakuragaoka	May 1997	51	57	5	1,931.86	1,931.86	100.0
	R-19	Mare Isogo Building	June 1997	2	112	244	2,825.45	2,825.45	100.0
	R-20	TLR Residence Kawasaki Daishi	February 2016	28	66	3	1,369.90	1,409.04	97.2

Category	Property number	Property name	Date of construction (Note 1)	Number of tenants (Note 2)	Annual contracted rent (million yen) (Note 3)	Leasehold and security deposits (million yen) (Note 4)	Total leased area (m <sup>2</sup> ) (Note 5)	Total leasable area (m <sup>2</sup> ) (Note 6)	Occupancy rate (%) (Note 7)	
Residence	R-21	TLR Residence Honmachi WEST	December 2017	119	141	-	3,642.88	3,796.16	96.0	
	R-22	TLR Residence Takaida	March 2015	68	50	0	1,531.62	1,619.82	94.6	
	R-23	LUXENA KITASENJU	January 2022	43	73	1	1,628.37	1,628.37	100.0	
	R-24	La Vita Higashi Ueno	February 2019	19	49	2	869.15	909.59	95.6	
	R-25	LUXENA JOSHIN	February 2022	25	37	0	1,144.82	1,144.82	100.0	
	R-26	LUXENA UMEKOJI-KYOTONISHI	July 2019	41	43	0	1,303.12	1,303.12	100.0	
	R-27	LUXENA KIYOMIZU-GOJO	March 2015	31	32	0	874.49	897.26	97.5	
	R-28	La Vita Nijo Gekko	July 2017	30	29	0	859.32	859.32	100.0	
	R-29	La Vita Toji	September 2018	29	27	0	808.86	808.86	100.0	
	R-30	Pleiades Namba east	December 2013	35	38	0	1,084.68	1,084.68	100.0	
	Subtotal/Average				1,294	2,105	482	57,137.37	58,572.68	97.5
Hotel	H-01	Dormy Inn Matsuyama	October 2017	1	153	51	5,119.15	5,119.15	100.0	
	H-03	Dormy Inn Morioka	March 2019	1	149	74	5,046.83	5,046.83	100.0	
	H-04	ACCESS by LOISIR HOTEL Nagoya	February 2019	1	-	-	2,478.23	2,478.23	100.0	
	Subtotal/Average				3	302	125	12,644.21	12,644.21	100.0
Retail and Other	C-01	Prio Daimyo II	April 2002	6	55	40	761.01	761.01	100.0	
	C-03	TA Shonan Kugenmakaigan	February 2017	3	31	17	626.92	626.92	100.0	
	C-05	YAMADA web.com Matsuyama Toiyacho	October 2009	1	(Note 9)	(Note 9)	13,616.15	13,616.15	100.0	
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	-	1	(Note 9)	(Note 9)	17,780.00	17,780.00	100.0	
	C-07	AEON Style Onomichi (Land)	-	1	57	14	11,883.74	11,883.74	100.0	
	C-08	BIGMOTOR Sapporo Kiyota (Land)	-	1	(Note 9)	(Note 9)	15,026.00	15,026.00	100.0	
	C-09	DCM Daiki Onomichi (Land)	-	1	(Note 9)	(Note 9)	7,955.81	7,955.81	100.0	
	C-10	Cainz Omiya	December 1998	1	(Note 9)	(Note 9)	11,497.86	11,497.86	100.0	
	C-11	APiTA NAGOYA-MINAMI	July 1996	1	(Note 9)	(Note 9)	40,935.42	40,935.42	100.0	
	C-12	BIGMOTOR Konosu (Land)	-	1	(Note 9)	(Note 9)	14,252.81	14,252.81	100.0	
	C-13	Kaden Sumairu Kan×YAMADA web.com Nara	November 2008	1	(Note 9)	(Note 9)	9,827.47	9,827.47	100.0	
	Subtotal/Average				18	1,819	1,638	144,163.19	144,163.19	100.0
	Total/Average				1,452	6,479	4,006	259,475.60	262,323.46	98.9

(Note 1) "Date of construction" is of the main building, as described in the property registry.

(Note 2) "Number of tenants" is equal to the aggregate number of end tenants with which valid lease agreements have been entered into as of the end of the period.

(Note 3) "Annual contracted rent" is the annualized amount calculated by multiplying the annual rent or monthly rent (limited to rent for space occupied by tenants, including common service fees (if any), and excluding usage fees for warehouses, parking lots and sales-linked rents) indicated in each lease agreements for each asset under management that is valid as of the end of the period by 12 (calculated based on fixed rent specified in lease agreements). In addition, this amount does not take into account free rent or rent holidays (periods of free or reduced rent for a certain period at the start of the contract or during the contract period) but is calculated based on the amount of annual rent or monthly rent stated in lease agreements. For ACCESS by LOISIR HOTEL Nagoya, "-" is displayed as this is an agreement linked to hotel performance.

(Note 4) "Leasehold and security deposits" indicates the total leasehold and security deposits from the relevant tenants set forth in lease agreements effective as of the end of the period.



- (Note 5) "Total leased area" indicates the total leased area to tenant in each property based on the lease agreements or floor plans for each building as of the end of the period, rounded down to the second decimal place. For properties with pass-through master lease agreements, the leased area is quoted from the lease agreement.
- (Note 6) "Total leasable area" indicates the gross floor area of leasable space in each property, based on the lease agreements or floor plans for each building.
- (Note 7) "Occupancy rate" is calculated by dividing total leased area (as of the end of the period) for each property by the total leasable area.
- (Note 8) For NT Building, the figures provided are in proportion to our compartmentalized ownership.
- (Note 9) Since the tenant has not provided consent to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

## (c) Individual Property Profit

The income and expenditure for individual properties in the fiscal period under review is as follows.

(Unit: thousand yen)

Property number	O-01	O-02	O-03	O-05	O-07
Property name	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	Omiya NSD Building	Hakata Gion Building
(1) Operating revenue from real estate leasing	212,268	265,974	206,327	130,604	91,829
Leasing business revenue	191,664	242,826	177,862	122,833	84,946
Other leasing business revenue	20,603	23,148	28,464	7,770	6,883
(2) Operating expenses from real estate leasing business	113,740	47,674	76,918	33,281	24,981
Management fees	45,700	9,866	24,604	12,449	7,127
Utilities expenses	26,946	20,451	25,714	8,793	7,143
Taxes and dues	25,267	14,839	16,096	8,021	7,672
Insurance premiums	673	400	607	210	181
Repair expenses	14,698	1,708	3,903	3,413	2,410
Trust fees	400	375	300	300	400
Other lease business expenses	53	33	5,692	92	46
(3) NOI ((1) -(2))	98,528	218,300	129,409	97,322	66,848
(4) Depreciation	41,873	30,563	35,157	8,971	13,298
(5) Operating income (loss) from real estate leasing ((3)-(4))	56,654	187,737	94,251	88,350	53,550

(Unit: thousand yen)

Property number	O-09	O-11	O-12	O-18	O-19
Property name	L.Biz Jimbocho	L.Biz Sendai	Sendai Nikko Building	Akasaka Kawase Building	Yoyogi 1-chome Building
(1) Operating revenue from real estate leasing	26,988	71,086	67,316	8,709	42,658
Leasing business revenue	26,527	60,652	61,890	7,964	42,658
Other leasing business revenue	461	10,434	5,426	744	-
(2) Operating expenses from real estate leasing business	4,027	31,489	24,475	4,764	4,257
Management fees	1,780	8,030	5,690	1,688	1,101
Utilities expenses	-	7,677	8,296	767	-
Taxes and dues	1,773	5,005	7,642	1,328	2,714
Insurance premiums	30	173	134	92	49
Repair expenses	113	10,268	2,125	809	-
Trust fees	300	300	450	-	375
Other lease business expenses	29	33	135	78	16
(3) NOI ((1) -(2))	22,961	39,596	42,840	3,945	38,400
(4) Depreciation	2,789	9,352	6,403	682	3,920
(5) Operating income (loss) from real estate leasing ((3)-(4))	20,171	30,243	36,436	3,263	34,479

(Unit: thousand yen)

Property number	O-20	O-21	R-01	R-02	R-03
Property name	Kawagoe West Building	HAKATA REISENMACHI Building	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet
(1) Operating revenue from real estate leasing	89,367	26,663	36,925	35,493	36,033
Leasing business revenue	83,159	25,583	36,344	30,252	35,063
Other leasing business revenue	6,207	1,080	580	5,241	970
(2) Operating expenses from real estate leasing business	19,521	33,161	10,532	5,053	9,323
Management fees	6,102	21,797	5,465	615	3,192
Utilities expenses	7,775	2,675	447	14	315
Taxes and dues	4,189	6,082	2,153	1,678	2,610
Insurance premiums	102	102	90	68	86
Repair expenses	917	1,597	1,895	2,346	2,787
Trust fees	400	300	300	300	300
Other lease business expenses	34	605	180	29	31
(3) NOI ((1) -(2))	69,845	(6,497)	26,392	30,440	26,709
(4) Depreciation	8,578	9,914	9,564	3,025	6,848
(5) Operating income (loss) from real estate leasing ((3)-(4))	61,266	(16,412)	16,827	27,414	19,861

(Unit: thousand yen)

Property number	R-04	R-06	R-07	R-08	R-09
Property name	LUXENA HIGASHI-KOENJI	J City Hatchobori	LUXENA HEIWADAI	LUXENA KACHIDOKI	LUXENA HONATSUGI
(1) Operating revenue from real estate leasing	29,995	41,222	112,842	29,428	26,019
Leasing business revenue	28,516	41,033	108,825	28,640	24,558
Other leasing business revenue	1,478	188	4,017	787	1,460
(2) Operating expenses from real estate leasing business	9,312	8,736	18,133	5,728	7,147
Management fees	4,280	3,446	7,645	3,179	3,062
Utilities expenses	345	431	2,477	382	1,031
Taxes and dues	1,553	2,916	5,174	1,098	1,078
Insurance premiums	44	86	200	47	62
Repair expenses	2,757	1,524	2,229	615	1,897
Trust fees	300	300	375	375	-
Other lease business expenses	30	30	31	30	15
(3) NOI ((1) -(2))	20,682	32,485	94,708	23,699	18,871
(4) Depreciation	4,106	5,567	12,116	5,030	3,508
(5) Operating income (loss) from real estate leasing ((3)-(4))	16,575	26,917	82,591	18,668	15,363

(Unit: thousand yen)

Property number	R-10	R-11	R-12	R-13	R-14
Property name	LUXENA KADOMA	LUXENA TODAKOEN	LUXENA TODAKOEN II	LUXENA AKIHABARA	Fiore Residence Dejima Kaigan Dori
(1) Operating revenue from real estate leasing	67,612	25,838	34,223	49,714	21,052
Leasing business revenue	64,670	25,368	32,286	46,844	20,254
Other leasing business revenue	2,942	469	1,937	2,869	798
(2) Operating expenses from real estate leasing business	15,908	5,309	5,863	12,704	4,825
Management fees	6,641	2,482	2,696	8,255	1,471
Utilities expenses	2,289	393	403	422	900
Taxes and dues	5,580	1,742	1,568	2,388	1,381
Insurance premiums	168	46	72	76	59
Repair expenses	1,042	311	789	1,083	675
Trust fees	-	300	300	300	300
Other lease business expenses	185	33	33	177	35
(3) NOI ((1) -(2))	51,704	20,528	28,360	37,010	16,227
(4) Depreciation	17,199	5,652	6,781	6,854	3,847
(5) Operating income (loss) from real estate leasing ((3)-(4))	34,505	14,876	21,578	30,155	12,380

(Unit: thousand yen)

Property number	R-15	R-16	R-17	R-18	R-19
Property name	LUXENA MUSASHI-SHINJO	LUXENA NAGAREYAMA OOTAKANOMORI	PRIME SQUARE	Winbell Chorus Seiseki Sakuragaoka	Mare Isogo Building
(1) Operating revenue from real estate leasing	49,785	86,647	18,750	28,897	60,408
Leasing business revenue	49,714	83,260	18,750	27,773	60,272
Other leasing business revenue	70	3,386	-	1,124	136
(2) Operating expenses from real estate leasing business	8,262	16,529	2,183	7,535	8,375
Management fees	3,939	7,531	187	2,896	3,762
Utilities expenses	355	1,866	-	632	719
Taxes and dues	3,422	4,232	1,364	1,730	2,381
Insurance premiums	90	186	45	73	132
Repair expenses	121	2,321	192	1,810	1,049
Trust fees	300	375	375	375	300
Other lease business expenses	33	17	18	16	29
(3) NOI ((1) -(2))	41,522	70,118	16,567	21,362	52,033
(4) Depreciation	9,051	18,811	3,543	3,390	9,897
(5) Operating income (loss) from real estate leasing ((3)-(4))	32,471	51,306	13,024	17,972	42,135

(Unit: thousand yen)

Property number	R-20	R-21	R-22	R-23	R-24
Property name	TLR Residence Kawasaki Daishi	TLR Residence Honmachi WEST	TLR Residence Takaida	LUXENA KITASENJU	La Vita Higashi Ueno
(1) Operating revenue from real estate leasing	33,356	73,928	25,295	37,041	22,842
Leasing business revenue	32,738	72,690	24,133	36,322	21,827
Other leasing business revenue	617	1,237	1,161	719	1,014
(2) Operating expenses from real estate leasing business	6,481	10,502	7,955	4,206	6,511
Management fees	4,801	7,275	4,069	3,225	4,291
Utilities expenses	326	694	994	329	225
Taxes and dues	-	0	—	0	2
Insurance premiums	63	156	80	64	34
Repair expenses	964	2,054	2,341	231	1,253
Trust fees	300	300	450	297	697
Other lease business expenses	25	21	19	55	7
(3) NOI ((1) -(2))	26,875	63,425	17,340	32,834	16,331
(4) Depreciation	7,471	10,866	4,730	7,372	3,588
(5) Operating income (loss) from real estate leasing ((3)-(4))	19,403	52,559	12,609	25,462	12,742

(Unit: thousand yen)

Property number	R-25	R-26	R-27	R-28	R-29
Property name	LUXENA JOSHIN	LUXENA UMEKOJI- KYOTONISHI	LUXENA KIYOMIZU-GOJO	La Vita Nijo Gekko	La Vita Toji
(1) Operating revenue from real estate leasing	18,934	22,182	17,170	14,723	12,992
Leasing business revenue	18,604	21,471	16,569	14,386	12,782
Other leasing business revenue	329	711	601	336	210
(2) Operating expenses from real estate leasing business	2,563	2,924	2,620	2,402	2,975
Management fees	1,525	2,134	1,645	1,574	2,194
Utilities expenses	195	301	379	203	146
Taxes and dues	0	0	0	0	0
Insurance premiums	47	50	76	32	51
Repair expenses	62	125	206	279	270
Trust fees	297	297	297	297	297
Other lease business expenses	433	13	13	13	14
(3) NOI ((1) -(2))	16,371	19,258	14,550	12,320	10,017
(4) Depreciation	4,226	4,899	2,901	2,655	3,140
(5) Operating income (loss) from real estate leasing ((3)-(4))	12,144	14,358	11,648	9,665	6,876

(Unit: thousand yen)

Property number	R-30	H-01	H-02	H-03	H-04
Property name	Pleiades Namba east	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya
(1) Operating revenue from real estate leasing	19,289	76,548	6,783	74,958	46,483
Leasing business revenue	19,289	76,500	6,783	74,958	46,483
Other lease business revenue	-	48	-	-	-
(2) Operating expenses from real estate leasing business	2,688	8,895	2,232	8,208	7,197
Management fees	2,004	765	38	749	464
Utilities expenses	227	798	-	-	-
Taxes and dues	-	6,834	2,072	7,246	5,957
Insurance premiums	48	165	66	198	95
Repair expenses	96	-	-	-	256
Trust fees	297	300	43	-	375
Other lease business expenses	13	31	13	15	48
(3) NOI ((1) -(2))	16,601	67,652	4,550	66,749	39,286
(4) Depreciation	4,444	19,220	3,274	27,227	10,978
(5) Operating income (loss) from real estate leasing ((3)-(4))	12,156	48,432	1,276	39,522	28,307

(Unit: thousand yen)

Property number	C-01	C-02	C-03	C-05	C-06
Property name	Prio Daimyo II	Co-op Sapporo Shunko	TA Shonan Kugenumakaigan	YAMADA web.com Matsuyama Toiya-cho	Tecc LIFE SELECT Kobe Tarumi (Land)
(1) Operating revenue from real estate leasing	30,588	8,307	17,821	(Note)	(Note)
Leasing business revenue	27,988	8,307	15,816	(Note)	(Note)
Other lease business revenue	2,599	-	2,004	(Note)	(Note)
(2) Operating expenses from real estate leasing business	6,258	2,244	4,065	(Note)	(Note)
Management fees	1,211	83	1,058	(Note)	(Note)
Utilities expenses	2,471	-	1,891	(Note)	(Note)
Taxes and dues	1,872	2,005	908	(Note)	(Note)
Insurance premiums	21	39	16	(Note)	(Note)
Repair expenses	247	46	176	(Note)	(Note)
Trust fees	400	59	-	(Note)	(Note)
Other lease business expenses	35	12	15	(Note)	(Note)
(3) NOI ((1) -(2))	24,330	6,062	13,756	150,510	103,685
(4) Depreciation	1,345	2,586	1,365	15,654	-
(5) Operating income (loss) from real estate leasing ((3)-(4))	22,984	3,475	12,390	134,855	103,685

(Unit: thousand yen)

Property number	C-07	C-08	C-09	C-10	C-11
Property name	AEON Style Onomichi (Land)	BIGMOTOR Sapporo Kiyota (Land)	DCM Daiki Onomichi (Land)	Cainz Omiya	APiTA NAGOYA-MINAMI
(1) Operating revenue from real estate leasing	28,566	(Note)	(Note)	(Note)	(Note)
Leasing business revenue	28,566	(Note)	(Note)	(Note)	(Note)
Other lease business revenue	-	(Note)	(Note)	(Note)	(Note)
(2) Operating expenses from real estate leasing business	4,060	(Note)	(Note)	(Note)	(Note)
Management fees	142	(Note)	(Note)	(Note)	(Note)
Utilities expenses	-	(Note)	(Note)	(Note)	(Note)
Taxes and dues	3,904	(Note)	(Note)	(Note)	(Note)
Insurance premiums	-	(Note)	(Note)	(Note)	(Note)
Repair expenses	-	(Note)	(Note)	(Note)	(Note)
Trust fees	-	(Note)	(Note)	(Note)	(Note)
Other lease business expenses	14	(Note)	(Note)	(Note)	(Note)
(3) NOI ((1)-(2))	24,505	37,143	(Note)	65,586	205,660
(4) Depreciation	-	-	-	9,349	22,018
(5) Operating income (loss) from real estate leasing ((3)-(4))	24,505	37,143	(Note)	56,237	183,641

(Unit: thousand yen)

Property number	C-12	C-13
Property name	BIGMOTOR Konosu (Land)	Kaden Sumairu Kan×YAMADA web.com Nara
(1) Operating revenue from real estate leasing	(Note)	(Note)
Leasing business revenue	(Note)	(Note)
Other lease business revenue	(Note)	(Note)
(2) Operating expenses from real estate leasing business	(Note)	(Note)
Management fees	(Note)	(Note)
Utilities expenses	(Note)	(Note)
Taxes and dues	(Note)	(Note)
Insurance premiums	(Note)	(Note)
Repair expenses	(Note)	(Note)
Trust fees	(Note)	(Note)
Other lease business expenses	(Note)	(Note)
(3) NOI ((1)-(2))	48,650	147,217
(4) Depreciation	-	11,828
(5) Operating income (loss) from real estate leasing ((3)-(4))	48,650	135,388

(Note) Since the tenant has not provided consent to disclose the rent income, it cannot be disclosed due to unavoidable circumstances.

(d) Summary of Appraisal Values

The following is a summary of the real estate appraisal report for each asset under management as of the end of the fiscal period under review.

Note that the real estate appraisal reports constitute the judgment and opinion of the appraiser as of a certain point in time and do not constitute a guarantee or promise of the validity and accuracy of their contents or the possibility of transactions at the appraisal values. Note that there are no special conflicts of interest between each appraiser, the Investment Corporation, and the Asset Manager.

Category	Property number	Property name	Appraising institution	Appraisal value (million yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (million yen) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Value indicated by income approach (million yen)	Capitalization rate (%)	Value indicated by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Office	O-01	NT Building	Japan Real Estate Institute	12,700	12,900	3.7	12,500	3.4	3.8	506	4.1
	O-02	Higashi-Ikebukuro Central Place	Japan Real Estate Institute	10,900	11,000	3.7	10,700	3.5	3.8	415	4.2
	O-03	Nagoya Center Plaza Building	Japan Real Estate Institute	5,260	5,290	4.6	5,220	4.4	4.7	261	5.4
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	3,960	4,030	4.6	3,930	4.4	4.8	194	5.6
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	2,960	3,020	4.1	2,940	3.9	4.3	130	5.2
	O-09	L.Biz Jimbocho	Tanizawa Sōgō Appraisal Co., Ltd.	1,170	1,200	3.6	1,160	3.7	3.8	45	4.5
	O-11	L.Biz Sendai	JLL Morii Valuation & Advisory K. K.	1,670	1,700	4.7	1,640	4.5	4.9	92	5.5
	O-12	Sendai Nikko Building	Tanizawa Sōgō Appraisal Co., Ltd.	1,790	1,890	4.1	1,740	4.2	4.3	87	5.0
	O-19	Yoyogi 1-chome Building	Tanizawa Sōgō Appraisal Co., Ltd.	2,170	2,240	3.2	2,140	3.1/3.3	3.4	74	4.0
	O-20	Kawagoe West Building	Daiwa Real Estate Appraisal Co., Ltd.	2,760	2,790	4.5	2,750	4.3	4.7	128	5.0
	O-21	HAKATA REISENMACHI Building	Daiwa Real Estate Appraisal Co., Ltd.	2,610	2,690	3.8	2,580	3.6	4.0	101	3.8
	Subtotal/Average				47,950	48,750	-	47,300	-	-	2,037
Residence	R-01	Amare Tokaidori	Tanizawa Sōgō Appraisal Co., Ltd.	1,210	1,230	4.4	1,200	4.5	4.6	58	5.3
	R-02	Dormy Ukimafunado	JLL Morii Valuation & Advisory K. K.	1,130	1,150	4.4	1,110	4.2	4.6	56	5.3
	R-03	Benefis Hakata-Minami Grand Sweet	Tanizawa Sōgō Appraisal Co., Ltd.	1,210	1,230	4.2	1,200	4.3	4.4	54	5.3
	R-04	LUXENA HIGASHI-KOENJI	Tanizawa Sōgō Appraisal Co., Ltd.	1,200	1,220	3.5	1,190	3.6	3.7	44	4.2
	R-06	J City Hatchobori	Tanizawa Sōgō Appraisal Co., Ltd.	1,260	1,280	4.7	1,250	4.8	4.9	64	5.4
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	4,510	4,610	3.7	4,460	3.5	3.9	172	4.4
	R-08	LUXENA KACHIDOKI	Chuo Real Estate Appraisal Co., Ltd.	1,350	1,370	3.4	1,340	3.2	3.6	47	4.2



Category	Property number	Property name	Appraising institution	Appraisal value (million yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (million yen) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Value indicated by income approach (million yen)	Capitalization rate (%)	Value indicated by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)		
Residence	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	784	791	4.5	781	4.3	4.7	38	5.4
	R-10	LUXENA KADOMA	Tanizawa Sōgō Appraisal Co., Ltd.	2,170	2,170	4.3	2,170	4.4	4.5	95	4.8
	R-11	LUXENA TODAKOEN	Daiwa Real Estate Appraisal Co., Ltd.	978	1,000	3.9	969	3.7	4.1	39	4.4
	R-12	LUXENA TODAKOEN II	Daiwa Real Estate Appraisal Co., Ltd.	1,280	1,300	3.9	1,270	3.7	4.1	52	4.4
	R-13	LUXENA AKIHABARA	Tanizawa Sōgō Appraisal Co., Ltd.	2,430	2,510	3.2	2,400	3.3	3.4	81	3.5
	R-14	Fiore Residence Dejima Kaigan Dori	Daiwa Real Estate Appraisal Co., Ltd.	609	614	4.5	607	4.3	4.7	30	5.5
	R-15	LUXENA MUSASHI-SHINJO	Tanizawa Sōgō Appraisal Co., Ltd.	2,030	2,090	3.9	2,000	4.0	4.1	82	4.4
	R-16	LUXENA NAGAREYAM A OOTAKANOM ORI	Tanizawa Sōgō Appraisal Co., Ltd.	3,130	3,210	4.0	3,100	4.1	4.2	130	4.6
	R-17	PRIME SQUARE	Chuo Real Estate Appraisal Co., Ltd.	748	759	4.1	743	3.9	4.3	32	5.2
	R-18	Winbell Chorus Seiseki Sakuragaoka	Japan Real Estate Institute	856	859	4.1	852	3.9	4.2	40	5.5
	R-19	Mare Isogo Building	Japan Real Estate Institute	2,200	2,220	4.4	2,170	4.2	4.5	102	5.4
	R-20	TLR Residence Kawasaki Daishi	Daiwa Real Estate Appraisal Co., Ltd.	1,420	1,450	3.8	1,400	3.6	4.0	56	4.2
	R-21	TLR Residence Honmachi WEST	Japan Valuers Co., Ltd.	3,490	3,510	3.5	3,460	3.2	3.6	126	3.6
	R-22	TLR Residence Takaida	JLL Morii Valuation & Advisory K. K.	1,010	1,030	4.0	984	3.8	4.2	43	4.6
	R-23	LUXENA KITASENJU	Daiwa Real Estate Appraisal Co., Ltd.	1,610	1,660	3.5	1,590	3.3	3.7	59	3.9
	R-24	La Vita Higashi Ueno	Tanizawa Sōgō Appraisal Co., Ltd.	1,290	1,350	3.3	1,270	3.4	3.5	45	3.5
	R-25	LUXENA JOSHIN	Tanizawa Sōgō Appraisal Co., Ltd.	634	639	4.2	632	4.3	4.4	27	4.5
	R-26	LUXENA UMEKOJI-KYOTONISHI	Daiwa Real Estate Appraisal Co., Ltd.	772	793	3.9	763	3.7	4.2	32	4.4
	R-27	LUXENA KIYOMIZU-GOJO	Daiwa Real Estate Appraisal Co., Ltd.	597	607	3.8	593	3.6	4.0	23	4.6
R-28	La Vita Nijo Gekko	Daiwa Real Estate Appraisal Co., Ltd.	535	548	3.9	529	3.7	4.1	21	4.2	

Category	Property number	Property name	Appraising institution	Appraisal value (million yen)	Direct capitalization method		Discounted cash flow method			Appraisal NOI (million yen) (Note 1)	Appraisal NOI yield (%) (Note 2)	
					Value indicated by income approach (million yen)	Capitalization rate (%)	Value indicated by income approach (million yen)	Discount rate (%)	Terminal cap rate (%)			
Residence	R-29	La Vita Toji	Daiwa Real Estate Appraisal Co., Ltd.	477	490	3.9	472	3.7	4.1	19	4.3	
	R-30	Pleiades Namba east	Japan Real Estate Institute	717	722	3.8	711	3.6	3.9	29	4.3	
	Subtotal/Average				41,637	42,412	-	41,216	-	-	1,710	4.5
Hotel	H-01	Dormy Inn Matsuyama	Chuo Real Estate Appraisal Co., Ltd.	2,550	2,570	5.0	2,540	4.8	5.2	132	5.5	
	H-03	Dormy Inn Morioka	Chuo Real Estate Appraisal Co., Ltd.	2,560	2,580	4.9	2,550	4.7	5.1	130	5.2	
	H-04	ACCESS by LOISIR HOTEL Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	2,200	2,260	4.2	2,170	4.0	4.4	105	4.2	
	Subtotal/Average				7,310	7,410	-	7,260	-	-	367	4.9
Retail and Other	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	1,130	1,160	4.1	1,120	3.9	4.3	48	5.0	
	C-03	TA Shonan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	571	579	4.7	567	4.5	4.9	27	5.5	
	C-05	YAMADA web.com Matsuyama Toiya-cho	Japan Real Estate Institute	4,410	4,440	6.8	4,370	6.5	7.0	300	7.5	
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	Japan Real Estate Institute	4,290	4,290	4.9	4,290	4.1	-	207	4.9	
	C-07	AEON Style Onomichi (Land)	Japan Real Estate Institute	1,040	1,050	4.7	1,030	4.5	4.8	49	5.4	
	C-08	BIGMOTOR Sapporo Kiyota (Land)	JLL Morii Valuation & Advisory K. K.	1,790	(Note 3)	(Note 3)	1,790	4.3	-	74 (Note 4)	4.6	
	C-09	DCM Daiki Onomichi (Land)	Japan Real Estate Institute	1,240	1,240	5.3	1,230	4.5	5.8	65	5.6	
	C-10	Cainz Omiya	Daiwa Real Estate Appraisal Co., Ltd.	2,600	2,610	4.4	2,600	4.2	4.6	125	5.0	
	C-11	APiTA NAGOYA-MINAMI	Daiwa Real Estate Appraisal Co., Ltd.	8,270	8,280	4.6	8,270	4.4	4.8	402	5.2	
	C-12	(TBC) BIGMOTOR Konosu (Land)	JLL Morii Valuation & Advisory K. K.	2,290	(Note 3)	(Note 3)	2,290	4.3	-	98 (Note 4)	4.6	
	C-13	Kaden Sumairu Kan×YAMADA web.com Nara	Japan Real Estate Institute	5,170	5,240	5.2	5,100	4.9	5.5	273	5.6	
	Subtotal/Average				32,801	(Note 3)	-	32,657	-	-	1,673	5.4
	Total/Average				129,698	(Note 3)	-	128,433	-	-	5,789	4.8

(Note 1) "Appraisal NOI" is the net operating income (NOI) based on the direct capitalization method as stated in the real estate appraisal report.

(Note 2) "Appraisal NOI yield" is the figure obtained by dividing the appraisal NOI by the acquisition price. The appraisal NOI yield is calculated by the Asset Management Company and is not the figure stated in the real estate appraisal report.

(Note 3) This information is omitted as the DCF method is the only method applied to BIGMOTOR Sapporo Kiyota (Land) and BIGMOTOR Konosu (Land).

(Note 4) For BIGMOTOR Sapporo Kiyota (Land) and BIGMOTOR Konosu (Land), net operating income (NOI) based on the DCF method is presented as it is the only method applied to these properties.

(e) Engineering, Environmental and Seismic Reviews

With respect to each property under management, the Investment Corporation has obtained an engineering report regarding building inspections, compliance with related laws and regulations, repair cost assessments and environmental assessments. The information provided in engineering reports are solely the opinions of the respective reporting entities, and the Investment Corporation does not guarantee the validity and accuracy of their contents. Note that there are no special conflicts of interest between the following surveyors, the Investment Corporation, and the Asset Management Company.

In addition, the expected loss ratios due to earthquakes, or PML values, for the buildings associated with each managed asset is as follows. These PML values are based on seismic reviews prepared by Tokio Marine dR Co., Ltd. As of the date of this document, no earthquake insurance has been provided. The contents of the seismic reviews are solely the opinions of the reporting entity, and the Investment Corporation does not guarantee the validity and accuracy of their contents.

Category	Property number	Property name	Surveyor	Survey date	Emergency repair expenses (thousand yen) (Note 1)	Short-term repair expenses (thousand yen) (Note 1)	Long-term repair expenses (annual average) (thousand yen) (Note 2)	Replacement cost (million yen) (Note 3)	PML (%) (Note 4)
Office	O-01	NT Building	Tokio Marine dR Co., Ltd.	May 2021	-	-	50,655	4,855	1.2
	O-02	Higashi-Ikebukuro Central Place	Tokio Marine dR Co., Ltd.	May 2021	-	-	19,390	2,882	2.9
	O-03	Nagoya Center Plaza Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	29,346	4,376	2.2
	O-05	Omiya NSD Building	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	15,991	1,518	4.8
	O-07	Hakata Gion Building	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	9,576	1,309	2.3
	O-09	L.Biz Jimbocho	Tokio Marine dR Co., Ltd.	October 2021	-	-	2,586	248	7.2
	O-11	L.Biz Sendai	Tokio Marine dR Co., Ltd.	October 2021	150 (Note 5)	-	19,181	1,404	2.3
	O-12	Sendai Nikko Building	Tokio Marine dR Co., Ltd.	October 2021	-	-	13,331	1,093	2.0
	O-19	Yoyogi 1-chome Building	Tokio Marine dR Co., Ltd.	December 2020	-	-	4,697	365	3.8
	O-20	Kawagoe West Building	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	6,659	752	5.8
	O-21	HAKATA REISENMACHI Building	Daiwa Real Estate Appraisal Co., Ltd.	June 2021	-	-	2,768	746	2.4
Residence	R-01	Amare Tokaidori	Tokio Marine dR Co., Ltd.	November 2021	-	-	6,320	754	6.7
	R-02	Dormy Ukimafunado	Tokio Marine dR Co., Ltd.	October 2021	-	-	9,446	565	6.9
	R-03	Benefis Hakata-Minami Grand Sweet	Tokio Marine dR Co., Ltd.	November 2021	-	-	3,849	706	2.5
	R-04	LUXENA HIGASHI-KOENJI	Tokio Marine dR Co., Ltd.	October 2021	-	-	2,571	368	4.6
	R-06	J City Hatchobori	Tokio Marine dR Co., Ltd.	June 2022	-	-	6,238	738	3.0
	R-07	LUXENA HEIWADAI	Daiwa Real Estate Appraisal Co., Ltd.	November 2022	-	-	7,043	1,547	3.6
	R-08	LUXENA KACHIDOKI	Tokio Marine dR Co., Ltd.	June 2019	-	-	719	346	4.2
	R-09	LUXENA HONATSUGI	Daiwa Real Estate Appraisal Co., Ltd.	February 2020	-	-	4,333	448	12.7
	R-10	LUXENA KADOMA	Daiwa Real Estate Appraisal Co., Ltd.	March 2021	-	-	3,192	1,212	8.5
	R-11	LUXENA TODAKOEN	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	963	337	5.9
	R-12	LUXENA TODAKOEN II	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	1,427	527	6.7
	R-13	LUXENA AKIHABARA	Daiwa Real Estate Appraisal Co., Ltd.	June 2021	-	-	1,243	559	3.9
	R-14	Fiore Residence Dejima Kaigan Dori	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	4,370	434	10.6
	R-15	LUXENA MUSASHI-SHINJO	Daiwa Real Estate Appraisal Co., Ltd.	June 2021	-	-	1,676	660	6.6
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Tokio Marine dR Co., Ltd.	June 2021	-	-	3,067	1,361	3.8
	R-17	PRIME SQUARE	Tokio Marine dR Co., Ltd.	June 2021	-	-	2,383	331	4.1
	R-18	Winbell Chorus Seiseki Sakuragaoka	Daiwa Real Estate Appraisal Co., Ltd.	May 2021	-	-	6,792	536	3.9

Category	Property number	Property name	Surveyor	Survey date	Emergency repair expenses (thousand yen) (Note 1)	Short-term repair expenses (thousand yen) (Note 1)	Long-term repair expenses (annual average) (thousand yen) (Note 2)	Replacement cost (million yen) (Note 3)	PML (%) (Note 4)
Residence	R-19	Mare Isogo Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2021	-	-	11,988	940	5.3
	R-20	TLR Residence Kawasaki Daishi	Daiwa Real Estate Appraisal Co., Ltd.	March 2022	-	-	2,810	472	8.6
	R-21	TLR Residence Honmachi WEST	Tokio Marine dR Co., Ltd.	April 2022	-	-	4,772	1,184	8.2
	R-22	TLR Residence Takaida	Daiwa Real Estate Appraisal Co., Ltd.	April 2022	-	-	3,812	603	10.1
	R-23	LUXENA KITASENJU	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	1,242	482	6.6
	R-24	La Vita Higashi Ueno	Tokio Marine dR Co., Ltd.	June 2022	-	-	724	253	3.1
	R-25	LUXENA JOSHIN	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	1,008	355	6.6
	R-26	LUXENA UMEKOJI-KYOTONISHI	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	1,177	377	9.7
	R-27	LUXENA KIYOMIZU-GOJO	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	2,044	293	18.1
	R-28	La Vita Nijo Gekko	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	1,047	240	12.3
	R-29	La Vita Toji	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	910	228	18.1
	R-30	Pleiades Namba east	Tokio Marine dR Co., Ltd.	June 2022	-	-	2,705	361	7.9
Hotel	H-01	Dormy Inn Matsuyama	Tokio Marine dR Co., Ltd.	June 2022	-	-	2,281	1,395	2.8
	H-03	Dormy Inn Morioka	Tokio Marine dR Co., Ltd.	November 2022	50	-	740	1,529	5.5
	H-04	ACCESS by LOISIR HOTEL Nagoya	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	-	-	142	700	4.2
Retail and Other	C-01	Prio Daimyo II	Daiwa Real Estate Appraisal Co., Ltd.	April 2022	-	-	1,951	166	4.4
	C-03	TA Shonan Kugenumakaigan	Daiwa Real Estate Appraisal Co., Ltd.	April 2022	-	-	499	125	14.5
	C-05	YAMADA web.com Matsuyama Toiya-cho	Daiwa Real Estate Appraisal Co., Ltd.	June 2019	-	-	6,865	1,649	2.6
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	-	-	-	-	-	-	-
	C-07	AEON Style Onomichi (Land)	-	-	-	-	-	-	-
	C-08	BIGMOTOR Sapporo Kiyota (Land)	-	-	-	-	-	-	-
	C-09	DCM Daiki Onomichi (Land)	-	-	-	-	-	-	-
	C-10	Cainz Omiya	Daiwa Real Estate Appraisal Co., Ltd.	April 2021	-	-	17,589	1,472	3.0
	C-11	APiTA NAGOYA-MINAMI	Daiwa Real Estate Appraisal Co., Ltd.	January 2021	-	-	42,763	4,335	4.2
	C-12	BIGMOTOR Konosu (Land)	-	-	-	-	-	-	-
C-13	Kaden Sumairu Kan×YAMADA web.com Nara	Daiwa Real Estate Appraisal Co., Ltd.	June 2022	-	-	4,860	1,943	10.4	

(Note 1) "Emergency repair expenses" and "short-term repair expenses" are the total of the expenses required in the engineering report as the urgently required expenses and the repair renewal expenses required within approximately one year.

(Note 2) "Long-term repair costs" is based on the engineering report and indicates repair costs per year (excluding emergency repair costs and short-term repair costs) projected for the next 11 or 12 years.

(Note 3) "Replacement cost" is based on the engineering report, and total cost price when newly constructed according to the same design and specifications at the time of the report preparation is rounded down to the nearest million yen.

(Note 4) PML of portfolio is 1.7%. This is the PML value for the entire portfolio based on the "Earthquake Risk Evaluation Report: Portfolio Evaluation (49 Properties)" dated January 2023 by Tokio Marine dR Co., Ltd.

(Note 5) Repairs have already been completed.

(2) Capital Expenditures for Investment Assets

1) Scheduled Capital Expenditures

As for the assets held by the Investment Corporation as of the end of the fiscal period under review, the major planned amount of capital expenditure accompanying renovation work, etc. for the period ending August 31, 2023, is as follows. In addition, the following planned amount of construction may be partially booked as repair expenses.

Property name	Location	Purpose	Schedule	Planned Construction Amount (thousand yen)		
				Total	Amount paid during period	Total spending
NT Building	Shinagawa Ward, Tokyo	Air-conditioning equipment renewal work	From: March 2023 To: August 2023	55,500	-	-
Hakata Gion Building	Fukuoka City, Fukuoka	Air-conditioning equipment renewal work	From: March 2023 To: August 2023	43,690	-	-
NT Building	Shinagawa Ward, Tokyo	Renewal work of the central monitoring board	From: March 2023 To: August 2023	42,000	-	-
Omiya NSD Building	Saitama City, Saitama	Renovation of exterior walls	From: March 2023 To: August 2023	35,000	-	-
Higashi-Ikebukuro Central Place	Toshima Ward, Tokyo	Air-conditioning equipment renewal work	From: March 2023 To: August 2023	30,000	-	-

2) Capital Expenditures During the Period

The major construction work, etc. corresponding to capital expenditure in the fiscal period under review for the property portfolio as of the end of the period are as follows. The construction corresponding to the capital expenditure of the assets managed as a whole in the period under review was 473,904 thousand yen, with a combined total of 555,437 thousand yen of work when adding 81,533 thousand yen of repair expenses charged to expenses in the fiscal period under review.

Property name	Location	Purpose	Scheduled period	Amount (thousand yen)
NT Building	Shinagawa Ward, Tokyo	Renewal work of the rental rooms on the 17th floor	From: April 2022 To: February 2023	144,864
APiTA NAGOYA-MINAMI	Nagoya City, Aichi	Automatic fire alarm system renewal work	From: October 2022 To: November 2022	34,490
NT Building	Shinagawa Ward, Tokyo	Upgrading of chilled water generator	From: October 2022 To: February 2023	22,465
Hakata Gion Building	Fukuoka City, Fukuoka	Air-conditioning equipment renewal work	From: August 2022 To: November 2022	22,290
Other			From: September 2022 To: February 2023	249,794
Total				473,904

3) Reserves for Long-term Repair Plans

Not applicable.