

FINANCIAL RESULTS FOR THE FISCAL PERIOD ENDED SEPTEMBER 2024 (REIT)

November 15, 2024

Name of Issuer: Japan Real Estate Investment Corporation
 Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 8952
 URL: <https://www.j-re.co.jp/en/>
 Representative: Jo Kato, Executive Director
 Asset Management Company: Japan Real Estate Asset Management Co., Ltd.
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 Scheduled Date of Filing Securities Report: December 25, 2024
 Scheduled Date of Dividend Payment: December 13, 2024
 Supplementary Materials for Financial Results: Yes
 Holding of a Briefing on Financial Results: Yes (primarily for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the September 2024 period (April 1, 2024 to September 30, 2024)

(1) Operating Results

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

Period ended	Operating Revenues		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	42,581	2.8	20,640	1.6	19,523	1.1	18,840	1.1
March 31, 2024	41,414	7.2	20,317	12.6	19,311	13.0	18,636	9.1

Period ended	Profit per Unit	ROE (Profit to Unitholders' Equity Ratio)	ROA (Ordinary Profit to Total Assets Ratio)	Ordinary Profit to Operating Revenues Ratio
	Yen	%	%	%
September 30, 2024	13,241	3.5	1.8	45.8
March 31, 2024	13,098	3.5	1.8	46.6

(2) Dividends

Period ended	Dividend per Unit Excluding Excess of Earnings	Total Cash Dividends Excluding Excess of Earnings	Dividend in Excess of Earnings per Unit	Total Dividends in Excess of Earnings	Payout Ratio	Ratio of Dividends to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
September 30, 2024	12,349	17,570	—	—	93.3	3.2
March 31, 2024	12,216	17,381	—	—	93.3	3.2

Notes 1: The payout ratio is rounded off to the first decimal place

2: For the period ended September 30, 2024, the total dividends are calculated as profit, subtracting the provision of reserve for reduction entry (1,269 million yen).

3: For the period ended March 31, 2024, the total dividends are calculated as profit, subtracting the provision of reserve for reduction entry (1,255 million yen).

(3) Financial Standing

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
September 30, 2024	1,069,551	541,423	50.6	380,516
March 31, 2024	1,090,912	539,965	49.5	379,491

Reference: Total unitholders' equity is 541,423 million yen for the September 30, 2024 period and 539,965 million yen for the March 31, 2024 period.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2024	36,786	(5,807)	(39,680)	30,683
March 31, 2024	35,728	(45,387)	12,924	39,385

2. Performance Forecasts for the March 2025 period (October 1, 2024 to March 31, 2025) and the September 2025 period (April 1, 2025 to September 30, 2025)

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

Period ending	Operating Revenues		Operating Profit		Ordinary Profit		Profit		Dividend per Unit Excluding Excess of Earnings	Dividend in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2025	42,900	0.7	20,660	0.1	19,410	(0.6)	18,730	(0.6)	2,450	—
September 30, 2025	36,510	(14.9)	15,350	(25.7)	13,970	(28.0)	15,040	(19.7)	2,400	—

Reference: Profit per unit forecast = Profit forecast / Number of total investment units forecast for the end of the period

(the March 2025 period): 2,630 yen; (the September 2025 period): 2,110 yen.

Note: At the Board of Directors' meeting held on November 15, 2024, the Company resolved to conduct a 5-for-1 split of its investment units with an effective date of January 1, 2025.

*Other

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

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

(2) Total Number of Units Outstanding

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

As of September 30, 2024 1,422,864 units

As of March 31, 2024 1,422,864 units

Total Number of Treasury Units at End of Period

As of September 30, 2024 0 units

As of March 31, 2024 0 units

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

* The Implementation Status of Statutory Audit

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

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

Estimates for the Company's future operating results contained in the financial results are forward-looking statements and are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ substantially from the projections depending on a number of factors. In addition, these forecasts do not guarantee the stated dividends. As for assumptions underlying performance forecasts, please refer to the table entitled "Assumptions Underlying Performance Forecasts for the March 2025 Period (October 1, 2024 to March 31, 2025) and the September 2025 Period (April 1, 2025 to September 30, 2025)" on pages 7 and 8.

1. Business Policy and Operations

(1) Business Operations

① Results for the Period

Japan Real Estate Investment Corporation (the “Company”) was established on May 11, 2001 pursuant to Japan’s Act on Investment Trusts and Investment Corporations (“ITA”). The Company was listed on the real estate investment trust market of the Tokyo Stock Exchange (“TSE”) on September 10, 2001 (Securities Code: 8952). Since its IPO, the size of the Company’s assets (total acquisition price) has grown steadily, expanding from 92.8 billion yen to 1,150.2 billion yen (Note) as of September 30, 2024. Over the same period, the Company’s portfolio has also increased from 20 properties to 77 properties.

During the September 2024 period (April 1, 2024 to September 30, 2024), the Japanese economy continued to demonstrate a gradual recovery on the back of firm capital investment and personal consumption, despite the impacts of inflation. On the other hand, given the policy rate hikes by the Bank of Japan, the shift in global interest rates to a lowering phase and other factors, interest rate trends, overseas economic developments, and price trends, including resource prices, will continue to bear watching.

In the office leasing market, demand continues to grow for leases driven by business expansion and relocations aimed at improving location. As a result, the vacancy rate in central Tokyo is in a gradual downward trend. In addition, rent levels have continued to rise at a moderate pace, reflecting the falling vacancy rate. In light of the prevailing conditions in the leasing market, the Company is striving to attract new tenants through strategic leasing activities and to further enhance the satisfaction level of existing tenants by adding value to its portfolio properties with the aim of securing stable income and maintaining and improving the occupancy rate across the entire portfolio.

In the real estate trading market, despite the Bank of Japan normalizing its monetary policy, the appetite for property acquisition among both domestic and foreign investors remains firm, backed mainly by the interest rate differential with overseas markets. There is still fierce competition, particularly for high-quality office buildings, and as a result, conditions for acquiring properties remain tough because expected yields are also low.

In this market environment, the Company made sound investments based on its investment policy of providing stable dividends to unitholders, which has remained unchanged since its listing on the TSE. Dividend per unit for the September 2024 period was 12,349 yen, up 133 yen from the March 2024 period.

Note: The total acquisition price includes a portion of the acquisition price of JRE Jingumae Media Square Building pertaining to the partially expropriated site and the easement extinguished due to expropriation of part of the adjacent site. The total acquisition price in the subsequent sections follows the same convention.

② Results of Operations

a. Property Management and Acquisition and Disposition

In the office leasing market, the occupancy rate at the end of the September 2024 period was 96.5%, down 0.1 percentage point from the end of the March 2024 period. As to the reason for this, although great progress were made to fill vacancies by capturing positive demand for expansion, relocation and the like associated with improving location and business expansion, these progress were more than offset by the impact of reductions in floor area by existing tenants.

As for property acquisitions and dispositions, the Company disposed of a 51% quasi-co-ownership interest of the trust beneficiary right in JRE Dojima Tower (Osaka-shi, Osaka) for 17,034 million yen on April 1, 2024. The property was disposed of in stages over two fiscal periods, with the second and final portion of 49% disposed of on October 1, 2024 for 16,366 million yen.

As a result of the above, the Company’s portfolio at the end of the September 2024 period consisted of 77 properties, with a total acquisition price of 1.15 trillion yen. Net rentable floor area stood at 883,301 m² with 1,642 tenants in total. (Note)

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

b. Finance Activities

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

Concerning new loans related to property acquisitions and the refinancing of existing loans, the Company takes out loans

strategically and flexibly after giving due consideration to the above-mentioned means, as well as the possibility of repayment with funds procured from issuing new investment units.

In the September 2024 period, the Company repaid short-term loans with cash on hand, and borrowed to fund the repayment of existing loans.

As a result of the above financing activities, as of September 30, 2024, the Company's total interest-bearing debt was 457,893 million yen, down 22,300 million yen from the end of the March 2024 period. This amount consists of long-term loans totaling 374,900 million yen (including the current portion of long-term loans totaling 57,000 million yen), short-term loans totaling 50,000 million yen, and investment corporation bonds totaling 32,993 million yen (including the current portion of investment corporation bonds totaling 10,000 million yen). The current LTV ratio stands at 42.8%.

The Company's credit ratings as of September 30, 2024 were as follows:

■ Credit Ratings

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

③ Summary of Financial Results and Dividends

As a result of the above operations, in the September 2024 period, the Company's operating revenues increased 2.8% compared with the March 2024 period, to 42,581 million yen, while operating profit increased 1.6% to 20,640 million yen. After deducting expenses for interest payments on loans and other costs, ordinary profit increased 1.1% to 19,523 million yen, and profit increased 1.1% to 18,840 million yen.

As for dividends in the September 2024 period, the Company will make cash distributions using earnings based on the dividend policy outlined in Article 32-1 (2) of the Company's Articles of Incorporation, with an amount that exceeds 90% of profit available for dividends as required by Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, it was decided that, after the Company makes a provision for reserve for reduction entry pursuant to the "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" under Article 65-7 of the Act on Special Measures Concerning Taxation and ensures that retained earnings are brought forward, the total amount of dividends shall be 17,570,947,536 yen for the September 2024 period, which is a multiple of 1,422,864, the number of units outstanding as of September 30, 2024. Accordingly, the dividend per investment unit came to 12,349 yen.

(2) Outlook

① Operating Environment

The Japanese economy is expected to recover up ahead on the back of a likely improvement in domestic demand as wages increase and inbound tourism demand picks up. On the other hand, the Company will keep a closer eye on developments in the Bank of Japan's monetary policy and interest rates, while the impact of fluctuations in financial and capital markets, in Japan and overseas, will bear watching.

In the office leasing market, while the impact of a massive supply of new office space in central Tokyo expected to hit the market in 2025 warrants caution, solid demand for leases is expected to continue, particularly for high-quality office buildings. Tenants are becoming more selective about office space because the way people work is changing, and as such, the Company is aiming to secure stable earnings over the medium- to long-term and maintain and enhance the value of its assets by carrying out strategic repairs and renovations and investing in ESG.

In the real estate trading market, the Company will continue to proactively search for new properties with a key focus on collaboration with its sponsor in order to more strategically reshuffle its portfolio while paying close attention to future market trends brought about by changes in social conditions.

a. Property Management

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

(i) Strengthen relationships of trust with existing tenants

The Company has contracts with numerous property management companies. Each property management company has developed relationships of trust with their tenants through their daily diligence in managing their respective properties over the years. The Company will work to further solidify these relationships by anticipating tenants' needs and providing

tailored services to bolster tenant satisfaction, thereby maintaining and improving occupancy rates and raising rent levels.

(ii) Fill vacancies promptly

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

(iii) Stabilize revenues and income

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

(iv) Reduce management costs

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

b. Property Acquisitions and Dispositions

The Company has adopted the following policies for acquiring properties.

- (i) To access property information quickly, the Company continues to enhance its property information channels while working to develop new channels.
- (ii) In its acquisition activities, the Company continues to meticulously monitor and examine economic, physical, and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, the Company requires buildings to meet or exceed new earthquake-resistant standards, verifies the need for renovations by capturing current conditions accurately based on engineering reports, and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium- to long-term.
- (iii) In accordance with its acquisition policies, the Company shall maintain its portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or fewer located in other major cities.

Under these policies, the Company will continue to acquire highly competitive properties. At the same time, in order to further improve the quality of its portfolio, the Company will remain open to the replacement of portfolio properties with due consideration afforded to the timing of such decisions.

c. Financial Policies

The Company has adopted the following financial policies.

- (i) In principle, the Company shall maintain an LTV ratio (including investment corporation bonds) below 65%. To ensure an even lower interest-bearing debt ratio, the Company adopts the conservative target level of 30% to 40%.
- (ii) The Company shall set the ceiling for the combined total of loans and investment corporation bonds at 1 trillion yen.
- (iii) When obtaining a loan, the Company shall only negotiate with qualified institutional investors (limited to those defined under Article 67-15 of the Act on Special Measures Concerning Taxation) before executing a loan agreement.
- (iv) With the purpose of maintaining liquidity at an appropriate level, the Company may establish preliminary borrowing frameworks, such as commitment line agreements and overdraft agreements, or enter into agreements to reserve borrowings as needed.
- (v) In financial transactions, in order to realize low financing costs, the Company aims to achieve the best execution by making comprehensive judgments on borrowing terms and conditions, such as interest rate levels and borrowing periods.

② Performance Forecasts

The Company's forecasts for the March 2025 period (October 1, 2024 to March 31, 2025) are as follows: operating revenues of 42,900 million yen, operating profit of 20,660 million yen, ordinary profit of 19,410 million yen, profit of 18,730 million yen, and dividend per unit of 2,450 yen.

The Company's forecasts for the September 2025 period (April 1, 2025 to September 30, 2025) are as follows: operating revenues of 36,510 million yen, operating profit of 15,350 million yen, ordinary profit of 13,970 million yen, profit of 15,040 million yen, and dividend per unit of 2,400 yen.

For the assumptions underlying these forecasts, please see the table "Assumptions Underlying Performance Forecasts for the March 2025 Period (October 1, 2024 to March 31, 2025) and the September 2025 Period (April 1, 2025 to September 30, 2025)" on pages 7 and 8. Operating revenues, operating profit, ordinary profit, profit, and dividend per unit might vary depending on changes that could occur in the market situation.

③ Investment Unit Split

At the Company's Board of Directors' meeting held on November 15, 2024, the Company resolved to conduct an investment unit split ("the Split") as follows.

a. Purpose of the Split

In consideration of the penetration into the market by the new Nippon Individual Savings Account ("New NISA"), which started in January 2024, and the desirable level of investment units indicated by the TSE, the Company aims to further expand the investor base, centered on individual investors, and improve the liquidity of its investment units by creating an environment more conducive to investment by investors through this investment unit split.

b Method of the Split

With December 31, 2024 as the record date, the Company will conduct a 5-for-1 split of its investment units held by unitholders listed or recorded in the final unitholders registry on this date.

c. Number of investment units to be increased through the Split, etc.

Total number of investment units outstanding before the Split:	1,422,864 units
Total number of investment units to be increased through the Split:	5,691,456 units
Total number of investment units outstanding after the Split:	7,114,320 units
Total number of investment units issuable after the Split:	20,000,000 units

d. Schedule of the Split

Date of public notice of record date:	December 16, 2024 (Anticipated)
Record date:	December 31, 2024
Effective date:	January 1, 2025

e. Effect on per unit information

Per unit information for the March 2024 period and the September 2024 period, assuming the Split was conducted at the beginning of the previous fiscal period, is as follows.

(i) Net Assets per Unit:	75,898 yen for the March 2024 period;	76,103 yen for the September 2024 period
(ii) Profit per Unit:	2,619 yen for the March 2024 period;	2,648 yen for the September 2024 period

Assumptions Underlying Performance Forecasts for the March 2025 Period (October 1, 2024 to March 31, 2025) and the September 2025 Period (April 1, 2025 to September 30, 2025)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • The March 2025 period: October 1, 2024 to March 31, 2025 (182 days) • The September 2025 period: April 1, 2025 to September 30, 2025 (183 days)
Number of properties held by the Company	<ul style="list-style-type: none"> • In the March 2025 period, the number of properties is assumed to be 76, including the disposition of the 49% quasi-co-ownership interest in JRE Dojima Tower on October 1, 2024, in 77 properties as of September 30, 2024. • For the September 2025 period, it is assumed that, from April 1, 2025 to September 30, 2025, there will be no changes in the properties held. • The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions.
Number of units outstanding	<ul style="list-style-type: none"> • The Company resolved to conduct a 5-for-1 split of the Company's investment units with January 1, 2025 as the effective date. Accordingly, the Company assumes that the total number of units outstanding until December 31, 2024 is to be the 1,422,864 units outstanding as of November 15, 2024, and that the total number of units outstanding from January 1, 2025 is to be 7,114,320 units.
Interest-bearing debt	<ul style="list-style-type: none"> • The Company took out a long-term loan of 2.5 billion yen on October 1, 2024 to finance the repayment of an existing long-term loan worth 2.5 billion yen. In addition, a portion of existing loans was repaid with cash on hand on October 1, 2024. Furthermore, the Company took out a long-term loan of 2.0 billion yen on November 14, 2024 to finance the repayment of an existing short-term loan worth 2.0 billion yen. As a result, the balance of interest-bearing debt was 455,893 million yen as of November 15, 2024. • In the March 2025 period, the Company, as of November 15, 2024, is scheduled to take out a long-term loan of 1.0 billion yen on November 18, 2024 to finance the repayment of an existing long-term loan worth 1.0 billion yen, and also to take out a short-term loan of 11.0 billion yen on November 18, 2024 to finance the repayment of an existing short-term loan worth 11.0 billion yen. After these loans are executed, the Company will refinance the long-term loans due for repayment during the period totaling 23.0 billion yen (repayment dates: December 2, 2024, January 7, 2025, January 9, 2025, March 3, 2025, March 26, 2025, and March 31, 2025). In addition, as for the short-term loans due for repayment during the period totaling 39.0 billion yen (repayment dates: November 29, 2024, February 14, 2025, February 18, 2025, March 10, 2025, and March 26, 2025), a portion of these short-term borrowings is planned to be repaid with cash on hand. Therefore, it is assumed that a partial refinancing will be carried out. There are no investment corporation bonds set to mature in the March 2025 period. • In the September 2025 period, the Company will refinance the long-term loans due for repayment during the period totaling 28.5 billion yen (repayment dates: May 29, 2025, June 16, 2025, July 22, 2025, August 29, 2025, September 1, 2025, and September 24, 2025), as of November 15, 2024. In addition, the Company will refinance the short-term loans due for repayment during the period totaling 9.0 billion yen (repayment dates: April 21, 2025, July 10, 2025, and September 2, 2025). Furthermore, it is assumed that the entire amount of the 4th investment corporation bonds of 10.0 billion yen maturing on September 29, 2025 will be redeemed with funds procured through the issuance of investment corporation bonds or borrowings, etc.
Operating revenues	<ul style="list-style-type: none"> • Revenues from portfolio properties held by the Company are calculated by taking into consideration the new leases and the tenancy terminations confirmed as of November 15, 2024, and by factoring in potential variables that reflect the recent office leasing market landscape, such as rent levels and occupancy rates.

Item	Assumption
Operating expenses	<ul style="list-style-type: none"> • Of the taxes assessed and required to be paid by the Company, property taxes, city planning taxes, and depreciable property taxes corresponding to the relevant fiscal period have been recorded as property-related expenses. In the event, however, that a property tax adjustment is incurred by the Company regarding a property that is acquired within the calendar year that the first day of an accounting period belongs to, the said adjustment is included in the acquisition cost and therefore not reported as an expense for the accounting period. In addition, the Company assumes the 2025 property taxes, city planning taxes, and depreciable property taxes for properties acquired in 2024 to be as follows: <ul style="list-style-type: none"> • An additional interest in Toyosu Foresia: 96 million yen • 3rd MINAMI AOYAMA: 128 million yen • Property and other taxes will be 3,780 million yen in the March 2025 period and 4,020 million yen in the September 2025 period. • Depreciation will be 6,070 million yen in the March 2025 period and 6,070 million yen in the September 2025 period. • Repairing expenses may vastly differ from the projected amounts as such costs fluctuate significantly from one fiscal period to another, and because these costs are not recurring.
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be 1,250 million yen in the March 2025 period and 1,380 million yen in the September 2025 period.
Dividend amounts	<ul style="list-style-type: none"> • The gain on the split disposition of JRE Dojima Tower will be 6,560 million yen in the March 2025 period. The Company will make a provision of reserve for reduction entry on part of the disposition gain of 6,560 million yen in the March 2025 period by applying the “Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets” under Article 65-7 of the Act on Special Measures Concerning Taxation. • The Company shall not distribute dividends in excess of earnings. Accordingly, based on its Articles of Incorporation, the Company shall make cash distributions of the amount that is higher than 90% of profit available for dividends and up to the amount of profit, including the reserve for reduction entry.
Other	<ul style="list-style-type: none"> • The Company assumes that no revisions will be made in such areas as laws, tax systems, accounting standards, and listing rules as well as regulations of the Investment Trusts Association, Japan to the extent that impact the above-mentioned forecasts. • The Company assumes that no unexpected or significant changes will occur to the general market trends or real estate market conditions or other factors. • In addition to the income taxes - deferred related to reversal of reserve for reduction entry, etc., the corporate and other taxes are calculated by taking into consideration the taxes in relation to the amortization of term leasehold interest for buildings and asset retirement obligations.

2. Financial Statements

(1) Balance Sheets

Thousands of yen

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	32,066,286	23,256,761
Cash and deposits in trust	7,319,292	7,427,170
Operating accounts receivable	709,783	755,894
Prepaid expenses	121,607	255,881
Other	305,907	268,867
Total current assets	40,522,876	31,964,576
Non-current assets		
Property, plant and equipment		
Buildings	253,197,683	255,426,165
Accumulated depreciation	(120,857,358)	(124,583,887)
Buildings, net	132,340,324	130,842,278
Structures	3,107,891	3,116,188
Accumulated depreciation	(1,340,677)	(1,391,653)
Structures, net	1,767,214	1,724,534
Machinery and equipment	3,306,743	3,366,768
Accumulated depreciation	(2,538,869)	(2,566,003)
Machinery and equipment, net	767,874	800,764
Tools, furniture and fixtures	589,390	628,283
Accumulated depreciation	(402,437)	(419,610)
Tools, furniture and fixtures, net	186,953	208,672
Land	475,136,821	475,279,121
Construction in progress	80,007	142,320
Buildings in trust	133,201,653	127,170,147
Accumulated depreciation	(46,512,410)	(44,895,777)
Buildings in trust, net	86,689,242	82,274,370
Structures in trust	1,212,849	1,080,502
Accumulated depreciation	(577,380)	(533,678)
Structures in trust, net	635,469	546,824
Machinery and equipment in trust	954,081	989,100
Accumulated depreciation	(694,336)	(691,846)
Machinery and equipment in trust, net	259,745	297,253
Tools, furniture and fixtures in trust	95,314	89,467
Accumulated depreciation	(62,421)	(61,914)
Tools, furniture and fixtures in trust, net	32,892	27,552
Land in trust	338,947,236	331,963,582
Construction in progress in trust	6,701	7,994
Total property, plant and equipment	1,036,850,483	1,024,115,268
Intangible assets		
Land leasehold interests	8,702,204	8,686,374
Easement	826,648	826,648
Other	14,045	9,473
Total intangible assets	9,542,898	9,522,496

Thousands of yen

	As of March 31, 2024	As of September 30, 2024
Investments and other assets		
Investment securities	660,468	660,468
Leasehold and guarantee deposits	1,580,934	1,580,934
Long-term prepaid expenses	63,197	28,707
Other	1,659,598	1,654,323
Total investments and other assets	3,964,199	3,924,433
Total non-current assets	1,050,357,580	1,037,562,199
Deferred assets		
Investment corporation bond issuance costs	31,829	24,444
Total deferred assets	31,829	24,444
Total assets	1,090,912,287	1,069,551,220
Liabilities		
Current liabilities		
Operating accounts payable	4,582,184	4,040,000
Short-term borrowings	56,500,000	50,000,000
Current portion of investment corporation bonds	–	10,000,000
Current portion of long-term borrowings	54,800,000	57,000,000
Accounts payable - other	2,829,322	2,575,512
Accrued expenses	394,362	406,882
Income taxes payable	11,145	9,403
Accrued consumption taxes	277,362	1,289,610
Advances received	3,071,196	2,978,683
Other	50,552	10,060
Total current liabilities	122,516,127	128,310,153
Non-current liabilities		
Investment corporation bonds	32,993,175	22,993,175
Long-term borrowings	335,900,000	317,900,000
Deposits received from tenants	56,083,929	54,796,185
Deferred tax liabilities	3,070,981	3,742,215
Asset retirement obligations	381,922	385,770
Other	1,046	14
Total non-current liabilities	428,431,055	399,817,361
Total liabilities	550,947,182	528,127,515
Net assets		
Unitholders' equity		
Unitholders' capital	516,736,574	516,736,574
Surplus		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	4,553,749	5,809,010
Total voluntary retained earnings	4,553,749	5,809,010
Unappropriated retained earnings	18,674,780	18,878,119
Total surplus	23,228,529	24,687,130
Total unitholders' equity	539,965,104	541,423,704
Total net assets	539,965,104	541,423,704
Total liabilities and net assets	1,090,912,287	1,069,551,220

(2) Statements of Income and Retained Earnings

	Thousands of yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Operating revenues		
Rent revenues	34,880,878	35,789,558
Other lease business revenues	70,700	91,567
Gain on sales of real estate properties	6,462,563	6,700,555
Total operating revenues	41,414,142	42,581,681
Operating expenses		
Expenses related to lease business	18,605,318	19,382,699
Asset management fees	2,068,919	2,108,699
Asset custody fees	47,581	48,751
Administrative service fees	139,800	141,937
Directors' compensations	7,800	7,800
Commission expenses	108,640	116,704
Other operating expenses	118,686	134,296
Total operating expenses	21,096,747	21,940,888
Operating profit	20,317,395	20,640,793
Non-operating income		
Interest income	176	3,516
Dividend income	-	7,455
Reversal of distributions payable	1,562	1,393
Gain on receipt of donated non-current assets	965	-
Contribution received for construction	929	-
Other	-	139
Total non-operating income	3,633	12,505
Non-operating expenses		
Interest expenses	805,740	931,756
Interest expenses on investment corporation bonds	164,867	162,674
Amortization of investment corporation bond issuance costs	8,267	7,385
Other	30,163	28,481
Total non-operating expenses	1,009,039	1,130,298
Ordinary profit	19,311,989	19,523,000
Profit before income taxes	19,311,989	19,523,000
Income taxes - current	11,172	11,459
Income taxes - deferred	663,849	671,233
Total income taxes	675,021	682,693
Profit	18,636,967	18,840,306
Retained earnings brought forward	37,812	37,812
Unappropriated retained earnings	18,674,780	18,878,119

(3) Statements of Changes in Unitholders' Equity

For the period from October 1, 2023 to March 31, 2024

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	516,736,574	4,553,749	4,553,749	17,112,180	21,665,930	538,402,505	538,402,505
Changes during the period							
Dividends of surplus				(17,074,368)	(17,074,368)	(17,074,368)	(17,074,368)
Profit				18,636,967	18,636,967	18,636,967	18,636,967
Total changes during the period	-	-	-	1,562,599	1,562,599	1,562,599	1,562,599
Balance at end of the period	516,736,574	4,553,749	4,553,749	18,674,780	23,228,529	539,965,104	539,965,104

For the period from April 1, 2024 to September 30, 2024

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	516,736,574	4,553,749	4,553,749	18,674,780	23,228,529	539,965,104	539,965,104
Changes during the period							
Provision of reserve for tax purpose reduction entry		1,255,260	1,255,260	(1,255,260)	-	-	-
Dividends of surplus				(17,381,706)	(17,381,706)	(17,381,706)	(17,381,706)
Profit				18,840,306	18,840,306	18,840,306	18,840,306
Total changes during the period	-	1,255,260	1,255,260	203,339	1,458,600	1,458,600	1,458,600
Balance at end of the period	516,736,574	5,809,010	5,809,010	18,878,119	24,687,130	541,423,704	541,423,704

(4) Statements of Cash Distributions

	For the period From October 1, 2023 to March 31, 2024	For the period From April 1, 2024 to September 30, 2024
	Amount (Yen)	Amount (Yen)
I Retained earnings	18,674,780,320	18,878,119,619
II Cash distribution	17,381,706,624	17,570,947,536
(Dividend per investment unit)	(12,216)	(12,349)
III Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	1,255,260,797	1,269,359,184
IV Retained earnings brought forward	37,812,899	37,812,899

Computation Method for Determining Dividends	<p>The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Act on Special Measures Concerning Taxation, making reduction entries, and securing retained earnings brought forward, is ¥17,381,706,624 for the March 2024 period, which is a multiple of 1,422,864 — the number of units outstanding as of March 31, 2024. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.</p>	<p>The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Act on Special Measures Concerning Taxation. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Act on Special Measures Concerning Taxation, making reduction entries, and securing retained earnings brought forward, is ¥17,570,947,536 for the September 2024 period, which is a multiple of 1,422,864 — the number of units outstanding as of September 30, 2024. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.</p>
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(5) Statements of Cash Flows

	Thousands of yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Cash flows from operating activities		
Profit before income taxes	19,311,989	19,523,000
Depreciation	6,283,578	6,142,466
Gain on receipt of donated non-current assets	(965)	-
Amortization of investment corporation bond issuance costs	8,267	7,385
Dividend income	-	(7,455)
Interest income	(176)	(3,516)
Interest expenses	970,608	1,094,431
Decrease (increase) in operating accounts receivable	(142,457)	(46,111)
Decrease (increase) in supplies	(15)	210
Decrease (increase) in prepaid expenses	63,164	(134,274)
Decrease in property, plant and equipment in trust due to sale	10,994,041	10,173,917
Increase (decrease) in operating accounts payable	(98,456)	282,758
Increase (decrease) in accounts payable - other	468,231	(45,831)
Increase (decrease) in accrued consumption taxes	(866,949)	1,012,247
Increase (decrease) in accrued expenses	131	(131)
Increase (decrease) in advances received	29,903	(92,513)
Decrease (increase) in long-term prepaid expenses	31,493	34,490
Other, net	(410,870)	(71,036)
Subtotal	36,641,517	37,870,038
Interest and dividends received	176	10,972
Interest paid	(903,064)	(1,081,779)
Income taxes paid	(10,229)	(13,201)
Net cash provided by (used in) operating activities	35,728,400	36,786,029
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,897,475)	(3,482,551)
Purchase of property, plant and equipment in trust	(20,778,192)	(1,023,465)
Purchase of intangible assets	(3,171,410)	(16,323)
Refund of leasehold and guarantee deposits received	(1,105,286)	(2,798,886)
Proceeds from leasehold and guarantee deposits received	1,564,388	1,513,771
Net cash provided by (used in) investing activities	(45,387,975)	(5,807,455)
Cash flows from financing activities		
Proceeds from short-term borrowings	72,000,000	41,500,000
Repayments of short-term borrowings	(58,500,000)	(48,000,000)
Proceeds from long-term borrowings	42,500,000	10,500,000
Repayments of long-term borrowings	(16,000,000)	(26,300,000)
Redemption of investment corporation bonds	(10,000,000)	-
Distributions paid	(17,075,154)	(17,380,220)
Net cash provided by (used in) financing activities	12,924,845	(39,680,220)
Net increase (decrease) in cash and cash equivalents	3,265,269	(8,701,646)
Cash and cash equivalents at beginning of the period	36,120,308	39,385,578
Cash and cash equivalents at end of the period	39,385,578	30,683,932

- (6) Notes Concerning Going Concerns Assumption
 “Not applicable”

(7) Summary of Significant Accounting Policies

Investment securities

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

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

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

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

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

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

Intangible assets

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

Leased assets

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

Deferred charges

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

Revenue recognition

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

① Sales of real estate properties

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

② Utilities income

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

Taxes on property and equipment

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

Cash and cash equivalents

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

Hedge accounting

The Company enters into derivative transactions to hedge against interest-rate risk and other forms of risk based on the risk management policies outlined in the Company’s Articles of Incorporation. The Company uses interest-rate swap transactions for hedging fluctuations in interest rates on floating-rate loans. The Company has also executed currency swap transactions as a method of hedging against currency exchange fluctuation risks. Deferred hedge accounting is generally used for such interest-rate swaps and currency swap

transactions, and the effectiveness of hedging is measured by comparing the total cash flow fluctuation of the hedged item and that of the hedging instrument since the inception of the hedge.

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

(8) Notes to Financial Statements

(Notes to Balance Sheets)

a. Commitment line agreement

The Company has signed commitment line agreements with three banks.

	Thousands of yen	
	As of March 31, 2024	As of September 30, 2024
Total amount of commitment line agreement	60,000,000	60,000,000
Debt financing balance	—	—
Balance	60,000,000	60,000,000

b. Reserve for tax purpose reduction entry

	Thousands of yen	
	As of March 31, 2024	As of September 30, 2024
Reserve for tax purpose reduction entry	4,553,749	5,809,010
Deferred tax liability for the reserve for tax purpose reduction entry	3,071,910	3,743,170
Total	7,625,660	9,552,181

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

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

	Thousands of yen	
	As of March 31, 2024	As of September 30, 2024
	50,000	50,000

(Notes to Statements of Income and Retained Earnings)

a. Breakdown of property-related revenues and expenses

	Thousands of yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Property-Related Revenues	34,951,578	35,881,126
Rent revenues	34,880,878	35,789,558
Rental revenues	29,356,118	30,023,589
Common service charges	1,922,147	1,878,721
Parking revenues	730,237	725,526
Other rental revenues	2,872,374	3,161,722
Other lease business revenues	70,700	91,567
Cancellation charges	5,830	33,619
Other miscellaneous revenues	64,870	57,948
Property-Related Expenses	18,605,318	19,382,699
Expenses related to lease business	18,605,318	19,382,699
Property management expenses	3,945,907	4,058,339
Utilities expenses	2,843,105	3,218,312
Property and other taxes	3,622,228	3,826,093
Casualty insurance	44,570	46,065
Repairing expenses	1,665,381	1,766,657
Depreciation	6,283,377	6,142,103
Other rental expenses	200,748	325,126
Property-Related Profits	16,346,259	16,498,426

b. Breakdown of gain on sales of real estate properties

For the period from October 1, 2023 to March 31, 2024

		Thousands of yen
Harumi Front (45% quasi-co-ownership interest)		
Revenue from sale of real estate property		17,599,500
Cost of real estate property sold		10,994,041
Other sales expenses		142,894
Gain on sales of real estate properties		6,462,563

For the period from April 1, 2024 to September 30, 2024

		Thousands of yen
JRE Dojima Tower (51% quasi-co-ownership interest)		
Revenue from sale of real estate property		17,034,000
Cost of real estate property sold		10,173,917
Other sales expenses		159,527
Gain on sales of real estate properties		6,700,555

(Changes in Unitholders' Equity)

Total number of investment units issuable and number of units outstanding	As of March 31, 2024	As of September 30, 2024
Total number of investment units issuable	4,000,000 units	4,000,000 units
Number of units outstanding	1,422,864 units	1,422,864 units

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

The following table represents a reconciliation of cash and cash equivalents as of March 31, 2024 and September 30, 2024:

	Thousands of yen	
	As of March 31, 2024	As of September 30, 2024
Cash and deposits	32,066,286	23,256,761
Cash and deposits in trust	7,319,292	7,427,170
Time deposits with maturities of more than three months	–	–
Cash and cash equivalents	39,385,578	30,683,932

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

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

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

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

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

The Company regularly re-evaluates the appropriateness and effectiveness of its risk management system in order to improve on it. The characteristics and risk profile of financial instruments and the system in place to manage such risks are as follows:

The deposits, which are typically large time deposits used to manage excess funds, are exposed to the credit risk such as bankruptcy of the deposit-taking financial institutions. The Company manages credit risk by restricting the tenor of the deposit to relatively short

periods and setting a minimum credit rating requirement for the deposit-taking financial institutions.

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

Loans and investment corporation bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements measures such as ① maintaining and strengthening its ability to access equity markets to secure funds, ② maintaining commitment lines with major financial institutions (There is no amount outstanding under the facility as of March 31, 2024 and September 30, 2024) and ③ preparing monthly financial plans.

(iii) Supplementary note regarding fair value of financial instruments

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

b. Fair value of financial instruments

Fair value of financial instruments, their values carried on the balance sheets and the differences between them as of March 31, 2024 and September 30, 2024 are as follows. Since "Cash and deposits," "Cash and deposits in trust," and "Short-term borrowings" are cash and due to be settled in a short period, and their fair values approximate their book values, the notes are omitted.

	Thousands of yen		
	As of March 31, 2024		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds	—	—	—
(2) Current portion of long-term borrowings	54,800,000	54,831,392	31,392
(3) Investment corporation bonds	32,993,175	33,209,102	215,927
(4) Long-term borrowings	335,900,000	331,775,365	(4,124,634)
(5) Deposits received from tenants	56,083,929	54,190,830	(1,893,099)
(6) Derivative transactions	—	—	—

	Thousands of yen		
	As of September 30, 2024		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds	10,000,000	10,194,200	194,200
(2) Current portion of long-term borrowings	57,000,000	56,982,967	(17,032)
(3) Investment corporation bonds	22,993,175	22,872,468	(120,706)
(4) Long-term borrowings	317,900,000	313,163,140	(4,736,859)
(5) Deposits received from tenants	54,796,185	52,672,386	(2,123,798)
(6) Derivative transactions	—	—	—

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

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

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

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

(5) Deposits received from tenants

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

(6) Derivative transactions

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

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

	Thousands of yen					
	As of March 31, 2024					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	—	20,000,000	10,000,000	2,993,175	—	—
Long-term borrowings	54,800,000	52,500,000	28,700,000	23,500,000	27,000,000	204,200,000
Total	54,800,000	72,500,000	38,700,000	26,493,175	27,000,000	204,200,000

	Thousands of yen					
	As of September 30, 2024					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	10,000,000	10,000,000	10,000,000	2,993,175	—	—
Long-term borrowings	57,000,000	36,700,000	24,000,000	18,000,000	24,500,000	214,700,000
Total	67,000,000	46,700,000	34,000,000	20,993,175	24,500,000	214,700,000

(Derivative Transactions)

a. Derivatives not designated as hedging instruments

As of March 31, 2024

“Not applicable”

As of September 30, 2024

“Not applicable”

b. Derivatives designated as hedging instruments

As of March 31, 2024

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

(Thousands of yen)

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

As of September 30, 2024

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

(Thousands of yen)

Derivative accounting method	Type of derivative transaction	Hedged item	Contract value		Fair value	Measurement of fair value
				Over one year		
Special Treatment for interest-rate swap	Receive floating, pay fixed interest-rate swap transactions	Long-term borrowings	3,000,000	—	*1	—
Allocation Treatment for currency swap	Receive fixed USD, pay fixed JPY, currency swap transactions (with initial and final exchange)	Investment corporation bonds	2,993,175	2,993,175	*2	—

*1. The derivative transactions eligible for Special Treatment for interest-rate swap are accounted for as integral parts of the hedged long-term loans, and the fair value of those derivative transactions is included in that of the underlying long-term borrowings as of March 31, 2024 and September 30, 2024. Please refer to page 19, Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments,” as well as subheading (2) concerning derivative transactions.

*2. Currency swap transactions eligible for allocation treatment are accounted for as integrated parts of the hedged investment corporation bonds, and the fair value of the currency swap transactions is included in that of the underlying investment bonds as of March 31, 2024 and September 30, 2024. Please refer to page 19, Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments,” as well as subheading (3) concerning derivative transactions.

(Income Taxes)

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Act on Special Measures Concerning Taxation, an investment corporation is allowed to deduct dividends of earnings or dividend distributions, paid to unitholders from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its profit available for dividends for the fiscal period as stipulated by Article 67-15 of the Act on Special Measures Concerning Taxation. The significant components of deferred tax assets and liabilities as of March 31, 2024 and September 30, 2024 were as follows:

	Thousands of yen	
	As of March 31, 2024	As of September 30, 2024
Deferred tax assets		
Accrued enterprise tax	928	955
Amortization of a term leasehold interest	144,190	149,666
Asset retirement obligations	132,107	133,438
	277,226	284,059
Valuation allowance	(174,842)	(181,648)
Total deferred tax assets	102,384	102,410
Deferred tax liabilities		
Asset retirement obligations	101,455	101,455
Reserve for advanced depreciation of non-current assets	3,071,910	3,743,170
Total deferred tax liabilities	3,173,366	3,844,626
Net deferred tax liabilities	3,070,981	3,742,215

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate as of March 31, 2024 and September 30, 2024 was as follows:

	As of March 31, 2024	As of September 30, 2024
Statutory tax rate	34.59%	34.59%
Deductible dividend distribution	(31.13%)	(31.13%)
Change in valuation allowance	0.04%	0.03%
Others	0.00%	0.00%
Effective tax rate	3.50%	3.50%

(Asset Retirement Obligations)

For the six months ended March 31, 2024 and September 30, 2024

Asset retirement obligations reported on balance sheets

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

Change in the asset retirement obligations for the six months ended March 31, 2024 and September 30, 2024 consisted of the following:

	Thousands of yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Balance at the beginning of the period	378,113	381,922
Increase in tangible fixed assets	-	-
Accretion expense	3,809	3,847
Balance at the end of the period	381,922	385,770

(Investment and Rental Property)

For the six months ended March 31, 2024 and September 30, 2024

The Company owns primarily a portfolio of office properties in Tokyo and other prefectures in order to gain rental revenue from them. The book values on balance sheets as of March 31, 2024 and September 30, 2024 and the fair values as of March 31, 2024 and September 30, 2024 are as follows:

Thousands of yen			
Book value		Fair value	
As of September 30, 2023	Change during the period	As of March 31, 2024	As of March 31, 2024
1,016,270,085	30,120,262	1,046,390,348	1,382,480,000

Thousands of yen			
Book value		Fair value	
As of March 31, 2024	Change during the period	As of September 30, 2024	As of September 30, 2024
1,046,390,348	(12,755,252)	1,033,635,095	1,376,016,000

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

2. As for the change during the period ended September 30, 2024, the major reasons for the decrease were the disposition of JRE Dojima Tower (51% quasi-co-ownership interest) (¥10,173,917 thousand) and by depreciation.

3. Fair values as of March 31, 2024 and September 30, 2024 are defined as the appraised values provided by an external qualified professional appraiser. As of March 31, 2024 and September 30, 2024, JRE Dojima Tower, for which the disposition agreement was made dated March 7, 2024, was valued at the disposition price.

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

(Revenue Recognition)

Breakdown information on revenue from contracts with customers

For the period from October 1, 2023 to March 31, 2024

Thousands of yen		
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	–	6,462,563 *2
Utilities income	2,003,928 *3	2,003,928
Others	–	32,947,650
Total	2,003,928	41,414,142

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

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

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

For the period from April 1, 2024 to September 30, 2024

Thousands of yen		
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	–	6,700,555 *2
Utilities income	2,208,254 *3	2,208,254
Others	–	33,672,871
Total	2,208,254	42,581,681

*1 Rent revenues subject to “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and revenue from sales of real estate properties subject to “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (Transferred Guidance No. 10) are excluded from “Revenue from contracts with customers” as they are not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from utilities income.

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

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

(Segment Information)

For the six months ended March 31, 2024 and September 30, 2024

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

Information on products and services

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

Information on geographic area

a. Revenue

Since more than 90% of total operating revenues was generated from external customers within Japan, a geographical breakdown of revenues has been omitted.

b. Property and equipment

Since more than 90% of total property and equipment on the balance sheets was located within Japan, a geographical breakdown of such property and equipment has been omitted.

Information on major clients

For the period from October 1, 2023 to March 31, 2024

Thousands of yen		
Name of customer	Operating revenues	Related segment
Mullion TMK	6,462,563	Real estate leasing business

For the period from April 1, 2024 to September 30, 2024

Thousands of yen		
Name of customer	Operating revenues	Related segment
JRWD Fund No. 8 GK	6,700,555	Real estate leasing business

(Per Unit Information)

The following table summarizes information about net assets per unit and profit per unit as of March 31, 2024 and September 30, 2024 and for the periods then ended, respectively:

	Yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Net assets per unit	379,491	380,516
Profit per unit	13,098	13,241

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

	Thousands of yen	
	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
Profit	18,636,967	18,840,306
Amount not attributable to normal unitholders	-	-
Profit applicable to normal investment units	18,636,967	18,840,306
Average number of investment units during the period	1,422,864 units	1,422,864 units

(Subsequent Events)

For the six months ended September 30, 2024

Investment Unit Split

At the Company's Board of Directors' meeting held on November 15, 2024, the Company resolved to conduct an investment unit split ("the Split") as follows.

(1) Purpose of the Split

In consideration of the penetration into the market by the new Nippon Individual Savings Account ("New NISA"), which started in January 2024, and the desirable level of investment units indicated by the TSE, the Company aims to further expand the investor base, centered on individual investors, and improve the liquidity of its investment units by creating an environment more conducive to investment by investors through this investment unit split.

(2) Method of the Split

With December 31, 2024 as the record date, the Company will conduct a 5-for-1 split of its investment units held by unitholders listed or recorded in the final unitholders registry on this date.

(3) Number of investment units to be increased through the Split, etc.

Total number of investment units outstanding before the Split:	1,422,864 units
Total number of investment units to be increased through the Split:	5,691,456 units
Total number of investment units outstanding after the Split:	7,114,320 units
Total number of investment units issuable after the Split:	20,000,000 units

(4) Schedule of the Split

Date of public notice of record date:	December 16, 2024 (Anticipated)
Record date:	December 31, 2024
Effective date:	January 1, 2025

(5) Effect on per unit information

Per unit information for the March 2024 period and the September 2024 period, assuming the Split was conducted at the beginning of the previous fiscal period, is as follows.

(i) Net Assets per Unit:	75,898 yen for the March 2024 period;	76,103 yen for the September 2024 period
(ii) Profit per Unit:	2,619 yen for the March 2024 period;	2,648 yen for the September 2024 period

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

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

Date	Remarks	Number of Units Outstanding		Total Unitholders' Capital (Millions of yen)		Notes
		Increase/Decrease	Balance	Increase/Decrease	Balance	
April 7, 2023	Issuance of new investment units (public offering)	35,200	1,420,410	18,224	515,466	*1
May 1, 2023	Issuance of new investment units (third-party allocation)	2,454	1,422,864	1,270	516,736	*2

*1. New investment units were issued at 534,100 yen (underwriting price of 517,750 yen) per unit for the purpose of funding the partial repayment of the short-term loan.

*2. New investment units were issued at 517,750 yen per unit for the purpose of funding the partial repayment of the short-term loan.

3. Reference Data

a. Composition of the Company's Assets

Asset type	Region	As of March 31, 2024		As of September 30, 2024	
		Total of net book value* ¹ (¥ million)	Ratio to total assets (%)	Total of net book value* ¹ (¥ million)	Ratio to total assets (%)
Real property	Tokyo 23 wards	486,412	44.6	485,895	45.4
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	39,825	3.7	39,726	3.7
	Other major cities	93,579	8.6	92,894	8.7
	Total	619,818	56.8	618,516	57.8
Real property in trust	Tokyo 23 wards	320,467	29.4	319,349	29.9
	Tokyo metropolitan area (excluding Tokyo 23 wards)* ²	15,351	1.4	15,272	1.4
	Other major cities	90,753	8.3	80,496	7.5
	Total	426,572	39.1	415,118	38.8
Savings and other assets		44,521	4.1	35,916	3.4
		(-)	(-)	(-)	(-)
Total amount of assets		1,090,912	100.0	1,069,551	100.0
		(1,046,390)	(95.9)	(1,033,635)	(96.6)

*1. Totals of net book value as of March 31, 2024 and September 30, 2024 are based on the total amounts from the balance sheets as of March 31, 2024 and September 30, 2024, respectively. Real property and real property in trust present the net book values after depreciation and amortization.

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

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

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

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

The table below is a quick reference guide outlining the real estate and other assets included in the Company's holdings as of September 30, 2024.

Region	Name of property	Type of specified asset	Number of tenants ^{*1}	Leasable floor area (m ²)	Occupancy rate ^{*2}	Appraisal value at the end of period (¥ mil) ^{*3}	Book value at the end of period (¥ mil)	Acquisition price ^{*4}		Ratio by region ^{*2}	
								(¥ thousand)	Ratio ^{*2}		
Tokyo metropolitan area	Tokyo 23 wards	Kitanomaru Square	8 ^{*5}	25,678 ^{*5}	100.0% ^{*5}	88,400	68,397	81,555,500	7.1%	77.4%	
		JRE Kanda-Ogawamachi Building	9	6,269	100.0%	9,400	8,599	9,520,000	0.8%		
		Kandabashi Park Building	11	3,687	100.0%	5,250	4,337	4,810,000	0.4%		
		Otemachi Financial City North Tower	14	7,659	96.3%	28,700	20,339	15,462,900 6,380,000 Total: 21,842,900	1.9%		
		Otemachi Park Building	Trust	21	2,372	100.0%	11,400	9,948	10,175,000		0.9%
		Nibancho Garden	Real property	1 ^{*5}	9,316 ^{*5}	100.0% ^{*5}	18,100	11,734	14,700,000		1.3%
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	99.1%	57,100	28,374	44,700,000		3.9%
		Burex Kojimachi Building	Real property	1	4,495	100.0%	7,790	5,173	7,000,000		0.6%
		CIRCLES Hirakawacho	Real property	11	979	100.0%	1,850	1,773	1,780,000		0.2%
		Sanno Grand Building	Real property	45	20,565	74.1%	24,800	20,831	10,200,000 10,700,000 Total: 20,900,000		1.8%
		Yurakucho Denki Building	Real property	12	4,697	93.6%	9,570	7,675	7,200,000		0.6%
		Front Place Nihonbashi	Real property	2	8,468	100.0%	22,100 ^{*6}	17,091	17,560,000		1.5%
		JRE Kayabacho 2Chome Building	Trust	9	4,419	95.5%	5,060	4,022	4,410,000		0.4%
		Burex Kyobashi Building	Real property	1	4,279	100.0%	7,870	4,341	5,250,000		0.5%
		JRE Ginza 1Chome East Building	Trust	8	4,513	100.0%	8,370	5,792	6,459,000		0.6%

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2	
								(¥ thousand)	Ratio*2		
Tokyo metropolitan area	Tokyo 23 wards	Ginza Sanwa Building	Real property	11	4,293	100.0%	26,700	17,393	16,830,000	1.5%	77.4%
		JRE Ginza 3Chome Building	Real property	9	4,255	100.0%	6,640	7,008	5,353,500 2,645,922 *7 Total: 7,999,422	0.7%	
		Akasaka Park Building	Real property	39*5	44,954*5	90.0%*5	80,700	56,389	60,800,000	5.3%	
		the ARGYLE aoyama	Trust	11	7,478	100.0%	25,000	23,864	23,900,000	2.1%	
		3rd MINAMI AOYAMA	Real property	13	7,781	83.1%	21,600	21,424	21,000,000	1.8%	
		JRE Aoyama Crystal Building	Real property	9	4,898	100.0%	9,760	6,910	7,680,000	0.7%	
		Clover Shiba-koen	Trust	8	2,550	100.0%	4,920*6	4,313	4,500,000	0.4%	
		Shiodome Building	Trust	47	44,213	98.3%	120,000	98,187	21,250,000 54,600,000 10,100,000 10,450,000 10,530,000 Total: 106,930,000	9.3%	
		JRE Shiba 2Chome Daimon Building	Trust	28	9,503	100.0%	9,110	5,786	4,859,000	0.4%	
		JRE Cosmo Kanasugibashi Building	Trust	7	4,062	100.0%	3,800	2,413	2,808,000	0.2%	
		Seavans S Building	Real property	16	7,979	95.7%	9,620	7,928	5,400,000 2,290,000 Total: 7,690,000	0.7%	
		Tamachi Front Building	Real property	10	3,792	100.0%	7,930*6	5,852	6,210,000	0.5%	
		Shinjuku Eastside Square	Trust	44	45,619	100.0%	81,700*6	66,394	23,100,000 6,660,000 25,460,000 8,460,000 8,500,000 Total: 72,180,000	6.3%	
		Shinjuku Front Tower	Trust	44	21,416	97.6%	35,800*6	33,558	25,025,000 10,100,000 Total: 35,125,000	3.1%	
		JRE Nishi-Shinjuku Terrace	Real property	12	6,036	100.0%	9,460	7,550	7,830,000	0.7%	
Tokyo Opera City Building*9	Real property	106	34,948	98.8%	34,700	27,733	9,350,000 22,426,831 Total: 31,776,831	2.8%			

Region	Name of property	Type of specified asset	Number of tenants* ¹	Leasable floor area (m ²)	Occupancy rate* ²	Appraisal value at the end of period (¥ mil)* ³	Book value at the end of period (¥ mil)	Acquisition price* ⁴		Ratio by region* ²	
								(¥ thousand)	Ratio* ²		
Tokyo metropolitan area	Tokyo 23 wards	Front Place Minami-Shinjuku	2	4,095	100.0%	9,710* ⁶	9,099	9,250,000	0.8%	77.4%	
		Link Square Shinjuku	17	9,786	89.6%	25,100	21,888	6,670,000 (1,170,000)* ¹⁰ 17,300,000 Total: 22,800,000	2.0%		
		JRE Yoyogi 1Chome Building	8	7,745	100.0%	13,600	6,521	8,700,000	0.8%		
		JRE Jingumae Terrace	5	3,147	100.0%	7,930	4,711	4,885,000	0.4%		
		JRE Jingumae Media Square Building	6	5,558	100.0%	10,500	10,493	12,200,000* ¹¹	1.1%		
		Shibuya Cross Tower (Land)	*12	*12	*12	49,200	27,186	34,600,000 (8,076,000)* ¹³ Total: 26,524,000	2.3%		
		Ebisu Neonato	4	8,659	100.0%	20,300	13,387	3,740,000 360,000 10,512,000 Total: 14,612,000	1.3%		
		TIXTOWER UENO	16	15,016	100.0%	26,700	17,081	22,000,000	1.9%		
		Toyosu Foresia	Trust	31	20,778	99.1%	28,000	27,793	8,100,000 19,756,000 Total: 27,856,000		2.4%
		Toyosu Front	Trust	21	17,407	98.9%	25,900	24,873	25,500,000		2.2%
		JRE Higashi Gotanda 1Chome Building	Real property	4	5,205	100.0%	7,150	4,285	5,500,000		0.5%
		Osaki Front Tower* ¹⁴	Real property	1	16,856	100.0%	17,600* ⁸	7,556	12,300,000		1.1%
		JRE Omori-Eki Higashiguchi Building	Trust	24	7,706	99.2%	6,090	4,585	5,123,000		0.4%
		Harmony Tower	Real property	22	14,340	95.5%	14,900	9,289	8,500,000 520,000 2,100,000 Total: 11,120,000		1.0%
		JRE Ikebukuro 2Chome Building	Trust	8	2,186	100.0%	1,990	1,527	1,728,000		0.2%
JRE Minami-Ikebukuro Building	Real property	9	5,932	93.4%	6,220	3,820	4,500,000	0.4%			

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2	
								(¥ thousand)	Ratio*2		
Tokyo metropolitan area	Tokyo metropolitan area, excluding Tokyo 23 wards	Hachioji First Square	Real property	51	10,125	100.0%	5,150	4,630	3,300,000 2,379,112 Total: 5,679,112	0.5%	5.8%
		JRE Saitama Urawa Building	Real property	19	4,510	96.8%	3,590	2,418	1,232,000 1,342,000 Total: 2,574,000	0.2%	
		MM Park Building	Real property	32	38,415	87.7%	41,100	29,093	37,400,000	3.3%	
		Queen's Tower A	Trust	55	26,696	96.7%	27,200*6	15,272	17,200,000	1.5%	
		Musashi Kosugi STM Building	Real property	29	5,378	100.0%	4,520	3,582	4,000,000	0.3%	
Other major cities	8·3 Square Kita Building	Real property	8	12,265	94.8%	11,900	5,387	7,100,000	0.6%	16.8%	
	Jozenji Park Building	Real property	20	2,518	100.0%	1,120	907	1,000,000	0.1%		
	JRE Higashi Nibancho Square	Real property	22	20,526	100.0%	16,600*8	7,860	9,950,000	0.9%		
	JRE Sendai Honcho Honma Building	Trust	28	6,234	100.0%	2,870	2,733	2,924,000 250,000 Total: 3,174,000	0.3%		
	AER	Real property	63	23,612	96.1%	19,600	17,382	18,640,000	1.6%		
	Daido Seimei Niigata Building	Real property	10	3,928	91.3%	1,800	1,597	1,770,000	0.2%		
	Kanazawa Park Building	Real property	73	20,891	93.6%	7,390	4,439	2,880,000 1,700,000 Total: 4,580,000	0.4%		
	JRE Kanazawa Kamitsutsumicho Building	Real property	24	7,213	96.4%	3,040	2,201	2,780,000	0.2%		
	Nishiki Park Building*15	Real property	65*5	10,338*5	96.5%*5	5,710	4,662	3,850,000 1,300,000 650,000 175,000 Total: 5,975,000	0.5%		
	JRE Nagoya Hirokoji Place	Trust	36	13,200	96.7%	14,800*6	7,716	8,567,000	0.7%		
	Nagoya Hirokoji Building	Real property	43	21,373	98.7%	13,200	13,863	14,533,000	1.3%		
	JRE Shijo Karasuma Center Building	Real property	16	6,634	100.0%	8,140*6	3,409	4,400,000	0.4%		

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m ²)	Occupancy rate*2	Appraisal value at the end of period (¥ mil)*3	Book value at the end of period (¥ mil)	Acquisition price*4		Ratio by region*2
								(¥ thousand)	Ratio*2	
Other major cities	GRAND FRONT OSAKA (North Building)*16	Trust	5	8,462	99.3%	10,800*8	9,615	9,750,000	0.8%	16.8 %
	GRAND FRONT OSAKA (Umekita Plaza and South Building)*16	Trust	2	5,185	93.6%	12,300*8	11,171	11,250,000	1.0%	
	JRE Umeda Square Building*17	Trust	37	10,375	98.9%	16,900	15,413	15,523,520	1.3%	
	JRE Dojima Tower	Trust	46	13,917	96.1%	10,000	9,656	24,000,000 (12,240,000) *18 Total: 11,760,000	1.0%	
	JRE Sakaisujihonmachi Building	Real property	21	11,520	90.8%	4,560	3,446	2,264,000 1,900,000 Total: 4,164,000	0.4%	
	JRE Sakaisujihonmachi Square*19	Real property	8	11,913	100.0%	17,300*8	17,634	17,215,000	1.5%	
	JRE Midosuji Daiwa Building	Trust	40	20,450	97.8%	15,400	13,118	6,934,000 7,380,000 Total: 14,314,000	1.2%	
	JRE Amagasaki Front Building	Trust	36	15,498	95.3%	10,600	7,789	9,300,000	0.8%	
	Lit City Building	Real property	32	8,814	100.0%	5,310	2,192	4,650,000 (555,131) *20 Total: 4,094,868	0.4%	
	NHK Hiroshima Broadcasting Center Building	Real property	13	9,877	100.0%	3,460	3,276	1,320,000 1,450,000 Total: 2,770,000	0.2%	
	JRE Tenjin 3Chome Building	Real property	20	3,995	96.0%	2,310	1,304	1,550,000	0.1%	
	JRE Tenjin Crystal Building	Real property	29	5,964	94.4%	3,580	3,328	5,000,000	0.4%	
	Hinode Tenjin Building	Trust	4	5,944	100.0%	5,310	3,281	3,657,000	0.3%	
		Total	1,642	883,301	96.5%	1,369,650	1,033,635	1,150,249,154	100.0%	

*1. The total number of tenants is based on the gross number of tenants in each building. Each instance of occupancy of a single tenant leasing space is considered separately on a per property basis even if said tenant leases floor area in multiple properties. Moreover, a portion of GRAND FRONT OSAKA (North Building) and GRAND FRONT OSAKA (Umekita Plaza and South Building) are leased in bulk through a pass-through master lease system, the number of bulk lessees is defined as the number of tenants. For the portion of GRAND FRONT OSAKA (North Building) leased in part under a fixed master lease or direct lease, the bulk lessees or end tenants of the said portion are added to the total number of tenants of the same property.

*2. Occupancy rate, ratio of acquisition price and ratio by region are rounded to the nearest first decimal place.

- *3. Appraisal value at the end of period is, as a rule, the value assessed by real estate appraisers based on the Company's Articles of Incorporation and the Cabinet Office Ordinance on Accountings of Investment Corporations. The book closing date is used as the appraisal date and the appraisal value is calculated by Daiwa Real Estate Appraisal Co., Ltd.
- *4. Incidental expenses arising from acquisitions are not included in the acquisition price.
- *5. Residential portions are not included in the total number of tenants, the occupancy rate or the leasable floor area for Kitanomaru Square, Nibancho Garden, Akasaka Park Building or Nishiki Park Building. The residential portions for these properties are as follows: Kitanomaru Square, leasable floor area: 11,694 m², occupancy rate: 91.1%; Nibancho Garden, leasable floor area: 1,686 m², occupancy rate: 100.0%; Akasaka Park Building, leasable floor area: 10,780 m², occupancy rate: 90.2%; Nishiki Park Building, leasable floor area: 954 m², occupancy rate: 87.6%.
- *6. Appraisal values by Japan Real Estate Institute.
- *7. This includes the acquisition price of the land and building adjacent to JRE Ginza 3Chome Building dated July 4, 2008, the cost of the adjacent building's demolition and the total expense of the construction and expansion of the Ryoshin Ginza East Mirror Building (excluding brokerage fees and other acquisition-related expenses) after its completion on May 24, 2010.
- *8. Appraisal values by Chuo Real Estate Appraisal Co., Ltd.
- *9. Accompanying the acquisition of Tokyo Opera City Building on September 13, 2005, the Company acquired 33 shares of Tokyo Opera City Building Co., Ltd. (the business that maintains, services and operates the building) at a total acquisition price of 2,797 thousand yen and inherited the 874 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller. In an additional acquisition, on March 24, 2010, the Company acquired 91 shares of Tokyo Opera City Building Co., Ltd. at a total acquisition price of 7,539 thousand yen. Concurrently, the Company acquired 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. (the supplier of heat to the building) at a total acquisition price of 566,831 thousand yen, inheriting the 2,360 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller.
Regarding the appraisal value at the end of the fiscal period of the above-mentioned shares, the 124 shares of Tokyo Opera City Building Co., Ltd. are valued at 10,336 thousand yen and the 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. are valued at 566,831 thousand yen.
- *10. Because the building was disposed on August 23, 2013, the acquisition price of the former building, 1,170 million yen, at the time of the land and building purchase dated March 24, 2004, has been deducted.
- *11. This is the acquisition price dated October 9, 2003, and includes a portion of the site disposed of and a portion of the extinguished easement related to the site (liquidation cost, 615 million yen) thereafter.
- *12. Because the building portion of Shibuya Cross Tower (land with leasehold interest) was disposed on January 18, 2018, no total number of tenants, leasable floor area or occupancy rate are provided. Furthermore, the 5,153 m² portion of land still held is being rented to the transferee of the building, Mitsubishi Estate Co., Ltd.
- *13. Because the building was disposed on January 18, 2018, the acquisition price of the building at the time of the land and building purchase dated November 30, 2001, has been deducted.
- *14. On acquiring Osaki Front Tower, the Company inherited the land renter's lease deposit of 1,040,000 thousand yen held by the seller of the building. The value of the lease deposit was appraised at the end of the fiscal period and remained unchanged.
- *15. On acquiring Nishiki Park Building on October 2, 2006, the Company inherited the 9,000 thousand yen lease deposit made by the land renters held by the seller of the building.
- *16. Accompanying the acquisitions of GRAND FRONT OSAKA (North Building) and GRAND FRONT OSAKA (Umekita Plaza and South Building) on October 1, 2021, the Company acquired 1,666 shares of KMO Corporation (planning and management business related to the "Knowledge Capital" facility) at a total acquisition price of 83,300 thousand yen, a right to claim a refund of funds related to Knowledge Capital Association (planning and management business related to the "Knowledge Capital" facility) at a total acquisition price of 4,900 thousand yen, and a right to claim a refund of funds related to GRAND FRONT OSAKA TMO General Incorporated Association (business related to regional revitalization, etc.) at an acquisition price of 490 thousand yen.
Regarding the appraisal values at the end of the fiscal period for the above-mentioned shares and the rights to claim a refund of funds, the 1,666 shares of KMO Corporation were valued at 83,300 thousand yen, the right to claim a refund of funds related to Knowledge Capital Association was valued at 4,900 thousand yen, and the right to claim a refund of funds related to GRAND FRONT OSAKA TMO General Incorporated Association was valued at 490 thousand yen. On acquiring the property, the Company inherited the land renter's lease deposit of 1,696 thousand yen held by the seller of the building.
- *17. Trust assets of the trust beneficiary right acquired by the Company include a claim for 500,000 thousand yen of deposit for construction to connect to underground shopping centers given to Osaka Shigaichi Kaihatsu Co., Ltd., which was held by the previous owner.
- *18. Because the Company disposed of a 51% quasi-co-ownership interest of the trust beneficiary right on April 1, 2024, the acquisition price represents the amount excluding 51% of the acquisition price for acquiring the trust beneficiary right on September 1, 2008.
- *19. The Company changed the name of the property from Forecast Sakaisujihonmachi to JRE Sakaisujihonmachi Square as of April 1, 2024.
- *20. Because the retail units were disposed on September 28, 2018, the acquisition price of the retail units at the time of the land and building purchase dated February 1, 2006, has been deducted.
- *21. In the above quick reference guide, if the real estate or other assets are classified as shared ownership or compartmental ownership, only the real estate or other assets owned by the Company are presented and the portions owned by the other shared owners or compartmental owners are excluded.

- ii) Breakdown of property-related revenues and expenses for real estate and other assets included in the Company's holdings
 The table below is a quick reference guide outlining the revenues and expenses on each real estate and other assets for the September 2024 period (April 1, 2024 – September 30, 2024). Furthermore, the income summary is presented based on the previously mentioned "Summary of Significant Accounting Policies."

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2024 – September 30, 2024)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
			Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses				
Kitanomaru Square	1,746	650	141	99	103	1	60	243	0	1,095	1,339	93	1,246
JRE Kanda-Ogawamachi Building	241	126	16	18	24	0	33	32	-	115	148	36	111
Kandabashi Park Building	128	52	1	-	20	0	9	20	-	76	96	-	96
Otemachi Financial City North Tower	462	280	52	57	69	0	0	100	0	181	282	5	276
Otemachi Park Building	185	95	8	15	34	0	-	37	0	90	127	-	127
Nibancho Garden	516	222	61	33	61	0	5	59	-	293	353	0	353
Mitsubishi UFJ Trust and Banking Building	990	385	57	57	173	0	2	91	3	604	695	0	694
Burex Kojimachi Building	162	55	-	-	16	0	4	34	-	106	141	10	130
CIRCLES Hirakawacho	37	19	2	1	3	0	-	11	0	17	28	-	28
Sanno Grand Building	692	388	100	65	132	0	33	55	0	304	359	65	294
Yurakucho Denki Building	228	136	31	22	53	0	7	20	0	92	113	-	113
Front Place Nihonbashi	418	144	23	22	45	0	1	50	0	273	324	0	324
JRE Kayabacho 2Chome Building	149	58	11	14	13	0	3	15	0	91	106	38	67
Burex Kyobashi Building	158	52	-	-	13	0	9	29	-	106	135	5	130
JRE Ginza 1Chome East Building	194	79	14	10	12	0	11	30	-	114	145	-	145
Ginza Sanwa Building	269	310	45	16	111	0	90	28	19	(41)	(12)	401	(413)
JRE Ginza 3Chome Building	173	90	13	13	19	0	0	42	-	83	125	5	119
Akasaka Park Building	2,006	1,265	242	273	293	2	65	385	2	741	1,127	129	998
the ARGYLE aoyama	493	215	30	37	59	0	0	86	0	277	364	-	364
3rd MINAMI AOYAMA	409	224	13	20	0	0	0	83	106	184	268	-	268
JRE Aoyama Crystal Building	210	99	18	13	39	0	4	22	0	111	134	7	126
Clover Shiba-koen	121	40	10	8	7	0	1	11	-	80	92	-	92

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2024 – September 30, 2024)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
Shiodome Building	2,143	908	187	184	221	1	44	267	1	1,234	1,502	113	1,389
JRE Shiba 2Chome Daimon Building	312	200	38	27	46	0	23	63	-	111	175	39	136
JRE Cosmo Kanasugibashi Building	124	54	14	7	15	0	0	15	-	70	85	-	85
Seavans S Building	311	180	45	44	29	0	11	48	0	131	179	22	157
Tamachi Front Building	164	74	15	9	15	0	7	27	-	89	117	0	116
Shinjuku Eastside Square	2,035	793	126	169	147	1	23	323	2	1,241	1,564	112	1,452
Shinjuku Front Tower	864	453	88	65	95	1	27	174	1	410	585	23	562
JRE Nishi-Shinjuku Terrace	254	194	20	17	23	0	91	40	-	60	101	10	90
Tokyo Opera City Building*2	1,576	1,158	*2	*2	*2	*2	*2	*2	*2	417	*2	331	*2
Front Place Minami-Shinjuku	199	87	15	12	30	0	0	29	0	111	140	2	138
Link Square Shinjuku	594	306	73	38	55	0	5	132	0	287	420	8	411
JRE Yoyogi 1Chome Building	315	267	30	25	29	0	139	42	-	48	90	58	32
JRE Jingumae Terrace	187	63	10	11	24	0	3	13	-	124	137	-	137
JRE Jingumae Media Square Building	336	191	33	32	74	0	0	50	-	144	195	-	195
Shibuya Cross Tower (Land)	581	109	-	-	109	-	-	-	-	472	472	-	472
Ebisu Neonato	485	235	50	29	41	2	5	105	-	249	355	26	329
TIXTOWER UENO	707	367	63	52	40	1	16	193	-	339	532	10	522
Toyosu Foresia	833	409	122	74	19	1	2	187	1	423	611	4	606
Toyosu Front	700	356	71	62	45	0	11	164	0	343	507	-	507
JRE Higashi Gotanda 1Chome Building	205	84	10	23	16	0	2	30	0	121	152	2	149
Osaki Front Tower	733	525	69	58	25	0	109	165	96	207	373	566	(193)
JRE Omori-Eki Higashiguchi Building	246	124	29	21	28	0	-	44	-	121	166	-	166
Harmony Tower	462	227	104	-	59	0	12	50	-	234	284	-	284
JRE Ikebukuro 2Chome Building	73	32	8	6	6	0	1	8	0	41	50	2	47
JRE Minami-Ikebukuro Building	194	112	16	14	17	0	37	25	0	82	107	9	97

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2024 – September 30, 2024)												
	Property-related revenues	Property-related expenses								Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
Hachioji First Square	244	120	49	5	26	0	0	38	-	123	161	-	161
JRE Saitama Urawa Building	130	78	15	9	10	0	22	20	0	51	72	1	70
MM Park Building	1,257	667	143	196	87	1	68	169	1	589	758	155	603
Queen's Tower A	1,015	752	210	114	122	2	26	268	6	263	531	190	341
Musashi Kosugi STM Building	169	71	21	4	14	0	1	29	0	97	127	1	126
8·3 Square Kita Building	379	161	34	53	25	0	9	38	0	217	256	14	242
Jozenji Park Building	66	42	11	8	7	0	2	12	-	24	36	-	36
JRE Higashi Nibancho Square	641	265	72	71	47	0	10	63	-	375	439	1	438
JRE Sendai Honcho Honma Building	153	72	17	16	18	0	1	18	-	80	99	-	99
AER	710	380	99	69	71	0	14	125	0	329	455	67	387
Daido Seimei Niigata Building	73	56	12	6	5	0	2	28	-	16	44	7	37
Kanazawa Park Building	514	565	101	51	70	0	249	92	-	(50)	41	24	17
JRE Kanazawa Kamitsutsumicho Building	142	92	18	17	10	0	2	42	-	49	91	1	90
Nishiki Park Building	295	182	54	26	27	0	8	58	6	112	171	7	163
JRE Nagoya Hirokoji Place	435	233	39	49	41	0	49	52	-	201	254	274	(19)
Nagoya Hirokoji Building	620	549	91	58	77	0	170	149	-	71	220	81	139
JRE Shijo Karasuma Center Building	250	115	31	16	12	0	9	46	0	135	181	12	169
GRAND FRONT OSAKA (North Building)*3	*3	*3	*3	*3	*3	*3	*3	*3	*3	111	169	40	129
GRAND FRONT OSAKA (Umekita Plaza and South Building)*3	*3	*3	*3	*3	*3	*3	*3	*3	*3	99	153	23	129
JRE Umeda Square Building	499	244	53	36	60	0	3	89	-	255	345	-	345
JRE Dojima Tower *4	393	267	49	48	39	0	2	126	-	126	253	7	245
JRE Sakaisujihonmachi Building	244	147	43	30	38	0	6	28	0	97	125	10	115
JRE Sakaisujihonmachi Square	376	231	24	34	26	0	11	134	-	145	279	-	279
JRE Midosuji Daiwa Building	575	313	64	55	88	0	20	83	0	261	344	60	284

(Millions of Yen)

Name of property	Revenues / Expenses (April 1, 2024 – September 30, 2024)												
	Property-related revenues	Property-related expenses							Property-related profits ②	NOI ③(①+②)	Capital expenditures ④*1	NCF ③-④	
		Property management expenses	Utilities expenses	Property and other taxes	Casualty insurance	Repairing expenses	Depreciation ①	Other expenses					
JRE Amagasaki Front Building	426	211	65	34	27	0	13	70	0	215	285	81	204
Lit City Building	269	128	34	26	17	1	17	31	-	141	173	-	173
NHK Hiroshima Broadcasting Center Building	267	223	52	32	24	0	9	76	26	44	120	20	100
JRE Tenjin 3Chome Building	99	51	15	7	8	0	6	13	0	48	61	18	42
JRE Tenjin Crystal Building	161	149	23	17	21	0	21	66	0	11	77	28	49
Hinode Tenjin Building	202	78	22	18	18	0	-	19	0	124	143	-	143
Total	35,881	19,382	4,058	3,218	3,826	46	1,766	6,142	325	16,498	22,640	3,276	19,363

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

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

*3. Disclosure of the property-related revenues and expenses (including breakdown) for Grand Front Osaka (North Building) and Grand Front Osaka (Umekita Plaza and South Building) has been withheld at the request of the joint owners of the relevant real estates.

*4. The Company disposed of a 51% interest in JRE Dojima Tower on April 1, 2024.

c. Condition of Other Assets

(i) Shares/Investment Securities

(Thousands of Yen)

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

* Appraisal values for relevant non-listed stock are defined as acquisition prices.

(ii) Securities Other Than Shares/Investment Securities

(Thousands of Yen)

Type	Name	Total face value	Book value	Accrued interest income	Prepayment of accrued interest	Appraisal value	Valuation gain/loss	Notes
Right to claim a refund of funds	Knowledge Capital Association	–	4,900	–	–	4,900	–	*1
Investment in capital	The Asahi Shinkin Bank *2	–	10	–	–	10	–	*1
Total		–	4,910	–	–	4,910	–	–

*1. Appraisal values for the right to claim a refund of funds and investment in capital are defined as book values.

*2. Investment in capital of The Asahi Shinkin Bank is presented in this row for purposes of convenience.

(iii) Other Specified Assets

(Thousands of Yen)

Specified asset type	Quantity	Book value		Appraisal value		Valuation gain/loss	Notes
		Unit price	Amount	Unit price	Amount		
Monetary claim	1	1,040,000	1,040,000	1,040,000	1,040,000	–	–
Right to claim a refund of funds	1	–	490	–	490	–	*
Total	–	–	1,040,490	–	1,040,490	–	–

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

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

d. Capital Expenditures

(i) Schedule for Capital Expenditures

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

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

Name of property (Location)	Purpose	Scheduled period	Estimated cost (¥ million)		
			Total amount	Payment amount for the fiscal under review period	Total amount already paid
Osaki Front Tower (Shinagawa-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2024 To March 2025	509	–	–
JRE Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Sanitary facility renewal construction	From May 2024 To March 2025	362	–	–
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Elevator renewal construction	From August 2023 To March 2025	294	–	–
JRE Nagoya Hirokoji Place (Nagoya, Aichi Prefecture)	Upgrade of air conditioning facilities	From September 2024 To March 2025	293	–	–
JRE Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2024 To April 2025	262	–	–
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioning facilities	From June 2023 To November 2024	88	–	–
JRE Sendai Honcho Honma Building (Sendai, Miyagi Prefecture)	Elevator renewal construction	From July 2024 To March 2025	66	–	–
JRE Tenjin Crystal Building (Fukuoka, Fukuoka Prefecture)	Elevator renewal construction	From April 2025 To September 2025	61	–	–
JRE Kayabacho 2Chome Building (Chuo-ku, Tokyo)	Construction work	From October 2024 To March 2025	49	–	–
JRE Tenjin 3Chome Building (Fukuoka, Fukuoka Prefecture)	Elevator renewal construction	From August 2024 To March 2025	40	–	–
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Construction work	From June 2023 To March 2025	39	–	–
Jozenji Park Building (Sendai, Miyagi Prefecture)	Upgrade of air conditioning facilities	From June 2024 To February 2025	11	–	–

(ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled ¥3,276 million and repair, maintenance and renovation expenses classified as expenses in the period under review totaled ¥1,766 million, for a total of ¥5,043 million worth of construction that has been carried out.

The major item in the capital expenditure was the upgrade of air conditioning facilities of Osaki Front Tower.

Name of property (Location)	Purpose	Period	Expenditures for construction (¥ million)
Osaki Front Tower (Shinagawa-ku, Tokyo)	Upgrade of air conditioning facilities	From April 2024 To September 2024	525
JRE Nagoya Hirokoji Place (Nagoya, Aichi Prefecture)	Upgrade of air conditioning facilities	From June 2023 To May 2024	242
Other real estate			2,509
Total			3,276

(iii) Money Saved for Long-term Repair Plans

“Not applicable”

e. Expenses and Liabilities

(i) Details on Operation-related Expenses

Item	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2024 to September 30, 2024
(a) Asset management fees *1	¥2,068,919 thousand	¥2,108,699 thousand
(breakdown) NOI-linked fee	¥905,185 thousand	¥905,621 thousand
Distribution-linked fee I *2	¥355,913 thousand	¥365,508 thousand
Distribution-linked fee II *2	¥807,820 thousand	¥837,569 thousand
(b) Asset custody fees	¥47,581 thousand	¥48,751 thousand
(c) Administrative service fees	¥139,800 thousand	¥141,937 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission expenses	¥108,640 thousand	¥116,704 thousand
(f) Other operating expenses	¥118,686 thousand	¥134,296 thousand
Total	¥2,491,428 thousand	¥2,558,189 thousand

*1 In addition to the asset management fees listed above, in the case that a property is acquired, an “acquisition fee” is included in the acquisition cost of the property and paid to the asset management company. In the case that a property is sold, a “disposition fee” is included in the loss on sale and paid to the asset management company. These fees are calculated by multiplying the buying/selling price of the property by a fee rate. In the period ended March 31, 2024, the acquisition fee amounted to ¥215,230 thousand, and the disposition fee amounted to ¥78,498 thousand, and in the period ended September 30, 2024, the disposition fee amounted to ¥76,377 thousand.

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

(ii) Borrowings

The condition of loans by financial institutions as of September 30, 2024 is as follows.

	Classification	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Lender								
Short-term borrowings	Sumitomo Mitsui Trust Bank, Limited	April 20, 2023	2,000,000	—	0.180	April 22, 2024	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd. *3	February 19, 2024	11,000,000	—	0.14091	May 20, 2024			
	Mizuho Bank, Ltd.	July 10, 2023	2,000,000	—	0.21985	July 10, 2024			
	MUFG Bank, Ltd. *4	May 20, 2024	—	—	0.31727	August 19, 2024			
	Mizuho Bank, Ltd.	October 31, 2023	1,500,000	—	0.230	October 31, 2024 *5			
	MUFG Bank, Ltd. *6	August 19, 2024	—	11,000,000	0.48727	November 18, 2024			
	MUFG Bank, Ltd.	December 1, 2023	2,000,000	1,000,000 *7	0.26087	November 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2024	—	5,000,000	0.27553	November 29, 2024			
	MUFG Bank, Ltd.	February 14, 2024	10,000,000	10,000,000	0.26385	February 14, 2025			
	Mizuho Bank, Ltd.	February 14, 2024	10,000,000	—	0.140	February 14, 2025 *8			
	MUFG Bank, Ltd.	March 8, 2024	11,500,000	8,500,000 *9	0.26961	March 10, 2025			
	Mizuho Bank, Ltd.	March 8, 2024	6,500,000	—	0.24442	March 10, 2025 *10			
	Sumitomo Mitsui Trust Bank, Limited	September 26, 2024	—	5,500,000	0.3918	March 26, 2025			
	Sumitomo Mitsui Trust Bank, Limited	April 22, 2024	—	2,000,000	0.27334	April 21, 2025			
	Mizuho Bank, Ltd.	July 10, 2024	—	2,000,000	0.32177	July 10, 2025			
	The Norinchukin Bank	September 2, 2024	—	5,000,000	0.5072	September 2, 2025			
Subtotal		56,500,000	50,000,000						
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	May 29, 2019	5,000,000	—	0.075	May 29, 2024	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Iyo Bank, Ltd.	June 15, 2017	2,500,000	—	0.275	June 17, 2024			
	The Hachijuni Bank, Ltd.	June 15, 2017	1,000,000	—	0.275	June 17, 2024			
	MUFG Bank, Ltd.	September 1, 2015	3,500,000	—	0.630	September 2, 2024			
	Sumitomo Mitsui Trust Bank, Limited	September 2, 2015	3,800,000	—	0.536	September 2, 2024			
	The Norinchukin Bank	September 1, 2017	5,000,000	—	0.240	September 2, 2024			
	Sumitomo Mitsui Trust Bank, Limited	September 26, 2019	5,500,000	—	0.105	September 26, 2024			
	Taiyo Life Insurance Company	October 1, 2014	2,000,000	2,000,000	0.7825	October 1, 2024 *11			
	Mizuho Bank, Ltd.	October 1, 2015	2,500,000	2,500,000	0.5575	October 1, 2024 *11			

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
MUFG Bank, Ltd.	June 1, 2018	10,000,000	10,000,000	0.2544	December 2, 2024 *11				
Shinkin Central Bank	January 7, 2020	2,000,000	2,000,000	0.2075	January 7, 2025 *11				
The Ashikaga Bank, Ltd.	January 9, 2018	1,000,000	1,000,000	0.285	January 9, 2025 *11				
Mizuho Trust & Banking Co., Ltd.	March 2, 2015	3,000,000	3,000,000	0.5585	March 3, 2025 *11				
MUFG Bank, Ltd.	March 26, 2018	2,000,000	2,000,000	0.2725	March 26, 2025 *11				
Development Bank of Japan Inc.	March 30, 2017	5,000,000	5,000,000	0.315	March 31, 2025 *11				
Taiyo Life Insurance Company	May 29, 2015	1,500,000	1,500,000	0.7375	May 29, 2025 *11				
Sumitomo Mitsui Trust Bank, Limited	June 15, 2020	7,000,000	7,000,000	0.2075	June 16, 2025 *11				
Sumitomo Mitsui Banking Corporation	July 20, 2021	5,000,000	5,000,000	0.15375	July 22, 2025 *11				
Sumitomo Mitsui Trust Bank, Limited	August 31, 2018	3,000,000	3,000,000	0.320	August 29, 2025 *11				
Development Bank of Japan Inc.	September 1, 2015	7,000,000	7,000,000	0.7175	September 1, 2025 *11				
Sumitomo Mitsui Trust Bank, Limited	September 23, 2020	5,000,000	5,000,000	0.1475	September 24, 2025 *11				
Mizuho Bank, Ltd.	December 26, 2016	5,000,000	5,000,000	0.3625	December 26, 2025				
Sumitomo Mitsui Trust Bank, Limited	January 29, 2021	2,000,000	2,000,000	0.1625	January 29, 2026				
MUFG Bank, Ltd.	February 26, 2018	6,500,000	6,500,000	0.3413	February 26, 2026				
Mizuho Bank, Ltd.	March 27, 2018	5,500,000	5,500,000	0.300	March 27, 2026				
Shinkin Central Bank	March 30, 2017	5,000,000	5,000,000	0.360	March 30, 2026				
Sumitomo Mitsui Trust Bank, Limited	June 28, 2021	3,700,000	3,700,000	0.17875	June 29, 2026				
The Norinchukin Bank	January 23, 2019	4,000,000	4,000,000	0.1988	July 23, 2026				
Shinkin Central Bank	September 1, 2017	5,000,000	5,000,000	0.3188	September 1, 2026				
MUFG Bank, Ltd.	October 31, 2016	3,000,000	3,000,000	0.240	October 30, 2026				
Mizuho Bank, Ltd.	December 21, 2016	5,000,000	5,000,000	0.415	December 21, 2026				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Shinkin Central Bank	January 23, 2019	5,000,000	5,000,000	0.2213	January 25, 2027	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Sumitomo Mitsui Banking Corporation *13	March 30, 2023	3,000,000	3,000,000	0.2375	March 30, 2027			
	Shinkin Central Bank	April 24, 2018	6,000,000	6,000,000	0.3675	April 26, 2027			
	The Norinchukin Bank	July 3, 2020	2,000,000	2,000,000	0.24375	July 5, 2027			
	The Joyo Bank, Ltd.	January 9, 2018	1,000,000	1,000,000	0.4188	January 11, 2028			
	Sumitomo Mitsui Banking Corporation	January 19, 2018	3,000,000	3,000,000	0.4338	January 19, 2028			
	The Bank of Fukuoka, Ltd.	January 29, 2021	2,500,000	2,500,000	0.21875	January 31, 2028			
	Mizuho Bank, Ltd.	March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	MUFG Bank, Ltd.	March 30, 2018	4,000,000	4,000,000	0.3963	March 30, 2028			
	Taiyo Life Insurance Company	March 30, 2018	1,000,000	1,000,000	0.3963	March 30, 2028			
	The Bank of Fukuoka, Ltd.	August 31, 2021	1,500,000	1,500,000	0.20625	August 31, 2028			
	MUFG Bank, Ltd.	September 29, 2023	1,000,000	1,000,000	0.5625	September 29, 2028			
	Mizuho Bank, Ltd.	November 15, 2019	8,500,000	8,500,000	0.34875	November 15, 2028			
	MUFG Bank, Ltd. *13	November 30, 2023	10,000,000	10,000,000	0.600	November 30, 2028			
	The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.27875	December 18, 2028			
	Shinkin Central Bank	January 15, 2020	5,000,000	5,000,000	0.325	January 15, 2029			
	Mizuho Bank, Ltd.	November 1, 2019	6,000,000	6,000,000	0.35125	November 1, 2029			
	MUFG Bank, Ltd. *13	December 19, 2023	10,000,000	10,000,000	0.70125	December 19, 2029			
	MUFG Bank, Ltd.	January 15, 2020	5,500,000	5,500,000	0.3625	January 15, 2030			
	MUFG Bank, Ltd. *13	March 26, 2024	5,000,000	5,000,000	0.64125	March 26, 2030			
	MUFG Bank, Ltd.	April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030			
	Mizuho Bank, Ltd.	April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030			
	MUFG Bank, Ltd.	June 15, 2020	4,000,000	4,000,000	0.36125	June 14, 2030			

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
MUFG Bank, Ltd.	September 29, 2023	1,000,000	1,000,000	0.755	September 30, 2030				
MUFG Bank, Ltd.	October 20, 2020	5,000,000	5,000,000	0.2925	October 18, 2030				
North Pacific Bank, Ltd. *13	November 30, 2023	2,000,000	2,000,000	0.32061 *12	November 29, 2030				
MUFG Bank, Ltd.	December 21, 2020	10,000,000	10,000,000	0.2825	December 20, 2030				
The Gunma Bank, Ltd. *13	January 31, 2024	1,000,000	1,000,000	0.76125	January 31, 2031				
The Keiyo Bank, Ltd. *13	January 31, 2024	1,000,000	1,000,000	0.76125	January 31, 2031				
The Iyo Bank, Ltd.	March 24, 2021	2,000,000	2,000,000	0.37497 *12	March 24, 2031				
The Yamanashi Chuo Bank, Ltd.	March 26, 2019	2,000,000	2,000,000	0.3688	March 26, 2031				
MUFG Bank, Ltd.	April 5, 2021	5,000,000	5,000,000	0.41875	April 4, 2031				
MUFG Bank, Ltd.	April 26, 2021	5,000,000	5,000,000	0.35625	April 25, 2031				
Mizuho Bank, Ltd.	June 15, 2021	4,000,000	4,000,000	0.28875	June 16, 2031				
The Norinchukin Bank *13	January 29, 2021	5,000,000	5,000,000	0.34625	July 31, 2031				
The Gunma Bank, Ltd. *13	September 30, 2024	—	1,000,000	0.50727 *12	September 30, 2031				
The Chugoku Bank, Limited	October 1, 2021	1,000,000	1,000,000	0.345	October 1, 2031				
The Norinchukin Bank *13	November 15, 2021	5,000,000	5,000,000	0.395	November 17, 2031				
Shinkin Central Bank	November 15, 2021	5,000,000	5,000,000	0.405	November 17, 2031				
Daishi Hokuetsu Bank, Ltd.	November 15, 2021	3,200,000	3,200,000	0.395	November 17, 2031				
The Chugoku Bank, Limited	November 15, 2021	1,000,000	1,000,000	0.405	November 17, 2031				
The 77 Bank, Ltd.	November 15, 2021	1,000,000	1,000,000	0.395	November 17, 2031				
The Hachijuni Bank, Ltd.	November 15, 2021	1,000,000	1,000,000	0.37664 *12	November 17, 2031				
The Chugoku Bank, Limited *13	November 30, 2023	2,000,000	2,000,000	0.925	November 28, 2031				
The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.37375	December 17, 2031				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
Mizuho Bank, Ltd.	January 17, 2022	5,000,000	5,000,000	0.4475	January 19, 2032				
The Norinchukin Bank *13	January 29, 2021	5,000,000	5,000,000	0.3675	January 30, 2032				
The Norinchukin Bank	January 31, 2022	3,500,000	3,500,000	0.4725	January 30, 2032				
The Shiga Bank, Ltd.	February 21, 2022	3,000,000	3,000,000	0.440	February 24, 2032				
The Chugoku Bank, Limited	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032				
The Gunma Bank, Ltd.	February 21, 2022	1,000,000	1,000,000	0.440	February 24, 2032				
The Chugoku Bank, Limited *13	March 8, 2024	3,000,000	3,000,000	0.82375	March 8, 2032				
The Chugoku Bank, Limited	June 15, 2022	1,000,000	1,000,000	0.57375	June 15, 2032				
The 77 Bank, Ltd.	June 15, 2022	1,000,000	1,000,000	0.57375	June 15, 2032				
The Norinchukin Bank *13	June 17, 2022	3,000,000	3,000,000	0.60625	June 17, 2032				
The Shinkumi Federation Bank	August 10, 2022	3,000,000	3,000,000	0.37875	August 10, 2032				
The Toho Bank, Ltd.		1,000,000	1,000,000						
The Keiyo Bank, Ltd.		1,000,000	1,000,000						
The Tochigi Bank, Ltd.		500,000	500,000						
Daishi Hokuetsu Bank, Ltd.	August 10, 2022	2,000,000	2,000,000	0.39875	August 10, 2032				
The Chugoku Bank, Limited	August 10, 2022	1,000,000	1,000,000	0.39875	August 10, 2032				
MUFG Bank, Ltd.	September 9, 2022	2,000,000	2,000,000	0.555	September 9, 2032				
The Nishi-Nippon City Bank, Ltd.	September 12, 2022	1,000,000	1,000,000	0.5475	September 13, 2032				
The Tochigi Bank, Ltd.	December 12, 2022	1,000,000	1,000,000	0.68875	December 13, 2032				
The Hachijuni Bank, Ltd.	December 20, 2022	1,000,000	1,000,000	0.7225	December 20, 2032				
Development Bank of Japan Inc.	January 6, 2023	3,000,000	3,000,000	1.0262	January 6, 2033				
Daishi Hokuetsu Bank, Ltd.	January 10, 2023	1,500,000	1,500,000	0.9725	January 11, 2033				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
The Iyo Bank, Ltd.	January 16, 2023	1,000,000	1,000,000	0.36669 *12	January 17, 2033				
The Hachijuni Bank, Ltd.	January 16, 2023	1,000,000	1,000,000	1.00625	January 17, 2033				
The Asahi Shinkin Bank	January 17, 2023	3,000,000	3,000,000	1.125	January 17, 2033				
Development Bank of Japan Inc.	January 31, 2023	5,000,000	5,000,000	0.9887	January 31, 2033				
SBI Shinsei Bank, Limited *13	March 15, 2023	2,500,000	2,500,000	0.80875	March 15, 2033				
The Chugoku Bank, Limited	March 27, 2023	2,000,000	2,000,000	0.68375	March 25, 2033				
The Norinchukin Bank *13	March 27, 2023	3,500,000	3,500,000	0.72375	March 28, 2033				
Sumitomo Mitsui Banking Corporation *13	March 30, 2023	3,000,000	3,000,000	0.7087	March 30, 2033				
Sumitomo Mitsui Banking Corporation	April 7, 2023	5,000,000	5,000,000	0.750	April 7, 2033				
The Kiyo Bank, Ltd.	May 8, 2023	1,000,000	1,000,000	0.66625	May 9, 2033				
Saitama Resona Bank, Limited	June 7, 2023	2,000,000	2,000,000	0.700	June 7, 2033				
The Bank of Fukuoka, Ltd.	June 15, 2023	4,500,000	4,500,000	0.34833 *12	June 15, 2033				
The Chugoku Bank, Limited	June 15, 2023	3,000,000	3,000,000	0.68125	June 15, 2033				
Mizuho Bank, Ltd.	June 29, 2023	3,000,000	3,000,000	0.35486 *12	June 29, 2033				
The Gunma Bank, Ltd.	July 3, 2023	1,000,000	1,000,000	0.38138 *12	July 4, 2033				
The Asahi Shinkin Bank	October 31, 2023	1,000,000	1,000,000	1.18125	October 31, 2033				
Saitama Resona Bank, Limited *13	November 30, 2023	5,000,000	5,000,000	1.0775	November 30, 2033				
The Bank of Fukuoka, Ltd. *13	December 22, 2023	1,500,000	1,500,000	0.35639 *12	December 22, 2033				
Sumitomo Life Insurance Company	March 26, 2019	1,000,000	1,000,000	0.505	March 27, 2034				
The Hachijuni Bank, Ltd.	March 26, 2024	1,000,000	1,000,000	0.98125	March 27, 2034				
The Iyo Bank, Ltd.	June 17, 2024	—	2,500,000	0.40584 *12	June 19, 2034				
The Hachijuni Bank, Ltd.	June 17, 2024	—	1,000,000	1.10625	June 19, 2034				

	Classification	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	Lender								
Long-term borrowings	The Tochigi Bank, Ltd.	June 28, 2024	—	1,000,000	1.1025	June 28, 2034	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Saitama Resona Bank, Limited *13	August 30, 2024	—	5,000,000	1.0375	August 31, 2034			
	Sumitomo Life Insurance Company	December 16, 2019	2,000,000	2,000,000	0.490	December 18, 2034			
	Subtotal		390,700,000	374,900,000					
Total			447,200,000	424,900,000					

- *1. The average for floating interest rates is recorded as the weighted average during the period. The average is rounded off to the fifth decimal place. The weighted average for interest rates of loans for which floating interest rates were swapped to fixed rates in order to hedge the risk of interest rate fluctuations is calculated taking the effect of this swap into consideration.
- *2. The purposes of executing these loans are to purchase real properties or beneficiary right of real estate in trust, to repay existing loans, and to fund the redemption of investment corporation bonds.
- *3. As of February 19, 2024, MUFG Bank, Ltd. transferred its loan receivable of ¥10,200 million to Mitsubishi UFJ Trust and Banking Corporation.
- *4. As of May 20, 2024, MUFG Bank, Ltd. transferred its loan receivable of ¥9,400 million to Mitsubishi UFJ Trust and Banking Corporation.
- *5. The Company made a full repayment (¥1,500 million) before maturity on April 30, 2024.
- *6. As of August 19, 2024, MUFG Bank, Ltd. transferred its loan receivable of ¥8,400 million to Mitsubishi UFJ Trust and Banking Corporation.
- *7. The Company made a repayment (¥1,000 million) before maturity on September 30, 2024.
- *8. The Company made a full repayment (¥10,000 million) before maturity on April 1, 2024.
- *9. The Company made a repayment (¥3,000 million) before maturity on September 9, 2024.
- *10. The Company made repayments (¥2,000 million, ¥1,500 million, ¥1,000 million, and ¥2,000 million) before maturity on April 1, May 8, July 8, and September 9, 2024.
- *11. At the end of the September 2024 period, these loans are accounted for under current liabilities on the balance sheets as the current portion of long-term borrowings.
- *12. These are floating rate borrowings which are not swapped into fixed rates.
- *13. These loans are Sustainability Linked Loans (SLL) based on agreements that stipulate that an interest rate 0.01% lower than the original interest rate be applied for the corresponding periods where the target (sustainability performance target) at each confirmation point set in the loan agreement has been achieved.

(iii) Investment Corporation Bonds

Outstanding investment corporation bonds as of September 30, 2024 are as follows.

Securities	Date of issue	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Interest rate (%)	Repayment period	Repayment method	Use of proceeds	Notes
4th unsecured investment corporation bond	September 29, 2005	10,000,000	10,000,000	2.56	September 29, 2025	Bullet	*1	*2
10th unsecured investment corporation bond	March 30, 2017	10,000,000	10,000,000	0.3975	March 30, 2027	Bullet	*1	*2 *3
11th unsecured investment corporation bond	October 26, 2017	2,993,175	2,993,175	0.2788	October 26, 2027	Bullet	*1	*2 *3 *4
13th unsecured investment corporation bond	October 26, 2020	10,000,000	10,000,000	0.2	October 24, 2025	Bullet	*1	*2
Total		32,993,175	32,993,175					

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

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

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

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

(iv) New Unit Acquisition Rights

“Not applicable”

f. Examination of the Value of Specified Assets

(i) Real Estate, etc.

Acquisition or Disposition	Property name	Date of transaction	Acquisition/disposition cost *1 (¥ million)	Real estate appraisal value *3 (¥ million)	Appraising institution	Date of appraisal
Disposition	JRE Dojima Tower (51% quasi-co-ownership interest)	April 1, 2024	17,034	10,353	Daiwa Real Estate Appraisal Co., Ltd.	February 1, 2024

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

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

*3. The “real estate appraisal value” of JRE Dojima Tower (51% quasi-co-ownership interest) is the amount obtained by multiplying the real estate appraisal value of the entire property by the quasi-co-ownership interest (51%) of the real estate trust beneficiary rights to be disposed of.

(ii) Other assets

Value inspections on transactions by the Company that are deemed necessary under Article 201 of the ITA, are entrusted to Yoshihiro Tanaka CPA Office, excluding ones described in (i) Real Estate, etc. above. During the period from April 1, 2024 to September 30, 2024, there was no transaction that was subject to such inspections.

g. Transactions with Interested Parties (from April 1, 2024 to September 30, 2024)

(i) Transactions

Segment	Buying and selling amounts	
	Buying amounts	Selling amounts
Total amount	¥ – thousand	¥17,034,000 thousand
Breakdown of Transactions with Interested Parties		
Total	¥ – thousand (–%)	¥ – thousand (–%)

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

(ii) Amount of Commission Fees and Other Expenses

Segment	Total amount of commission fees and other expenses A	Breakdown of transactions with interested parties		Percentage of total amount B/A
		Payment recipient	Amount paid B	
Property management expenses	¥4,059,921 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥2,737,048 thousand	67.4%
		Mitsubishi Estate Co., Ltd.	¥35,510 thousand	0.9%
		Mitsubishi Real Estate Services Co., Ltd.	¥41,586 thousand	1.0%
		Mitsubishi Estate Parks Co., Ltd.	¥1,087 thousand	0.0%
Utilities expenses	¥3,218,312 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥102,818 thousand	3.2%
Other operating expenses	¥223,645 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥26,413 thousand	11.8%
		Mitsubishi Estate Co., Ltd.	¥366 thousand	0.2%
		Mitsubishi Real Estate Services Co., Ltd.	¥36 thousand	0.0%
		Mitsubishi Jisho Design Inc.	¥891 thousand	0.4%

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

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

Mitsubishi Jisho Property Management Co., Ltd.	¥1,298,447 thousand
Mitsubishi Estate Co., Ltd.	¥11,779 thousand
Mitsubishi Jisho Design Inc.	¥318 thousand
Mitsubishi Real Estate Services Co., Ltd.	¥33,882 thousand
Izumi Parktown Service Ltd.	¥154 thousand

h. Other Announcements

Board of Directors

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

Date of acceptance	Accepted item	Overview
May 15, 2024	Consignment of a general administrative work concerning the issuance of investment corporation bonds	In connection with the comprehensive resolution adopted on the same date on the issuance of investment corporation bonds, the approval was given to the candidate agents to whom an administrative work for the said bonds was consigned. Other items necessary for its operation are entrusted to the executive directors to decide.

Selected Financial Data

	Millions of yen				
	For the period from April 1, 2024 to September 30, 2024	For the period from October 1, 2023 to March 31, 2024	For the period from April 1, 2023 to September 30, 2023	For the period from October 1, 2022 to March 31, 2023	For the period from April 1, 2022 to September 30, 2022
Operating revenues	42,581	41,414	38,627	37,345	37,654
Operating expenses	21,940	21,096	20,579	20,304	19,612
Operating profit	20,640	20,317	18,048	17,041	18,042
Ordinary profit	19,523	19,311	17,086	16,172	17,256
Profit before income taxes	19,523	19,311	17,086	16,172	17,256
Profit	18,840	18,636	17,075	16,161	16,790
Total assets	1,069,551	1,090,912	1,057,291	1,047,158	1,008,970
Interest-bearing debt	457,893	480,193	450,193	460,493	423,393
Net assets	541,423	539,965	538,402	517,993	517,761
Unitholders' capital	516,736	516,736	516,736	497,241	497,241
Number of units (Units)	1,422,864	1,422,864	1,422,864	1,385,210	1,385,210
Net assets per unit (Yen)	380,516	379,491	378,393	373,945	373,778
Cash distribution	17,570	17,381	17,074	16,161	15,929
Dividend payout ratio (Note 1)	93.3%	93.3%	100.0%	100.0%	94.9%
Dividend per unit (Yen)	12,349	12,216	12,000	11,667	11,500
Net operating income (NOI)	22,640	22,629	22,313	21,901	23,084
Funds from operations (FFO)	18,281	18,457	19,207	18,970	19,700
Return on assets (ROA) (Note 2)	1.8%	1.8%	1.6%	1.6%	1.7%
	(3.6% annualized)	(3.6% annualized)	(3.2% annualized)	(3.2% annualized)	(3.4% annualized)
Return on equity (ROE) (Note 3)	3.5%	3.5%	3.2%	3.1%	3.2%
	(6.9% annualized)	(6.9% annualized)	(6.3% annualized)	(6.3% annualized)	(6.5% annualized)
EOP equity ratio (Note 4)	50.6%	49.5%	50.9%	49.5%	51.3%
EOP interest-bearing debt ratio on total assets (Note 5)	42.8%	44.0%	42.6%	44.0%	42.0%
FFO multiple (Times)	22.3	20.8	21.7	19.2	21.0
Debt service coverage ratio (Times) (Note 6)	24.5	27.4	27.1	28.2	29.2

- Notes: 1. Dividend payout ratio = Dividend per unit / Profit per unit × 100
For the September 2023 period, calculations were made using the following formula, as new investment units were issued.
Dividend payout ratio = Cash distribution / Profit × 100
2. ROA = Ordinary profit / Average of Total assets during the period × 100
3. ROE = Profit / Average of Net assets during the period × 100
The number of days for the asset management period is taken into consideration for net assets, as new investment units were issued in the September 2023 period.
(Annualized portion of the calculation given in Note 2 and Note 3 assumes a fiscal period of 183 days for the period ended September 30, 2022, 182 days for the period ended March 31, 2023, 183 days for the period ended September 30, 2023, 183 days for the period ended March 31, 2024 and 183 days for the period ended September 30, 2024.)
4. EOP equity ratio = (Net assets at the end of period / Total assets at the end of period) × 100
5. EOP interest-bearing debt ratio on total assets = (Interest-bearing debt at the end of period / Total assets at the end of period) × 100
6. Debt service coverage ratio = Profit before Interest, Taxes, Depreciation and Amortization / Interest expenses