

## FINANCIAL RESULTS FOR THE FISCAL PERIOD ENDED MARCH 2024 (REIT)

May 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/>  
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 Asset Management Company: Japan Real Estate Asset Management Co., Ltd.  
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Scheduled Date of Filing Securities Report: June 25, 2024  
 Scheduled Date of Dividend Payment: June 14, 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 March 2024 period (October 1, 2023 to March 31, 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	%
March 31, 2024	41,414	7.2	20,317	12.6	19,311	13.0	18,636	9.1
September 30, 2023	38,627	3.4	18,048	5.9	17,086	5.7	17,075	5.7

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	%	%	%
March 31, 2024	13,098	3.5	1.8	46.6
September 30, 2023	12,013	3.2	1.6	44.2

Notes 1: Profit per unit is calculated by dividing profit by the average number of investment units during the period.

2: For profit to unitholders' equity ratio, the mean value of unitholders' equity at the beginning and end of the period is used for the fiscal period ended March 2024. For the fiscal period ended September 2023, mean value is used for unitholders' equity taking into account the number of days, as new investment units were issued in the fiscal period ended September 2023.

#### (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	%	%
March 31, 2024	12,216	17,381	—	—	93.3	3.2
September 30, 2023	12,000	17,074	—	—	100.0	3.2

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

2: The payout ratio in the fiscal period ended September 2023 is calculated using the following formula, as new investment units were issued: Payout ratio = Total dividends / Profit × 100.

#### (3) Financial Standing

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	1,090,912	539,965	49.5	379,491
September 30, 2023	1,057,291	538,402	50.9	378,393

Reference: Total unitholders' equity is 539,965 million yen for the March 31, 2024 period and 538,402 million yen for the September 30, 2023 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
March 31, 2024	35,728	(45,387)	12,924	39,385
September 30, 2023	33,694	(22,077)	(7,003)	36,120

## 2. Performance Forecasts for the September 2024 period (April 1, 2024 to September 30, 2024) and the March 2025 period (October 1, 2024 to March 31, 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
September 30, 2024	42,410	2.4	20,320	0.0	19,130	(0.9)	18,460	(0.9)	12,100	—
March 31, 2025	42,600	0.4	20,450	0.7	19,140	0.0	18,470	0.0	12,100	—

Reference: Profit per unit forecast = Profit forecast / Number of total investment units forecast for the end of the period  
(the September 2024 period): 12,970 yen; (the March 2025 period): 12,980 yen.

## \*Other

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

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

## (2) Number of Units Outstanding

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

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

As of September 30, 2023 1,422,864 units

## Number of Treasury Units at End of Period

As of March 31, 2024 0 units

As of September 30, 2023 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 September 2024 Period (April 1, 2024 to September 30, 2024) and the March 2025 Period (October 1, 2024 to March 31, 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 1,162.4 billion yen (Note) as of March 31, 2024. Over the same period, the Company’s portfolio has also increased from 20 properties to 77 properties. During the March 2024 period (October 1, 2023 to March 31, 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, with the changes in the Bank of Japan’s monetary policy, including the end of negative interest rate policy and the abolishment of the yield curve control policy, the effects of fluctuations in financial and capital markets, overseas economic developments, and price trends, including resource prices, will bear watching.

In the office leasing market, despite a significant supply of new office buildings, 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. Rent levels are showing signs of rising. 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, the appetite for property acquisition among both domestic and foreign investors remains firm because of the interest rate differential with overseas markets and depreciation in the yen. 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 fiscal period under review was 12,216 yen, up 216 yen from the previous fiscal 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 in the fiscal period under review, the occupancy rate at the end of the period was 96.6%, up 1.6% from the end of the previous fiscal period. This was mainly due to the completed disposition of Harumi Front (Chuo-ku, Tokyo), a property that was terminated by a major tenant of the building and filling vacancies.

As for property acquisitions and dispositions, the Company acquired an additional 4.22% business ownership percentage in Seavans S Building (Minato-ku, Tokyo) for 2,290 million yen on December 1, 2023, which meant its business ownership percentage in the property increased from 13.45% to 17.67%. Also, the Company acquired the trust beneficiary right for an additional 22% co-ownership interest in Toyosu Foresia (Koto-ku, Tokyo) for 19,756 million yen on February 14, 2024, which meant its co-ownership interest in the property increased from 9% to 31%. In addition, the Company acquired a 77.76% ownership ratio of the building of 3rd MINAMI AOYAMA (Minato-ku, Tokyo) for 21,000 million yen on March 8, 2024.

Meanwhile, the Company disposed of a 45% quasi-co-ownership interest of the trust beneficiary right in Harumi Front (Chuo-ku, Tokyo) for 17,599 million yen on January 12, 2024. The property was disposed of in stages over three fiscal periods. A 25% quasi-co-ownership interest was disposed of for 9,777 million yen on December 1, 2022, and a 30% quasi-co-ownership interest was disposed of for 11,733 million yen on April 3, 2023.

As a result of the above, the Company’s portfolio at the end of the fiscal period under review (March 31, 2024) consisted of 77 properties, with a total acquisition price of 1.16 trillion yen. Net rentable floor area stood at 897,885 m<sup>2</sup> with 1,622 tenants in total. (Note)

Also, 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 will be disposed of in stages over two fiscal periods, with the second and final portion of 49% to be disposed of on October 1, 2024 for 16,366 million yen.

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 fiscal period under review, short-term loans of 2,000 million yen and 20,000 million yen were borrowed to partially fund an additional interest in Seavans S Building and an additional interest in Toyosu Foresia, respectively. A short-term loan of 18,000 million yen and a long-term loan of 3,000 million yen were also borrowed to partially fund the acquisition of 3rd MINAMI AOYAMA. 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 March 31, 2024, the Company's total interest-bearing debt was 480,193 million yen, up 30,000 million yen from the end of the previous fiscal period. This amount consists of long-term loans totaling 390,700 million yen (including the current portion of long-term loans totaling 54,800 million yen), short-term loans totaling 56,500 million yen, and investment corporation bonds totaling 32,993 million yen. The current LTV ratio stands at 44.0%.

The Company's credit ratings as of March 31, 2024 were as follows:

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 fiscal period under review, the Company's operating revenues increased 7.2% compared with the previous fiscal period, to 41,414 million yen, while operating profit increased 12.6% to 20,317 million yen. After deducting expenses for interest payments on loans and other costs, ordinary profit increased 13.0% to 19,311 million yen, and profit increased 9.1% to 18,636 million yen.

As for dividends in the fiscal period under review, 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 17,381,706,624 yen for the fiscal period under review, which is a multiple of 1,422,864, the number of units outstanding as of March 31, 2024. Accordingly, the dividend per investment unit came to 12,216 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 there is currently brisk demand for leases driven primarily by business expansion and relocations aimed at improving location, the impact of a massive supply of new office space in central Tokyo expected to hit the market in 2025 warrants caution. 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 September 2024 period (April 1, 2024 to September 30, 2024) are as follows: operating revenues of 42,410 million yen, operating profit of 20,320 million yen, ordinary profit of 19,130 million yen, profit of 18,460 million yen, and dividend per unit of 12,100 yen.

The Company's forecasts for the March 2025 period (October 1, 2024 to March 31, 2025) are as follows: operating revenues of 42,600 million yen, operating profit of 20,450 million yen, ordinary profit of 19,140 million yen, profit of 18,470 million yen, and dividend per unit of 12,100 yen.

For the assumptions underlying these forecasts, please see the table "Assumptions Underlying Performance Forecasts for the September 2024 Period (April 1, 2024 to September 30, 2024) and the March 2025 Period (October 1, 2024 to March 31, 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.

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

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>• The September 2024 period: April 1, 2024 to September 30, 2024 (183 days)</li> <li>• The March 2025 period: October 1, 2024 to March 31, 2025 (182 days)</li> </ul>
Number of properties held by the Company	<ul style="list-style-type: none"> <li>• In the September 2024 period, the number of properties is assumed to be 77, including the disposition of the 51% quasi-co-ownership interest in JRE Dojima Tower on April 1, 2024, in 77 properties as of March 31, 2024.</li> <li>• In the March 2025 period, the Company assumes 76 properties, including the scheduled disposition of the 49% quasi-co-ownership interest in JRE Dojima Tower on October 1, 2024.</li> <li>• The actual portfolio may differ from this assumption due to additional property acquisitions and dispositions.</li> </ul>
Number of units outstanding	<ul style="list-style-type: none"> <li>• The Company assumes the total number of investment units outstanding is to be 1,422,864 units as of March 31, 2024.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• An additional interest in Toyosu Foresia and 3rd MINAMI AOYAMA were acquired mainly through short-term loans, and a portion of the short-term loans were repaid with the proceeds from the JRE Dojima Tower 1st Transfer on April 1, 2024. In addition, the Company took out a short-term loan of 2.0 billion yen on April 22, 2024 to finance the repayment of an existing short-term loan worth 2.0 billion yen. Furthermore, a portion of existing short-term loans was repaid with cash on hand on April 30, 2024 and May 8, 2024. As a result, the balance of interest-bearing debt was 465,193 million yen as of May 15, 2024.</li> <li>• In the September 2024 period, the Company will refinance the long-term loans due for repayment during the period totaling 26.3 billion yen (repayment dates: May 29, 2024, June 17, 2024, September 2, 2024, and September 26, 2024) and the short-term loans due for repayment during the period totaling 13.0 billion yen (repayment dates: May 20, 2024 and July 10, 2024), as of May 15, 2024. There are no investment corporation bonds set to mature in the September 2024 period.</li> <li>• In the March 2025 period, the Company will refinance the long-term loans due for repayment during the period totaling 28.5 billion yen (repayment dates: October 1, 2024, November 18, 2024, December 2, 2024, January 7, 2025, January 9, 2025, March 3, 2025, March 26, 2025, and March 31, 2025), as of May 15, 2024. In addition, as for the short-term loans due for repayment during the period totaling 26.5 billion yen (repayment dates: November 29, 2024, February 14, 2025, and March 10, 2025), a portion of these short-term borrowings is planned to be repaid on October 1, 2024, with proceeds from the second transfer of JRE Dojima Tower. 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.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>• Revenues from portfolio properties held by the Company are calculated by taking into consideration the new leases and the tenancy terminations confirmed as of May 15, 2024, and by factoring in potential variables that reflect the recent office leasing market landscape, such as rent levels and occupancy rates.</li> </ul>

Item	Assumption
Operating expenses	<ul style="list-style-type: none"> <li>• 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"> <li>• An additional interest in Toyosu Foresia: 96 million yen</li> <li>• 3rd MINAMI AOYAMA: 143 million yen</li> </ul> </li> <li>• Property and other taxes will be 3,840 million yen in the September 2024 period and 3,790 million yen in the March 2025 period.</li> <li>• Depreciation will be 6,110 million yen in the September 2024 period and 6,010 million yen in the March 2025 period.</li> <li>• 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.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• Non-operating expenses, such as interest expenses on loans and investment corporation bonds, will be 1,190 million yen in the September 2024 period and 1,310 million yen in the March 2025 period.</li> </ul>
Dividend amounts	<ul style="list-style-type: none"> <li>• The gain on the split disposition of JRE Dojima Tower will be 6,670 million yen in the September 2024 period and 6,540 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 6,670 million yen in the September 2024 period and part of the disposition gain of 6,540 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.</li> <li>• 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.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Company assumes that no unexpected or significant changes will occur to the general market trends or real estate market conditions or other factors.</li> <li>• 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.</li> </ul>



## 2. Financial Statements

### (1) Balance Sheets

Thousands of yen

	As of September 30, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	29,088,626	32,066,286
Cash and deposits in trust	7,031,681	7,319,292
Operating accounts receivable	567,325	709,783
Prepaid expenses	184,771	121,607
Other	187,435	305,907
Total current assets	37,059,841	40,522,876
Non-current assets		
Property, plant and equipment		
Buildings	245,930,990	253,197,683
Accumulated depreciation	(117,217,758)	(120,857,358)
Buildings, net	128,713,232	132,340,324
Structures	2,976,927	3,107,891
Accumulated depreciation	(1,290,764)	(1,340,677)
Structures, net	1,686,162	1,767,214
Machinery and equipment	3,201,108	3,306,743
Accumulated depreciation	(2,508,248)	(2,538,869)
Machinery and equipment, net	692,859	767,874
Tools, furniture and fixtures	566,312	589,390
Accumulated depreciation	(386,398)	(402,437)
Tools, furniture and fixtures, net	179,913	186,953
Land	459,185,364	475,136,821
Construction in progress	42,408	80,007
Buildings in trust	134,776,201	133,201,653
Accumulated depreciation	(47,321,055)	(46,512,410)
Buildings in trust, net	87,455,146	86,689,242
Structures in trust	1,264,520	1,212,849
Accumulated depreciation	(564,535)	(577,380)
Structures in trust, net	699,984	635,469
Machinery and equipment in trust	989,457	954,081
Accumulated depreciation	(742,459)	(694,336)
Machinery and equipment in trust, net	246,998	259,745
Tools, furniture and fixtures in trust	87,247	95,314
Accumulated depreciation	(60,077)	(62,421)
Tools, furniture and fixtures in trust, net	27,170	32,892
Land in trust	330,962,591	338,947,236
Construction in progress in trust	3,807	6,701
Total property, plant and equipment	1,009,895,641	1,036,850,483
Intangible assets		
Land leasehold interests	5,532,575	8,702,204
Easement	826,648	826,648
Other	16,511	14,045
Total intangible assets	6,375,735	9,542,898

Thousands of yen

	As of September 30, 2023	As of March 31, 2024
<b>Investments and other assets</b>		
Investment securities	660,468	660,468
Leasehold and guarantee deposits	1,580,934	1,580,934
Long-term prepaid expenses	94,691	63,197
Other	1,584,386	1,659,598
Total investments and other assets	3,920,480	3,964,199
Total non-current assets	1,020,191,857	1,050,357,580
<b>Deferred assets</b>		
Investment corporation bond issuance costs	40,097	31,829
Total deferred assets	40,097	31,829
Total assets	1,057,291,795	1,090,912,287
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	3,232,399	4,582,184
Short-term borrowings	43,000,000	56,500,000
Current portion of investment corporation bonds	10,000,000	–
Current portion of long-term borrowings	42,300,000	54,800,000
Accounts payable - other	2,263,877	2,829,322
Accrued expenses	326,686	394,362
Income taxes payable	10,202	11,145
Accrued consumption taxes	1,144,312	277,362
Advances received	3,041,293	3,071,196
Other	230,742	50,552
Total current liabilities	105,549,514	122,516,127
<b>Non-current liabilities</b>		
Investment corporation bonds	32,993,175	32,993,175
Long-term borrowings	321,900,000	335,900,000
Deposits received from tenants	55,656,092	56,083,929
Deferred tax liabilities	2,407,132	3,070,981
Asset retirement obligations	378,113	381,922
Other	5,262	1,046
Total non-current liabilities	413,339,776	428,431,055
Total liabilities	518,889,290	550,947,182
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	516,736,574	516,736,574
<b>Surplus</b>		
Voluntary retained earnings		
Reserve for tax purpose reduction entry	4,553,749	4,553,749
Total voluntary retained earnings	4,553,749	4,553,749
Unappropriated retained earnings	17,112,180	18,674,780
Total surplus	21,665,930	23,228,529
Total unitholders' equity	538,402,505	539,965,104
Total net assets	538,402,505	539,965,104
Total liabilities and net assets	1,057,291,795	1,090,912,287

## (2) Statements of Income and Retained Earnings

	Thousands of yen	
	For the period from April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
Operating revenues		
Rent revenues	34,131,137	34,880,878
Other lease business revenues	365,999	70,700
Gain on sales of real estate properties	4,130,837	6,462,563
Total operating revenues	38,627,974	41,414,142
Operating expenses		
Expenses related to lease business	18,447,146	18,605,318
Asset management fees	1,745,491	2,068,919
Asset custody fees	47,229	47,581
Administrative service fees	139,135	139,800
Directors' compensations	7,800	7,800
Commission expenses	85,475	108,640
Other operating expenses	107,016	118,686
Total operating expenses	20,579,294	21,096,747
Operating profit	18,048,679	20,317,395
Non-operating income		
Interest income	158	176
Dividend income	7,036	-
Reversal of distributions payable	2,072	1,562
Interest on tax refund	2,944	-
Gain on receipt of donated non-current assets	3,657	965
Contribution received for construction	-	929
Total non-operating income	15,870	3,633
Non-operating expenses		
Interest expenses	722,153	805,740
Interest expenses on investment corporation bonds	172,848	164,867
Amortization of investment corporation bond issuance costs	12,427	8,267
Investment unit issuance expenses	37,823	-
Other	32,563	30,163
Total non-operating expenses	977,817	1,009,039
Ordinary profit	17,086,732	19,311,989
Profit before income taxes	17,086,732	19,311,989
Income taxes - current	11,664	11,172
Income taxes - deferred	(42)	663,849
Total income taxes	11,621	675,021
Profit	17,075,110	18,636,967
Retained earnings brought forward	37,070	37,812
Unappropriated retained earnings	17,112,180	18,674,780

## (3) Statements of Changes in Unitholders' Equity

For the period from April 1, 2023 to September 30, 2023

Thousands of yen

	Unitholders' equity						Total net assets
	Unitholders' capital	Surplus				Total unitholders' equity	
		Voluntary retained earnings		Unappropriated retained earnings	Total surplus		
		Reserve for tax purpose reduction entry	Total voluntary retained earnings				
Balance at beginning of the period	497,241,216	4,553,749	4,553,749	16,198,315	20,752,064	517,993,280	517,993,280
Changes during the period							
Issuance of new investment units	19,495,358					19,495,358	19,495,358
Dividends of surplus				(16,161,245)	(16,161,245)	(16,161,245)	(16,161,245)
Profit				17,075,110	17,075,110	17,075,110	17,075,110
Total changes during the period	19,495,358	–	–	913,865	913,865	20,409,224	20,409,224
Balance at end of the period	516,736,574	4,553,749	4,553,749	17,112,180	21,665,930	538,402,505	538,402,505

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

## (4) Statements of Cash Distributions

	For the period From April 1, 2023 to September 30, 2023	For the period From October 1, 2023 to March 31, 2024
	Amount (Yen)	Amount (Yen)
I Retained earnings	17,112,180,899	18,674,780,320
II Cash distribution	17,074,368,000	17,381,706,624
(Dividend per investment unit)	(12,000)	(12,216)
III Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	—	1,255,260,797
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 Special Taxation Measures Act. Based on this policy, the Company has decided that the total amount of dividends, which is set not to exceed the unappropriated retained earnings and also to secure retained earnings brought forward, is ¥17,074,368,000 for the period under review, which is a multiple of 1,422,864 — the number of units outstanding as of September 30, 2023. Furthermore, the Company does not pay out dividends that exceed earnings as outlined in Article 32-1(3) of the Company's Articles of Incorporation.</p>	<p>The Company will make cash distributions using earnings based on the cash distribution policy outlined in Article 32-1(2) of the Company's Articles of Incorporation, in an amount that exceeds 90% of the "amount of distributable profit" as set forth in Article 67-15 of the Special Taxation Measures Act. Based on this policy, the Company has decided that the total amount of dividends, under the application of Article 65-7 "Exceptions of the Taxation in case of the Replacement by Purchase of Specific Assets" of the Special Taxation Measures Act, making reduction entries, and securing retained earnings brought forward, is ¥17,381,706,624 for the period under review, 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>
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## (5) Statements of Cash Flows

	Thousands of yen	
	For the period from April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	17,086,732	19,311,989
Depreciation	6,263,576	6,283,578
Gain on receipt of donated non-current assets	(3,273)	(965)
Amortization of investment corporation bond issuance costs	12,427	8,267
Investment unit issuance expenses	37,823	-
Dividend income	(7,036)	-
Interest income	(158)	(176)
Interest expenses	895,002	970,608
Decrease (increase) in operating accounts receivable	(78,709)	(142,457)
Decrease (increase) in consumption taxes refund receivable	599,680	-
Decrease (increase) in supplies	-	(15)
Decrease (increase) in prepaid expenses	(37,776)	63,164
Decrease in property, plant and equipment in trust due to sale	7,472,036	10,994,041
Increase (decrease) in operating accounts payable	613,483	(98,456)
Increase (decrease) in accounts payable - other	66,944	468,231
Increase (decrease) in accrued consumption taxes	1,144,312	(866,949)
Increase (decrease) in accrued expenses	(131)	131
Increase (decrease) in advances received	139,886	29,903
Decrease (increase) in long-term prepaid expenses	25,714	31,493
Other, net	340,861	(410,870)
Subtotal	34,571,397	36,641,517
Interest and dividends received	7,195	176
Interest paid	(871,228)	(903,064)
Income taxes paid	(12,642)	(10,229)
Net cash provided by (used in) operating activities	33,694,722	35,728,400
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(19,472,546)	(21,897,475)
Purchase of property, plant and equipment in trust	(955,704)	(20,778,192)
Purchase of intangible assets	(390)	(3,171,410)
Refund of leasehold and guarantee deposits received	(3,725,174)	(1,105,286)
Proceeds from leasehold and guarantee deposits received	2,076,087	1,564,388
Net cash provided by (used in) investing activities	(22,077,728)	(45,387,975)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	72,500,000	72,000,000
Repayments of short-term borrowings	(81,800,000)	(58,500,000)
Proceeds from long-term borrowings	22,500,000	42,500,000
Repayments of long-term borrowings	(23,500,000)	(16,000,000)
Redemption of investment corporation bonds	-	(10,000,000)
Proceeds from issuance of investment units	19,495,358	-
Payments of investment unit issuance expenses	(37,823)	-
Distributions paid	(16,160,706)	(17,075,154)
Net cash provided by (used in) financing activities	(7,003,172)	12,924,845
Net increase (decrease) in cash and cash equivalents	4,613,821	3,265,269
Cash and cash equivalents at beginning of the period	31,506,487	36,120,308
Cash and cash equivalents at end of the period	36,120,308	39,385,578

- (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.

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

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

**Revenue recognition**

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

① Sales of real estate properties

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

② Utilities income

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

**Taxes on property and equipment**

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

**Cash and cash equivalents**

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

**Hedge accounting**

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

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



## (8) Notes to Financial Statements

**(Notes to Balance Sheets)**

## a. Commitment line agreement

The Company has signed commitment line agreements with three banks.

	Thousands of yen	
	As of September 30, 2023	As of March 31, 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 September 30, 2023	As of March 31, 2024
Reserve for tax purpose reduction entry	4,553,749	4,553,749
Deferred tax liability for the reserve for tax purpose reduction entry	2,408,105	3,071,910
Total	6,961,855	7,625,660

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 September 30, 2023	As of March 31, 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 April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
<b>Property-Related Revenues</b>	<b>34,497,137</b>	<b>34,951,578</b>
Rent revenues	34,131,137	34,880,878
Rental revenues	28,515,395	29,356,118
Common service charges	1,999,804	1,922,147
Parking revenues	707,003	730,237
Other rental revenues	2,908,933	2,872,374
Other lease business revenues	365,999	70,700
Cancellation charges	78,181	5,830
Other miscellaneous revenues	287,817	64,870
<b>Property-Related Expenses</b>	<b>18,447,146</b>	<b>18,605,318</b>
Expenses related to lease business	18,447,146	18,605,318
Property management expenses	3,939,312	3,945,907
Utilities expenses	3,282,000	2,843,105
Property and other taxes	3,640,240	3,622,228
Casualty insurance	44,165	44,570
Repairing expenses	1,064,059	1,665,381
Depreciation	6,263,434	6,283,377
Other rental expenses	213,933	200,748
<b>Property-Related Profits</b>	<b>16,049,990</b>	<b>16,346,259</b>

## b. Breakdown of gain on sales of real estate properties

For the period from April 1, 2023 to September 30, 2023

		Thousands of yen
<b>Harumi Front (30% quasi-co-ownership interest)</b>		
Revenue from sale of real estate property		11,733,000
Cost of real estate property sold		7,461,916
Other sales expenses		140,246
<b>Gain on sales of real estate properties</b>		<b>4,130,837</b>

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

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

**(Changes in Unitholders' Equity)**

Total number of investment units issuable and number of units outstanding	As of September 30, 2023	As of March 31, 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 September 30, 2023 and March 31, 2024:

	Thousands of yen	
	As of September 30, 2023	As of March 31, 2024
Cash and deposits	29,088,626	32,066,286
Cash and deposits in trust	7,031,681	7,319,292
Time deposits with maturities of more than three months	–	–
<b>Cash and cash equivalents</b>	<b>36,120,308</b>	<b>39,385,578</b>

**(Financial Instruments)****a. Status of financial instruments**

## (i) Policies for dealing financial instruments

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

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

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

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

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

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

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

The funding proceeds from borrowings and issues of investment corporation bonds are applied mainly to acquire real estate properties and repay outstanding loans and bonds. While floating-rate short-term and long-term loans are exposed to the risk of interest-rate hikes, such risk is mitigated by the Company's low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. The Company may also exercise hedging by means of derivative transactions (interest-rate swap transactions) in order to mitigate the risk of fluctuation concerning the floating-rate long-term loans, thereby effectively stabilizing the overall interest rates on the loans. Foreign currency 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 September 30, 2023 and March 31, 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 September 30, 2023 and March 31, 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 September 30, 2023		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds	10,000,000	9,999,200	(800)
(2) Current portion of long-term borrowings	42,300,000	42,348,471	48,471
(3) Investment corporation bonds	32,993,175	33,253,995	260,820
(4) Long-term borrowings	321,900,000	315,204,422	(6,695,577)
(5) Deposits received from tenants	55,656,092	53,648,467	(2,007,625)
(6) Derivative transactions	—	—	—

  

	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	—	—	—

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 and currency swap subject to integrated treatment or by an interest-rate swap subject to special accounting treatment are calculated by discounting the aggregated principal and interest on such loans using reasonable estimates of the rates that would be applicable if the Company were to refinance the existing loans for the remaining period to maturity under the prevailing market condition.) The fair values of long-term loans with fixed interest rates are calculated by discounting the aggregated amounts of the principal and the interest of the loans by the rates that are reasonably estimated to be applicable if the Company were to refinance the existing loans for the remaining period to maturity.

(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 September 30, 2023					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Investment corporation bonds	10,000,000	10,000,000	10,000,000	10,000,000	2,993,175	—
Long-term borrowings	42,300,000	57,000,000	36,700,000	24,000,000	18,000,000	186,200,000
<b>Total</b>	<b>52,300,000</b>	<b>67,000,000</b>	<b>46,700,000</b>	<b>34,000,000</b>	<b>20,993,175</b>	<b>186,200,000</b>

	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
<b>Total</b>	<b>54,800,000</b>	<b>72,500,000</b>	<b>38,700,000</b>	<b>26,493,175</b>	<b>27,000,000</b>	<b>204,200,000</b>

**(Derivative Transactions)**

## a. Derivatives not designated as hedging instruments

As of September 30, 2023

“Not applicable”

As of March 31, 2024

“Not applicable”

## b. Derivatives designated as hedging instruments

As of September 30, 2023

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	3,000,000	*1	—
Integrated Treatment (Special Treatment and Allocation Treatment) for interest-rate and currency swap	Receive floating USD, pay fixed JPY, interest-rate and currency swap transactions (with initial and final exchange)	Long-term borrowings	10,000,000	—	*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 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	—

- \*1. The derivative transactions eligible for Special Treatment for interest-rate swap and Integrated Treatment (Special Treatment for interest-rate swap and Allocation Treatment for currency swap) are accounted for as integral parts of the hedged loans, and the fair value of those derivative transactions is included in that of the underlying long-term borrowings as of September 30, 2023 and March 31, 2024. Please refer to page 19, Note 1 of the section entitled “b. Fair value of financial instruments” under “Financial Instruments,” as well as subheadings (2) and (4) 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 September 30, 2023 and March 31, 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 Special Taxation Measures Act, an investment corporation is allowed to deduct dividends of earnings or dividend distributions, paid to unitholders from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its profit available for dividends for the fiscal period as stipulated by Article 67-15 of the Special Taxation Measures Act. The significant components of deferred tax assets and liabilities as of September 30, 2023 and March 31, 2024 were as follows:

	Thousands of yen	
	As of September 30, 2023	As of March 31, 2024
<b>Deferred tax assets:</b>		
Accrued enterprise tax	973	928
Amortization of a term leasehold interest	138,715	144,190
Asset retirement obligations	130,789	132,107
	270,478	277,226
Valuation allowance	(168,048)	(174,842)
<b>Total deferred tax assets</b>	<b>102,429</b>	<b>102,384</b>
<b>Deferred tax liabilities:</b>		
Asset retirement obligations	101,455	101,455
Reserve for advanced depreciation of non-current assets	2,408,105	3,071,910
<b>Total deferred tax liabilities</b>	<b>2,509,561</b>	<b>3,173,366</b>
<b>Net deferred tax liabilities</b>	<b>2,407,132</b>	<b>3,070,981</b>

The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate as of September 30, 2023 and March 31, 2024 was as follows:

	As of September 30, 2023	As of March 31, 2024
Statutory tax rate	34.59%	34.59%
Deductible dividend distribution	(34.56%)	(31.13%)
Change in valuation allowance	0.04%	0.04%
Others	0.00%	0.00%
<b>Effective tax rate</b>	<b>0.07%</b>	<b>3.50%</b>

**(Asset Retirement Obligations)**

For the six months ended September 30, 2023 and March 31, 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 September 30, 2023 and March 31, 2024 consisted of the following:

	Thousands of yen	
	For the period from April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
Balance at the beginning of the period	374,341	378,113
Increase in tangible fixed assets	-	-
Accretion expense	3,771	3,809
<b>Balance at the end of the period</b>	<b>378,113</b>	<b>381,922</b>

**(Investment and Rental Property)**

For the six months ended September 30, 2023 and March 31, 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 September 30, 2023 and March 31, 2024 and the fair values as of September 30, 2023 and March 31, 2024 are as follows:

Thousands of yen			
Book value		Fair value	
As of March 31, 2023	Change during the period	As of September 30, 2023	As of September 30, 2023
1,010,084,757	6,185,328	1,016,270,085	1,341,209,500

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

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

2. As for the change during the period ended March 31, 2024, the major reasons for the increase were the acquisition of 3rd MINAMI AOYAMA (¥21,315,846 thousand), and the additional acquisition of Seavans S Building (¥2,329,785 thousand) and Toyosu Foresia (¥19,962,743 thousand), and the major reasons for the decrease were the disposition of Harumi Front (45% quasi-co-ownership interest) (¥10,994,041 thousand) and by depreciation.

3. Fair values as of September 30, 2023 and March 31, 2024 are defined as the appraised values provided by an external qualified professional appraiser. As of September 30, 2023, Harumi Front (45% quasi-co-ownership interest), for which the disposition agreement was made dated November 15, 2022, was valued at the disposition price. As of March 31, 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 April 1, 2023 to September 30, 2023

Thousands of yen		
	Revenue from contracts with customers *1	Revenue from external customers
Sales of real estate properties	–	4,130,837 *2
Utilities income	2,053,182 *3	2,053,182
Others	–	32,443,954
<b>Total</b>	<b>2,053,182</b>	<b>38,627,974</b>

\*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 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
<b>Total</b>	<b>2,003,928</b>	<b>41,414,142</b>

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

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

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

**(Segment Information)**

For the six months ended September 30, 2023 and March 31, 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 April 1, 2023 to September 30, 2023

Thousands of yen		
Name of customer	Operating revenues	Related segment
Mullion TMK	4,130,837	Real estate leasing business

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

**(Per Unit Information)**

The following table summarizes information about net assets per unit and profit per unit as of September 30, 2023 and March 31, 2024 and for the periods then ended, respectively:

	Yen	
	For the period from April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
Net assets per unit	378,393	379,491
Profit per unit	12,013	13,098

- 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 April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
Profit	17,075,110	18,636,967
Amount not attributable to normal unitholders	-	-
Profit applicable to normal investment units	17,075,110	18,636,967
Average number of investment units during the period	1,421,308 units	1,422,864 units

**(Subsequent Events)**

“Not applicable”



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

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

Date	Remarks	Number of Units Outstanding		Total Unitholders' Capital (Millions of yen)		Notes
		Increase/Decrease	Balance	Increase/Decrease	Balance	
April 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 September 30, 2023		As of March 31, 2024	
		Total of net book value* <sup>1</sup> (¥ million)	Ratio to total assets (%)	Total of net book value* <sup>1</sup> (¥ million)	Ratio to total assets (%)
Real property	Tokyo 23 wards	463,104	43.8	486,412	44.6
	Tokyo metropolitan area (excluding Tokyo 23 wards)* <sup>2</sup>	39,954	3.8	39,825	3.7
	Other major cities	93,814	8.9	93,579	8.6
	Total	596,873	56.5	619,818	56.8
Real property in trust	Tokyo 23 wards	312,788	29.6	320,467	29.4
	Tokyo metropolitan area (excluding Tokyo 23 wards)* <sup>2</sup>	15,429	1.5	15,351	1.4
	Other major cities	91,179	8.6	90,753	8.3
	Total	419,396	39.7	426,572	39.1
Savings and other assets		41,021	3.9	44,521	4.1
		(-)	(-)	(-)	(-)
Total amount of assets		1,057,291	100.0	1,090,912	100.0
		(1,016,270)	(96.1)	(1,046,390)	(95.9)

\*1. Totals of net book value as of September 30, 2023 and March 31, 2024 are based on the total amounts from the balance sheets as of September 30, 2023 and March 31, 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, March 31, 2024.

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m <sup>2</sup> )	Occupancy rate*2	Appraisal value at the end of period (¥ million)*3	Book value at the end of period (¥ million)	Acquisition price*4		Ratio by region*2	
								(¥ thousand)	Ratio *2		
Tokyo metropolitan area	Tokyo 23 wards	Kitanomaru Square	Real property	8 *5	25,678 *5	100.0% *5	88,400	68,547	81,555,500	7.0%	76.6%
		JRE Kanda-Ogawamachi Building	Real property	9	6,269	100.0%	9,400	8,595	9,520,000	0.8%	
		Kandabashi Park Building	Real property	11	3,687	100.0%	5,270	4,358	4,810,000	0.4%	
		Otemachi Financial City North Tower	Real property /Trust	14	7,659	100.0%	28,800	20,435	15,462,900 6,380,000 Total: 21,842,900	1.9%	
		Otemachi Park Building	Trust	21	2,372	100.0%	11,300	9,985	10,175,000	0.9%	
		Nibancho Garden	Real property	1 *5	9,316 *5	100.0% *5	18,000	11,793	14,700,000	1.3%	
		Mitsubishi UFJ Trust and Banking Building	Real property	10	11,904	100.0%	57,300	28,464	44,700,000	3.8%	
		Burex Kojimachi Building	Real property	1	4,495	100.0%	7,800	5,197	7,000,000	0.6%	
		CIRCLES Hirakawacho	Real property	10	979	90.4%	1,870	1,785	1,780,000	0.2%	
		Sanno Grand Building	Real property	44	20,565	76.9%	24,800	20,821	10,200,000 10,700,000 Total: 20,900,000	1.8%	
		Yurakucho Denki Building	Real property	11	4,697	86.8%	9,570	7,696	7,200,000	0.6%	
		Front Place Nihonbashi	Real property	2	8,468	100.0%	21,900 *6	17,142	17,560,000	1.5%	
		JRE Kayabacho 2Chome Building	Trust	9	4,419	95.5%	5,050	3,999	4,410,000	0.4%	
		Burex Kyobashi Building	Real property	1	4,279	100.0%	7,870	4,364	5,250,000	0.5%	
		JRE Ginza 1Chome East Building	Trust	8	4,513	100.0%	8,280	5,822	6,459,000	0.6%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m <sup>2</sup> )	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	10	4,326	63.7%	19,700	17,024	16,830,000	1.4%	76.6%
		JRE Ginza 3Chome Building	Real property	9	4,255	100.0%	6,640	7,044	5,353,500 2,645,922 *7 Total: 7,999,422	0.7%	
		Akasaka Park Building	Real property	37 *5	44,954 *5	94.4% *5	80,700	56,645	60,800,000	5.2%	
		the ARGYLE aoyama	Trust	11	7,478	100.0%	24,800	23,951	23,900,000	2.1%	
		3rd MINAMI AOYAMA	Real property	13	7,781	83.1%	21,200	21,302	21,000,000	1.8%	
		JRE Aoyama Crystal Building	Real property	8	4,898	90.2%	9,760	6,925	7,680,000	0.7%	
		Clover Shiba-koen	Trust	8	2,550	100.0%	4,890 *6	4,325	4,500,000	0.4%	
		Shiodome Building	Trust	47	44,213	98.3%	120,000	98,342	21,250,000 54,600,000 10,100,000 10,450,000 10,530,000 Total: 106,930,000	9.2%	
		JRE Shiba 2Chome Daimon Building	Trust	26	9,549	95.1%	9,100	5,810	4,859,000	0.4%	
		JRE Cosmo Kanasugibashi Building	Trust	7	4,062	100.0%	3,800	2,428	2,808,000	0.2%	
		Seavans S Building	Real property	16	7,986	93.5%	9,630	7,944	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	5,879	6,210,000	0.5%	
		Shinjuku Eastside Square	Trust	44	45,619	100.0%	81,700 *6	66,604	23,100,000 6,660,000 25,460,000 8,460,000 8,500,000 Total: 72,180,000	6.2%	
		Shinjuku Front Tower	Trust	43	21,416	98.1%	35,800 *6	33,709	25,025,000 10,100,000 Total: 35,125,000	3.0%	
		JRE Nishi-Shinjuku Terrace	Real property	12	6,036	100.0%	9,460	7,580	7,830,000	0.7%	
		Tokyo Opera City Building*9	Real property	104	34,955	98.2%	35,400	27,699	9,350,000 22,426,831 Total: 31,776,831	2.7%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m <sup>2</sup> )	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	Real property	2	4,095	100.0%	9,700*6	9,126	9,250,000	0.8%	76.6%
		Link Square Shinjuku	Real property	17	9,786	100.0%	25,100	22,013	6,670,000 (1,170,000) *10 17,300,000 Total: 22,800,000	2.0%	
		JRE Yoyogi 1 Chome Building	Real Property	8	7,745	100.0%	13,700	6,505	8,700,000	0.7%	
		JRE Jingumae Terrace	Real property	5	3,147	100.0%	7,960	4,724	4,885,000	0.4%	
		JRE Jingumae Media Square Building	Real property	6	5,558	100.0%	10,500	10,543	12,200,000*11	1.0%	
		Shibuya Cross Tower (Land)	Real property	*12	*12	*12	47,400	27,186	34,600,000 (8,076,000) *13 Total: 26,524,000	2.3%	
		Ebisu Neonato	Real property	4	8,659	100.0%	20,100	13,467	3,740,000 360,000 10,512,000 Total: 14,612,000	1.3%	
		TIXTOWER UENO	Real property	16	15,016	100.0%	26,700	17,264	22,000,000	1.9%	
		Toyosu Foresia	Trust	31	20,778	99.1%	28,000	27,976	8,100,000 19,756,000 Total: 27,856,000	2.4%	
		Toyosu Front	Trust	21	17,407	98.9%	25,900	25,037	25,500,000	2.2%	
		JRE Higashi Gotanda 1Chome Building	Real property	4	5,205	100.0%	7,150	4,313	5,500,000	0.5%	
		Osaki Front Tower*14	Real property	1	16,856	100.0%	17,800*8	7,151	12,300,000	1.1%	
		JRE Omori-Eki Higashiguchi Building	Trust	24	7,706	99.2%	6,060	4,629	5,123,000	0.4%	
		Harmony Tower	Real property	21	14,340	91.5%	14,900	9,339	8,500,000 520,000 2,100,000 Total: 11,120,000	1.0%	
		JRE Ikebukuro 2Chome Building	Trust	9	2,186	100.0%	1,990	1,534	1,728,000	0.1%	
JRE Minami-Ikebukuro Building	Real property	9	5,932	93.4%	6,270	3,836	4,500,000	0.4%			

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m <sup>2</sup> )	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	50	10,125	100.0%	5,130	4,669	3,300,000 2,379,112 Total: 5,679,112	0.5%	5.8%
		JRE Saitama Urawa Building	Real property	18	4,510	100.0%	3,510	2,437	1,232,000 1,342,000 Total: 2,574,000	0.2%	
		MM Park Building	Real property	33	38,415	92.6%	41,100	29,107	37,400,000	3.2%	
		Queen's Tower A	Trust	55	26,696	96.0%	26,600 *6	15,351	17,200,000	1.5%	
		Musashi Kosugi STM Building	Real property	28	5,378	100.0%	4,570	3,611	4,000,000	0.3%	
Other major cities	8·3 Square Kita Building		Real property	8	12,265	96.0%	11,900	5,412	7,100,000	0.6%	17.6%
	Jozenji Park Building		Real property	19	2,518	98.0%	1,120	920	1,000,000	0.1%	
	JRE Higashi Nibancho Square		Real property	22	20,526	100.0%	16,000 *8	7,923	9,950,000	0.9%	
	JRE Sendai Honcho Honma Building		Trust	28	6,234	100.0%	2,850	2,752	2,924,000 250,000 Total: 3,174,000	0.3%	
	AER		Real property	62	23,612	96.9%	19,400	17,439	18,640,000	1.6%	
	Daido Seimei Niigata Building		Real property	9	3,928	87.7%	1,800	1,618	1,770,000	0.2%	
	Kanazawa Park Building		Real property	72	20,891	92.6%	7,380	4,480	2,880,000 1,700,000 Total: 4,580,000	0.4%	
	JRE Kanazawa Kamitsutsumicho Building		Real property	25	7,213	95.5%	3,040	2,241	2,780,000	0.2%	
	Nishiki Park Building*15		Real property	64 *5	10,338 *5	94.3% *5	5,640	4,713	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%	14,700 *6	7,495	8,567,000	0.7%	
	Nagoya Hirokoji Building		Real property	43	21,373	98.7%	13,200	13,931	14,533,000	1.3%	
	JRE Shijo Karasuma Center Building		Real property	16	6,634	100.0%	8,080 *6	3,443	4,400,000	0.4%	

Region	Name of property	Type of specified asset	Number of tenants*1	Leasable floor area (m <sup>2</sup> )	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	98.1%	10,800*8	9,631	9,750,000	0.8%	17.6 %
	GRAND FRONT OSAKA (Umekita Plaza and South Building)*16	Trust	2	5,185	93.3%	12,300*8	11,201	11,250,000	1.0%	
	JRE Umeda Square Building*17	Trust	38	10,375	100.0%	17,000	15,503	15,523,520	1.3%	
	JRE Dojima Tower	Trust	45	28,403	94.1%	20,300	19,948	24,000,000	2.1%	
	JRE Sakaisujihonmachi Building	Real property	20	11,520	87.8%	4,530	3,463	2,264,000 1,900,000 Total: 4,164,000	0.4%	
	JRE Sakaisujihonmachi Square*18	Real property	8	11,913	100.0%	17,300*8	17,768	17,215,000	1.5%	
	JRE Midouji Daiwa Building	Trust	39	20,450	96.7%	15,500	13,141	6,934,000 7,380,000 Total: 14,314,000	1.2%	
	JRE Amagasaki Front Building	Trust	36	15,498	95.3%	10,600	7,778	9,300,000	0.8%	
	Lit City Building	Real property	32	8,814	100.0%	5,310	2,224	4,650,000 (555,131) *19 Total: 4,094,868	0.4%	
	NHK Hiroshima Broadcasting Center Building	Real property	13	9,881	100.0%	3,460	3,332	1,320,000 1,450,000 Total: 2,770,000	0.2%	
	JRE Tenjin 3Chome Building	Real property	20	3,995	96.0%	2,130	1,298	1,550,000	0.1%	
	JRE Tenjin Crystal Building	Real property	29	5,964	94.4%	3,530	3,365	5,000,000	0.4%	
	Hinode Tenjin Building	Trust	4	5,944	100.0%	5,250	3,300	3,657,000	0.3%	
	Total		1,622	897,885	96.6%	1,369,380	1,046,390	1,162,489,154	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: 11,694m<sup>2</sup>, occupancy rate: 92.3%; Nibancho Garden, leasable floor area: 1,686m<sup>2</sup>, occupancy rate: 100.0%; Akasaka Park Building, leasable floor area: 10,780m<sup>2</sup>, occupancy rate: 94.9%; Nishiki Park Building, leasable floor area: 954m<sup>2</sup>, occupancy rate: 80.0%.
- \*6. Appraisal values by Japan Real Estate Institute.
- \*7. This includes the acquisition price of the land and building adjacent to JRE Ginza 3Chome East Building dated July 4, 2008, the cost of the adjacent building's demolition and the total expense of the construction and expansion of the Ryoshin Ginza East Mirror Building (excluding brokerage fees and other acquisition-related expenses) after its completion on May 24, 2010.
- \*8. Appraisal values by Chuo Real Estate Appraisal Co., Ltd.
- \*9. Accompanying the acquisition of Tokyo Opera City Building on September 13, 2005, the Company acquired 33 shares of Tokyo Opera City Building Co., Ltd. (the business that maintains, services and operates the building) at a total acquisition price of 2,797 thousand yen and inherited the 874 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller. In an additional acquisition, on March 24, 2010, the Company acquired 91 shares of Tokyo Opera City Building Co., Ltd. at a total acquisition price of 7,539 thousand yen. Concurrently, the Company acquired 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. (the supplier of heat to the building) at a total acquisition price of 566,831 thousand yen, inheriting the 2,360 thousand yen deposit made to Tokyo Opera City Building Co., Ltd. by the seller.  
Regarding the appraisal value at the end of the fiscal period of the above-mentioned shares, the 124 shares of Tokyo Opera City Building Co., Ltd. are valued at 10,336 thousand yen and the 4,931 shares of Tokyo Opera City Heat Supply Co., Ltd. are valued at 566,831 thousand yen.
- \*10. Because the building was disposed on August 23, 2013, the acquisition price of the 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 m<sup>2</sup> 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. The Company changed the name of the property from Forecast Sakaisujihonmachi to JRE Sakaisujihonmachi Square as of April 1, 2024.
- \*19. Because the retail units were disposed on September 28, 2018, the acquisition price of the retail units at the time of the land and building purchase dated February 1, 2006, has been deducted.
- \*20. In the above quick reference guide, if the real estate or other assets are classified as shared ownership or compartmental ownership, only the real estate or other assets owned by the Company are presented and the portions owned by the other shared owners or compartmental owners are excluded.



- ii) Breakdown of property-related revenues and expenses for real estate and other assets included in the Company's holdings  
The table below is a quick reference guide outlining the revenues and expenses on each real estate and other assets for the March 2024 period (October 1, 2023 – March 31, 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 (October 1, 2023 – March 31, 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	615	137	82	102	1	47	243	-	1,130	1,374	65	1,309
JRE Kanda-Ogawamachi Building	240	121	16	16	24	0	31	31	-	119	151	36	114
Kandabashi Park Building	123	53	3	-	19	0	9	20	-	70	90	23	66
Otemachi Financial City North Tower	441	293	68	52	69	0	2	100	0	147	248	16	231
Otemachi Park Building	184	95	9	13	34	0	1	37	0	89	126	2	124
Nibancho Garden	500	234	59	31	60	0	22	58	-	266	324	42	282
Mitsubishi UFJ Trust and Banking Building	991	396	55	51	168	0	31	86	1	594	681	165	515
Burex Kojimachi Building	162	54	-	-	15	0	4	34	-	107	141	7	134
CIRCLES Hirakawacho	39	15	2	1	0	0	-	11	-	23	35	-	35
Sanno Grand Building	666	385	99	58	130	0	33	62	-	280	343	133	209
Yurakucho Denki Building	198	152	35	18	52	0	24	20	0	45	66	63	3
Front Place Nihonbashi	404	151	28	19	44	0	6	52	-	253	305	11	294
JRE Kayabacho 2Chome Building	147	55	10	11	13	0	3	16	-	92	108	4	103
Burex Kyobashi Building	158	44	-	-	12	0	3	28	-	113	141	14	127
JRE Ginza 1Chome East Building	193	84	15	9	11	0	5	42	-	108	151	10	140
Ginza Sanwa Building	174	178	26	13	101	0	10	25	0	(3)	21	5	16
JRE Ginza 3Chome Building	169	92	13	12	18	0	6	42	-	76	119	4	114
Harumi Front*2	14	138	14	12	21	0	-	88	0	(123)	(34)	-	(34)
Akasaka Park Building	2,273	1,294	233	254	286	2	129	387	-	978	1,366	333	1,032
the ARGYLE aoyama	483	150	30	31	-	0	0	86	-	333	420	-	420
3rd MINAMI AOYAMA	42	35	8	-	0	0	-	13	13	7	21	-	21
JRE Aoyama Crystal Building	208	90	14	11	37	0	4	22	0	118	140	7	133
Clover Shiba-koen	120	56	9	8	7	0	19	12	-	63	75	0	75

(Millions of Yen)

Name of property	Revenues / Expenses (October 1, 2023 – March 31, 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	1,847	923	187	145	212	1	43	327	7	923	1,250	84	1,166
JRE Shiba 2Chome Daimon Building	306	250	39	31	44	0	72	62	-	56	118	40	78
JRE Cosmo Kanasugibashi Building	114	55	13	6	15	0	5	14	-	59	74	19	54
Seavans S Building	269	168	42	33	21	0	27	43	0	100	143	55	88
Tamachi Front Building	171	68	10	8	14	0	4	29	-	102	132	3	128
Shinjuku Eastside Square	2,016	726	111	143	127	1	19	321	-	1,290	1,611	15	1,596
Shinjuku Front Tower	815	419	82	55	91	0	16	174	-	395	569	21	547
JRE Nishi-Shinjuku Terrace	254	101	21	15	22	0	0	40	-	153	193	-	193
Tokyo Opera City Building*3	1,538	1,187	*3	*3	*3	*3	*3	*3	*3	350	*3	577	*3
Front Place Minami-Shinjuku	199	86	15	12	28	0	0	30	-	112	143	0	142
Link Square Shinjuku	613	272	44	35	53	0	5	132	-	340	473	-	473
JRE Yoyogi 1Chome Building	346	309	26	20	27	0	193	41	-	37	79	11	67
JRE Jingumae Terrace	185	58	10	8	22	0	1	13	-	126	140	0	140
JRE Jingumae Media Square Building	330	175	28	25	68	0	2	50	-	154	204	-	204
Shibuya Cross Tower (Land)	542	99	-	-	99	-	-	-	-	443	443	-	443
Ebisu Neonato	485	240	50	32	40	2	8	105	-	244	350	13	336
TIXTOWER UENO	701	364	60	44	39	1	24	193	-	337	530	5	524
Toyosu Foresia	341	162	27	24	-	0	9	100	0	178	279	1	278
Toyosu Front	688	361	59	52	44	0	27	175	0	326	502	32	470
JRE Higashi Gotanda 1Chome Building	197	97	14	18	16	0	20	27	0	99	127	120	6
Osaki Front Tower	728	454	68	45	25	0	61	157	95	273	430	387	43
JRE Omori-Eki Higashiguchi Building	245	124	29	19	27	0	3	44	-	120	165	-	165
Harmony Tower	488	268	146	-	58	0	12	50	-	220	270	-	270
JRE Ikebukuro 2Chome Building	72	31	8	5	5	0	1	8	-	40	49	12	37
JRE Minami-Ikebukuro Building	205	79	17	14	17	0	4	25	-	125	151	-	151

(Millions of Yen)

Name of property	Revenues / Expenses (October 1, 2023 – March 31, 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	231	137	52	11	26	0	10	36	0	94	130	68	62
JRE Saitama Urawa Building	133	57	15	9	9	0	2	20	-	75	95	10	85
MM Park Building	1,290	594	133	172	84	1	27	173	1	696	870	15	854
Queen's Tower A	1,009	783	213	106	119	2	71	262	6	225	488	185	303
Musashi Kosugi STM Building	170	74	21	5	13	0	5	28	0	96	124	35	89
8·3 Square Kita Building	376	167	33	55	24	0	15	38	-	209	247	78	168
Jozenji Park Building	69	51	9	8	7	0	13	12	-	17	29	15	13
JRE Higashi Nibancho Square	610	282	69	63	44	0	19	84	-	327	411	104	307
JRE Sendai Honcho Honma Building	151	78	17	16	18	0	7	19	-	73	92	29	63
AER	733	366	97	73	69	0	0	125	0	366	492	1	490
Daido Seimei Niigata Building	73	57	12	7	6	0	2	27	-	16	43	23	20
Kanazawa Park Building	497	344	98	57	68	0	26	92	-	153	246	24	221
JRE Kanazawa Kamitsutsumicho Building	140	101	18	17	10	0	13	41	-	39	81	25	55
Nishiki Park Building	292	185	55	23	26	0	11	61	6	107	168	32	136
JRE Nagoya Hirokoji Place	426	177	40	34	38	0	15	48	-	248	296	63	233
Nagoya Hirokoji Building	610	463	91	50	72	0	97	149	1	146	295	28	267
JRE Shijo Karasuma Center Building	244	110	29	13	12	0	8	46	-	133	180	9	170
GRAND FRONT OSAKA (North Building)*4	*4	*4	*4	*4	*4	*4	*4	*4	*4	122	178	2	175
GRAND FRONT OSAKA (Umekita Plaza and South Building)*4	*4	*4	*4	*4	*4	*4	*4	*4	*4	121	174	9	165
JRE Umeda Square Building	498	257	57	28	56	0	25	89	-	240	330	24	306
JRE Dojima Tower	816	570	97	85	79	1	49	256	-	245	502	49	452
JRE Sakaisujihonmachi Building	247	136	42	23	38	0	4	27	0	111	138	31	107
JRE Sakaisujihonmachi Square	347	195	30	27	0	0	3	134	0	152	286	3	283
JRE Midosuji Daiwa Building	573	282	65	46	84	0	1	83	0	291	374	0	374

(Millions of Yen)

Name of property	Revenues / Expenses (October 1, 2023 –March 31, 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	224	64	27	26	0	8	96	0	201	298	69	229
Lit City Building	251	122	35	22	17	1	14	31	-	129	160	-	160
NHK Hiroshima Broadcasting Center Building	258	251	53	27	24	0	46	72	26	6	79	329	(250)
JRE Tenjin 3Chome Building	97	74	13	6	7	0	34	12	-	22	35	-	35
JRE Tenjin Crystal Building	162	125	22	14	20	0	1	65	-	37	102	25	77
Hinode Tenjin Building	201	73	22	14	16	0	0	18	-	127	146	44	102
Total	34,951	18,605	3,945	2,843	3,622	44	1,665	6,283	200	16,346	22,629	3,695	18,934

\*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. The Company disposed of a 45% interest in Harumi Front on January 12, 2024.

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

\*4. 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.

## 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 value 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
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 June 2023 To May 2024	287	–	–
Kanazawa Park Building (Kanazawa, Ishikawa Prefecture)	Construction work	From March 2024 To September 2024	126	–	–
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioning facilities	From June 2023 To November 2024	88	–	–
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Elevator renewal construction	From June 2023 To March 2025	39	–	–

## (ii) Capital expenditures during the period under review

For acquired real estate and other assets, capital expenditures incurred in the period under review totaled ¥3,695 million and repair, maintenance and renovation expenses classified as expenses in the period under review totaled ¥1,665 million, for a total of ¥5,360 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 October 2023 To March 2024	343
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Elevator renewal construction	From June 2023 To March 2024	146
JRE Higashi Gotanda 1Chome Building (Shinagawa-ku, Tokyo)	Upgrade of air conditioning facilities	From October 2023 To March 2024	110
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of air conditioning facilities	From June 2022 To March 2024	71
NHK Hiroshima Broadcasting Center Building (Hiroshima, Hiroshima Prefecture)	Upgrade of electrical equipment	From August 2023 To March 2024	33
Daido Seimei Niigata Building (Niigata, Niigata Prefecture)	Elevator renewal construction	From April 2023 To December 2023	18
Other real estate			2,971
Total			3,695

## (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 April 1, 2023 to September 30, 2023	For the period from October 1, 2023 to March 31, 2024
(a) Asset management fees *1	¥1,745,491 thousand	¥2,068,919 thousand
(breakdown) NOI-linked fee	¥892,537 thousand	¥905,185 thousand
Distribution-linked fee I *2	¥336,600 thousand	¥355,913 thousand
Distribution-linked fee II *2	¥516,354 thousand	¥807,820 thousand
(b) Asset custody fees	¥47,229 thousand	¥47,581 thousand
(c) Administrative service fees	¥139,135 thousand	¥139,800 thousand
(d) Directors' compensations	¥7,800 thousand	¥7,800 thousand
(e) Commission expenses	¥85,475 thousand	¥108,640 thousand
(f) Other operating expenses	¥107,016 thousand	¥118,686 thousand
Total	¥2,132,148 thousand	¥2,491,428 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 September 30, 2023, the acquisition fee amounted to ¥86,075 thousand, and the disposition fee amounted to ¥56,498 thousand, and in the period ended March 31, 2024, the acquisition fee amounted to ¥215,230 thousand, and the disposition fee amounted to ¥78,498 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 March 31, 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	MUFG Bank, Ltd. *3	August 18, 2023	11,000,000	—	0.110	November 20, 2023	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd. *4	November 20, 2023	—	—	0.110	February 19, 2024			
	MUFG Bank, Ltd.	March 27, 2023	1,500,000	—	0.09424	March 7, 2024 *5			
	MUFG Bank, Ltd.	July 3, 2023	9,000,000	—	0.10091	March 29, 2024 *6			
	Sumitomo Mitsui Trust Bank, Limited	April 20, 2023	2,000,000	2,000,000	0.1026	April 22, 2024			
	MUFG Bank, Ltd. *7	February 19, 2024	—	11,000,000	0.14091	May 20, 2024			
	Mizuho Bank, Ltd.	July 10, 2023	2,000,000	2,000,000	0.10156	July 10, 2024			
	MUFG Bank, Ltd.	August 31, 2023	9,000,000	—	0.10076	August 30, 2024 *8			
	Mizuho Bank, Ltd.	August 31, 2023	8,500,000	—	0.09894	August 30, 2024 *9			
	Mizuho Bank, Ltd.	October 31, 2023	—	1,500,000 *10	0.09819	October 31, 2024			
	MUFG Bank, Ltd.	October 31, 2023	—	—	0.09704	October 31, 2024 *11			
	MUFG Bank, Ltd.	December 1, 2023	—	2,000,000	0.10341	November 29, 2024			
	MUFG Bank, Ltd.	February 14, 2024	—	10,000,000	0.11588	February 14, 2025			
	Mizuho Bank, Ltd.	February 14, 2024	—	10,000,000	0.11587	February 14, 2025			
	MUFG Bank, Ltd.	March 8, 2024	—	11,500,000	0.11455	March 10, 2025			
	Mizuho Bank, Ltd.	March 8, 2024	—	6,500,000	0.1145	March 10, 2025			
	Subtotal		43,000,000	56,500,000					
Long-term borrowings	MUFG Bank, Ltd.	December 19, 2014	10,000,000	—	0.42375 *12	December 19, 2023	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	MUFG Bank, Ltd.	March 26, 2018	5,000,000	—	0.08389 *13 *14	March 26, 2024			
	The Hachijuni Bank, Ltd.	March 26, 2018	1,000,000	—	0.2338	March 26, 2024			
	Sumitomo Mitsui Trust Bank, Limited	May 29, 2019	5,000,000	5,000,000	0.075	May 29, 2024 *15			
	The Iyo Bank, Ltd.	June 15, 2017	2,500,000	2,500,000	0.275	June 17, 2024 *15			
	The Hachijuni Bank, Ltd.	June 15, 2017	1,000,000	1,000,000	0.275	June 17, 2024 *15			
	MUFG Bank, Ltd.	September 1, 2015	3,500,000	3,500,000	0.630	September 2, 2024 *15			
	Sumitomo Mitsui Trust Bank, Limited	September 2, 2015	3,800,000	3,800,000	0.536	September 2, 2024 *15			
	The Norinchukin Bank	September 1, 2017	5,000,000	5,000,000	0.240	September 2, 2024 *15			

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
Taiyo Life Insurance Company	October 1, 2014	2,000,000	2,000,000	0.7825	October 1, 2024 *15				
Mizuho Bank, Ltd.	October 1, 2015	2,500,000	2,500,000	0.5575	October 1, 2024 *15				
The Gunma Bank, Ltd.	November 18, 2019	1,000,000	1,000,000	0.12693 *13	November 18, 2024 *15				
MUFG Bank, Ltd.	June 1, 2018	10,000,000	10,000,000	0.2544	December 2, 2024 *15				
Shinkin Central Bank	January 7, 2020	2,000,000	2,000,000	0.2075	January 7, 2025 *15				
The Ashikaga Bank, Ltd.	January 9, 2018	1,000,000	1,000,000	0.285	January 9, 2025 *15				
Mizuho Trust & Banking Co., Ltd.	March 2, 2015	3,000,000	3,000,000	0.5585	March 3, 2025 *15				
MUFG Bank, Ltd.	March 26, 2018	2,000,000	2,000,000	0.2725	March 26, 2025 *15				
Development Bank of Japan Inc.	March 30, 2017	5,000,000	5,000,000	0.315	March 31, 2025 *15				
Taiyo Life Insurance Company	May 29, 2015	1,500,000	1,500,000	0.7375	May 29, 2025				
Sumitomo Mitsui Trust Bank, Limited	June 15, 2020	7,000,000	7,000,000	0.2075	June 16, 2025				
Sumitomo Mitsui Banking Corporation	July 20, 2021	5,000,000	5,000,000	0.15375	July 22, 2025				
Sumitomo Mitsui Trust Bank, Limited	August 31, 2018	3,000,000	3,000,000	0.320	August 29, 2025				
Development Bank of Japan Inc.	September 1, 2015	7,000,000	7,000,000	0.7175	September 1, 2025				
Sumitomo Mitsui Trust Bank, Limited	September 23, 2020	5,000,000	5,000,000	0.1475	September 24, 2025				
Mizuho Bank, Ltd.	December 26, 2016	5,000,000	5,000,000	0.3625	December 26, 2025				
Sumitomo Mitsui Trust Bank, Limited	January 29, 2021	2,000,000	2,000,000	0.1625	January 29, 2026				
MUFG Bank, Ltd.	February 26, 2018	6,500,000	6,500,000	0.3413	February 26, 2026				
Mizuho Bank, Ltd.	March 27, 2018	5,500,000	5,500,000	0.300	March 27, 2026				
Shinkin Central Bank	March 30, 2017	5,000,000	5,000,000	0.360	March 30, 2026				
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				

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.	October 31, 2016	3,000,000	3,000,000	0.240	October 30, 2026				
Mizuho Bank, Ltd.	December 21, 2016	5,000,000	5,000,000	0.415	December 21, 2026				
Shinkin Central Bank	January 23, 2019	5,000,000	5,000,000	0.2213	January 25, 2027				
Sumitomo Mitsui Banking Corporation *16	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. *16	November 30, 2023	—	10,000,000	0.610	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. *16	December 19, 2023	—	10,000,000	0.71125	December 19, 2029				
MUFG Bank, Ltd.	January 15, 2020	5,500,000	5,500,000	0.3625	January 15, 2030				
MUFG Bank, Ltd. *16	March 26, 2024	—	5,000,000	0.65125	March 26, 2030				

Classification	Lender	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes
	MUFG Bank, Ltd.	April 27, 2020	5,000,000	5,000,000	0.35875	April 26, 2030	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	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			
	The Keiyo Bank, Ltd.	June 29, 2023	1,000,000	1,000,000	0.39875	June 28, 2030			
	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. *16	November 30, 2023	—	2,000,000	0.15785 *13	November 29, 2030			
	MUFG Bank, Ltd.	December 21, 2020	10,000,000	10,000,000	0.2825	December 20, 2030			
	The Gunma Bank, Ltd. *16	January 31, 2024	—	1,000,000	0.77125	January 31, 2031			
	The Keiyo Bank, Ltd. *16	January 31, 2024	—	1,000,000	0.77125	January 31, 2031			
	The Iyo Bank, Ltd.	March 24, 2021	2,000,000	2,000,000	0.1809 *13	March 24, 2031			
	The Yamanashi Chuo Bank, Ltd.	March 26, 2019	2,000,000	2,000,000	0.3688	March 26, 2031			
	MUFG Bank, Ltd.	April 5, 2021	5,000,000	5,000,000	0.41875	April 4, 2031			
	MUFG Bank, Ltd.	April 26, 2021	5,000,000	5,000,000	0.35625	April 25, 2031			
	Mizuho Bank, Ltd.	June 15, 2021	4,000,000	4,000,000	0.28875	June 16, 2031			
	The Norinchukin Bank *16	January 29, 2021	5,000,000	5,000,000	0.34625	July 31, 2031			
	The Chugoku Bank, Limited	October 1, 2021	1,000,000	1,000,000	0.345	October 1, 2031			
	The Norinchukin Bank *16	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	0.1776 *13	November 17, 2031			

Classification	Drawdown date	Balance at beginning of current period (¥ thousand)	Balance at end of current period (¥ thousand)	Average interest rate *1 (%)	Repayment date	Repayment method	Use of proceeds	Notes	
									Lender
Long-term borrowings	The Chugoku Bank, Limited *16	November 30, 2023	—	2,000,000	0.935	November 28, 2031	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	The Nishi-Nippon City Bank, Ltd.	December 17, 2021	1,000,000	1,000,000	0.37375	December 17, 2031			
	Sumitomo Mitsui Banking Corporation	January 7, 2022	2,000,000	2,000,000	0.415	January 7, 2032			
	Mizuho Bank, Ltd.	January 17, 2022	5,000,000	5,000,000	0.4475	January 19, 2032			
	The Norinchukin Bank *16	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 *16	March 8, 2024	—	3,000,000	0.83375	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 *16	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				

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
Daishi Hokuetsu Bank, Ltd.	January 10, 2023	1,500,000	1,500,000	0.9725	January 11, 2033				
The 77 Bank, Ltd.	January 10, 2023	1,000,000	1,000,000	0.9725	January 11, 2033				
The Iyo Bank, Ltd.	January 16, 2023	1,000,000	1,000,000	0.1741 *13	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 *16	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 *16	March 27, 2023	3,500,000	3,500,000	0.72375	March 28, 2033				
Sumitomo Mitsui Banking Corporation *16	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	0.1838 *13	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	0.16184 *13	June 29, 2033				
The Gunma Bank, Ltd.	July 3, 2023	1,000,000	1,000,000	0.17483 *13	July 4, 2033				
The Asahi Shinkin Bank	October 31, 2023	—	1,000,000	1.18125	October 31, 2033				
Saitama Resona Bank, Limited *16	November 30, 2023	—	5,000,000	1.0875	November 30, 2033				
The Bank of Fukuoka, Ltd. *16	December 22, 2023	—	1,500,000	0.20088 *13	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	0.98125	March 27, 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	Sumitomo Life Insurance Company	December 16, 2019	2,000,000	2,000,000	0.490	December 18, 2034	Bullet	*2	Unsecured Unguaranteed Unsubordinated
	Subtotal		364,200,000	390,700,000					
	Total		407,200,000	447,200,000					

- \*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 August 18, 2023, MUFG Bank, Ltd. transferred its loan receivable of ¥10,300 million to Mitsubishi UFJ Trust and Banking Corporation.
- \*4. As of November 20, 2023, MUFG Bank, Ltd. transferred its loan receivable of ¥10,200 million to Mitsubishi UFJ Trust and Banking Corporation.
- \*5. The Company made repayments (¥1,000 million and ¥500 million) before maturity on December 7, 2023 and January 9, 2024.
- \*6. The Company made a full repayment (¥9,000 million) before maturity on November 30, 2023.
- \*7. As of February 19, 2024, MUFG Bank, Ltd. transferred its loan receivable of ¥10,200 million to Mitsubishi UFJ Trust and Banking Corporation.
- \*8. The Company made repayments (¥1,000 million, ¥7,000 million and ¥1,000 million) before maturity on October 31, November 30, 2023 and January 31, 2024.
- \*9. The Company made repayments (¥2,000 million, ¥1,500 million and ¥5,000 million) before maturity on November 30, December 29, 2023 and January 31, 2024.
- \*10. The Company made a repayment (¥4,500 million) before maturity on January 31, 2024.
- \*11. The Company made a full repayment (¥4,000 million) before maturity on January 31, 2024.
- \*12. In order to hedge the risk of exchange rate and interest rate fluctuations related to foreign currency-denominated loans, the Company conducted an interest-rate and currency swap transaction, which substantially secured exchange and interest rates. Accordingly, the balance and the weighted average for interest rates during the period are calculated taking the effect of this interest-rate and currency swap into consideration.
- \*13. These are floating rate borrowings which are not swapped into fixed rates.
- \*14. The loan was based on floating rate (Base rate (Risk free rate (TONA) compounded in arrears over rate observation period (3 months) according to the lookback method + spread adjustment (0.00835%)) + 0.09%).
- \*15. At the end of the period under review, these loans are accounted for under current liabilities on the balance sheets as the current portion of long-term borrowings.
- \*16. 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 March 31, 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
12th unsecured investment corporation bond (Japan Real Estate Investment Green Bonds)	November 1, 2018	10,000,000	—	0.23	November 1, 2023	Bullet	*1	*2
13th unsecured investment corporation bond	October 26, 2020	10,000,000	10,000,000	0.2	October 24, 2025	Bullet	*1	*2
Total		42,993,175	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 (¥ million)	Appraising institution	Date of appraisal
Acquisition	Seavans S Building	December 1, 2023	2,290	2,300	Daiwa Real Estate Appraisal Co., Ltd.	October 1, 2023
Acquisition	Toyosu Foresia	February 14, 2024	19,756	19,900	Daiwa Real Estate Appraisal Co., Ltd.	February 1, 2024
Acquisition	3rd MINAMI AOYAMA	March 8, 2024	21,000	21,200	Daiwa Real Estate Appraisal Co., Ltd.	February 1, 2024
Disposition	Harumi Front (45% quasi-co-ownership interest)	January 12, 2024	17,599	17,100	Chuo Real Estate Appraisal Co., Ltd.	November 1, 2022

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

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

\*3. The “real estate appraisal value” of Harumi Front (45% 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 (45%) 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 October 1, 2023 to March 31, 2024, there was no transaction that was subject to such inspections.

## g. Transactions with Interested Parties (from October 1, 2023 to March 31, 2024)

## (i) Transactions

Segment	Buying and selling amounts	
	Buying amounts	Selling amounts
Total Amount	¥ 43,046,000 thousand	¥17,599,500 thousand
Breakdown of Transactions with Interested Parties		
Mitsubishi Estate Co., Ltd.	¥ 21,000,000 thousand (48.8%)	¥ – thousand (–%)
Toyosu 3 Chome Kaihatsu TMK	¥ 19,756,000 thousand (45.9%)	¥ – thousand (–%)
Total	¥ 40,756,000 thousand (94.7%)	¥ – thousand (–%)

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

## (ii) Amount of Commission Fees and Other Expenses

Segment	Total amount of commission fees and other expenses A	Breakdown of transactions with interested parties		Percentage of total amount B/A
		Payment recipient	Amount paid B	
Property management expenses	¥3,945,907 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥2,593,192 thousand	65.7%
		Mitsubishi Estate Co., Ltd.	¥30,806 thousand	0.8%
		Mitsubishi Real Estate Services Co., Ltd.	¥40,698 thousand	1.0%
		Mitsubishi Estate Parks Co., Ltd.	¥1,087 thousand	0.0%
Utilities expenses	¥2,843,105 thousand	Minato Mirai 21 District Heating and Cooling Co., Ltd.	¥78,188 thousand	2.8%
Other operating expenses	¥185,679 thousand	Mitsubishi Jisho Property Management Co., Ltd.	¥17,113 thousand	9.2%
		Mitsubishi Estate Co., Ltd.	¥366 thousand	0.2%
		Mitsubishi Jisho Design Inc.	¥4,600 thousand	2.5%

\*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.	¥1,702,367 thousand
Mitsubishi Estate Co., Ltd.	¥38,749 thousand
Mitsubishi Jisho Design Inc.	¥380 thousand
Mitsubishi Real Estate Services Co., Ltd.	¥53,448 thousand
Izumi Parktown Service Ltd.	¥149 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
November 15, 2023	Consignment of a general administrative work concerning the issuance of investment corporation bonds	In connection with the comprehensive resolution adopted on the same date on the issuance of investment corporate bonds, the approval was given to the candidate agents to whom an administrative work for the said bonds was consigned. Other items necessary for its operation are entrusted to the executive directors to decide.

*Selected Financial Data*

	Millions of yen				
	For the period from 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	For the period from October 1, 2021 to March 31, 2022
Operating revenues	<b>41,414</b>	38,627	37,345	37,654	36,453
Operating expenses	<b>21,096</b>	20,579	20,304	19,612	19,346
Operating profit	<b>20,317</b>	18,048	17,041	18,042	17,107
Ordinary profit	<b>19,311</b>	17,086	16,172	17,256	16,191
Profit before income taxes	<b>19,311</b>	17,086	16,172	17,256	16,191
Profit	<b>18,636</b>	17,075	16,161	16,790	16,045
Total assets	<b>1,090,912</b>	1,057,291	1,047,158	1,008,970	1,035,072
Interest-bearing debt	<b>480,193</b>	450,193	460,493	423,393	449,893
Net assets	<b>539,965</b>	538,402	517,993	517,761	516,762
Unitholders' capital	<b>516,736</b>	516,736	497,241	497,241	497,241
Number of units (Units)	<b>1,422,864</b>	1,422,864	1,385,210	1,385,210	1,385,210
Net assets per unit (Yen)	<b>379,491</b>	378,393	373,945	373,778	373,057
Cash distribution	<b>17,381</b>	17,074	16,161	15,929	15,791
Dividend payout ratio (Note 1)	<b>93.3%</b>	100.0%	100.0%	94.9%	98.4%
Dividend per unit (Yen)	<b>12,216</b>	12,000	11,667	11,500	11,400
Net operating income (NOI)	<b>22,629</b>	22,313	21,901	23,084	24,070
Funds from operations (FFO)	<b>18,457</b>	19,207	18,970	19,700	21,053
Return on assets (ROA) (Note 2)	<b>1.8%</b>	1.6%	1.6%	1.7%	1.6%
	<b>(3.6% annualized)</b>	(3.2% annualized)	(3.2% annualized)	(3.4% annualized)	(3.2% annualized)
Return on equity (ROE) (Note 3)	<b>3.5%</b>	3.2%	3.1%	3.2%	3.1%
	<b>(6.9% annualized)</b>	(6.3% annualized)	(6.3% annualized)	(6.5% annualized)	(6.2% annualized)
EOP equity ratio (Note 4)	<b>49.5%</b>	50.9%	49.5%	51.3%	49.9%
EOP interest-bearing debt ratio on total assets (Note 5)	<b>44.0%</b>	42.6%	44.0%	42.0%	43.5%
FFO multiple (Times)	<b>20.8</b>	21.7	19.2	21.0	21.0
Debt service coverage ratio (Times) (Note 6)	<b>27.4</b>	27.1	28.2	29.2	26.9

- Notes: 1. Dividend payout ratio = Dividend per unit / Profit per unit × 100  
For the September 2023 period, calculations are 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 182 days for the period ended March 31, 2022, 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 and 183 days for the period ended March 31, 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