

# Financial Statements

(19th Fiscal Period: From February 1, 2021 to July 31, 2021)

Independent Auditor's Report

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## Independent Auditor's Report

The Board of Directors  
Kenedix Residential Next Investment Corporation

### Opinion

We have audited the accompanying financial statements of Kenedix Residential Next Investment Corporation (the Company), which comprise the balance sheet as at July 31, 2021, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2021, and its financial performance and its cash flows for the six-month period ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

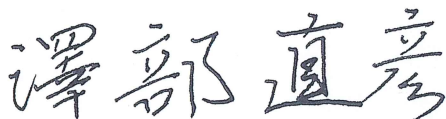
We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

October 26, 2021



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Naohiko Sawabe  
Designated Engagement Partner  
Certified Public Accountant



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Masahiro Yawata  
Designated Engagement Partner  
Certified Public Accountant



## KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

### Balance Sheet

As of July 31, 2021

	19th Fiscal Period as of July 31, 2021	18th Fiscal Period as of January 31, 2021
(in thousands of yen)		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits (Notes 8 and 10)	¥16,724,647	¥12,947,764
Cash and deposits in trust (Notes 8 and 10)	10,811,226	10,469,429
Operating accounts receivable	168,096	90,961
Prepaid expenses	15,823	9,576
Other	25,296	7,224
<b>Total current assets</b>	<b>27,745,090</b>	<b>23,524,958</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment (Notes 15 and 20)</b>		
Land	172,666	172,666
Buildings in trust	111,119,141	108,177,749
Accumulated depreciation	(15,847,746)	(14,437,598)
Buildings in trust, net	95,271,394	93,740,151
Structures in trust	1,249,509	1,175,676
Accumulated depreciation	(319,090)	(285,575)
Structures in trust, net	930,419	890,101
Machinery and equipment in trust	1,501,150	1,493,742
Accumulated depreciation	(452,582)	(420,189)
Machinery and equipment in trust, net	1,048,567	1,073,553
Tools, furniture and fixtures in trust	941,780	798,111
Accumulated depreciation	(147,578)	(121,898)
Tools, furniture and fixtures in trust, net	794,202	676,213
Land in trust	164,872,506	160,714,888
<b>Total property, plant and equipment, net</b>	<b>263,089,757</b>	<b>257,267,575</b>
<b>Intangible assets</b>		
Leasehold right in trust (Notes 15 and 20)	1,115,030	1,116,755
Other	2,458	3,234
<b>Total intangible assets</b>	<b>1,117,488</b>	<b>1,119,989</b>
<b>Investments and other assets</b>		
Lease and guarantee deposits	89,381	89,381
Long-term prepaid expenses	998,658	1,056,412
Other	12,758	14,478
<b>Total investments and other assets</b>	<b>1,100,798</b>	<b>1,160,272</b>
<b>Total noncurrent assets</b>	<b>265,308,044</b>	<b>259,547,837</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	52,037	41,066
Investment unit issuance costs	71,778	58,549
<b>Total deferred assets</b>	<b>123,816</b>	<b>99,616</b>
<b>Total assets</b>	<b>¥293,176,951</b>	<b>¥283,172,411</b>

	19th Fiscal Period as of July 31, 2021	18th Fiscal Period as of January 31, 2021
	(in thousands of yen)	
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Operating accounts payable	¥671,687	¥603,335
Short-term loans payable (Notes 10 and 22)	-	2,000,000
Current portion of investment corporation bonds (Notes 10 and 21)	1,000,000	1,000,000
Current portion of long-term loans payable (Notes 10, 11 and 22)	21,950,000	15,200,000
Accounts payable-other	424,095	364,045
Accrued expenses	49,510	49,658
Income taxes payable	605	605
Accrued consumption taxes	66,020	35,929
Advances received	1,203,553	1,147,437
Deposits received	76,116	90,588
Other	12,261	111,402
<b>Total current liabilities</b>	<b>25,453,849</b>	<b>20,603,002</b>
<b>Noncurrent liabilities</b>		
Investment corporation bonds (Notes 10 and 21)	7,700,000	6,000,000
Long-term loans payable (Notes 10, 11 and 22)	116,270,000	121,020,000
Tenant leasehold and security deposits in trust	3,396,104	3,176,031
Tenant lump sum deposits in trust	4,570,534	4,618,929
Asset retirement obligations (Note 14)	68,078	67,892
Other	499,957	554,484
<b>Total noncurrent liabilities</b>	<b>132,504,674</b>	<b>135,437,338</b>
<b>Total liabilities</b>	<b>157,958,524</b>	<b>156,040,341</b>
<b>NET ASSETS</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	116,322,630	108,550,294
<b>Surplus</b>		
Capital surplus	13,187,100	13,187,100
<b>Voluntary retained earnings</b>		
Reserve for temporary difference adjustments (Note 4)	1,900,000	1,920,000
<b>Total voluntary retained earnings</b>	<b>1,900,000</b>	<b>1,920,000</b>
<b>Unappropriated retained earnings</b>	<b>4,296,284</b>	<b>3,997,276</b>
<b>Total surplus</b>	<b>19,383,384</b>	<b>19,104,376</b>
<b>Total unitholders' equity</b>	<b>135,706,015</b>	<b>127,654,670</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges (Notes 10 and 11)	(487,588)	(522,600)
<b>Total valuation and translation adjustments</b>	<b>(487,588)</b>	<b>(522,600)</b>
<b>Total net assets (Note 3)</b>	<b>135,218,427</b>	<b>127,132,070</b>
<b>Total liabilities and net assets</b>	<b>¥293,176,951</b>	<b>¥283,172,411</b>

See accompanying notes to the financial statements.

## KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

### Statement of Income and Retained Earnings

For the period from February 1, 2021 to July 31, 2021

	19th Fiscal Period from February 1, 2021 to July 31, 2021	18th Fiscal Period from August 1, 2020 to January 31, 2021
	(in thousands of yen)	
Operating revenues		
Rent revenue-real estate (Note 6)	¥8,145,546	¥7,834,662
Other lease business revenue (Note 6)	612,776	548,002
Gain on sales of real estate property (Note 6)	437,537	-
Total operating revenues	9,195,861	8,382,664
Operating expenses		
Expenses related to rent business (Note 6)	3,333,440	3,060,925
Asset management fees	668,991	645,144
Asset custody fees	15,034	14,600
Administrative service fees	50,368	48,792
Directors' compensation	8,100	8,100
Other operating expenses	297,440	260,792
Total operating expenses	4,373,375	4,038,356
Operating income	4,822,485	4,344,308
Non-operating income		
Interest income	43	41
Gain on forfeiture of unclaimed dividends	397	323
Consumption taxes refund	43,287	-
Interest on refund	76	114
Total non-operating income	43,805	479
Non-operating expenses		
Interest expenses	529,613	531,956
Interest expenses on investment corporation bonds	23,359	21,702
Borrowing expenses	130,855	129,966
Amortization of investment corporation bond issuance costs	4,505	4,118
Amortization of investment unit issuance costs	30,528	24,697
Total non-operating expenses	718,862	712,440
Ordinary income	4,147,428	3,632,346
Income before income taxes	4,147,428	3,632,346
Income taxes (Note 13)		
Current	605	605
Total income taxes	605	605
Net income	4,146,823	3,631,741
Retained earnings brought forward	149,461	365,534
Unappropriated retained earnings	¥4,296,284	¥3,997,276

See accompanying notes to the financial statements.

## KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

### Statement of Changes in Net Assets

For the period from February 1, 2021 to July 31, 2021

	Unitholders' equity						
	Unitholders' capital	Capital surplus	Surplus		Unappropriated retained earnings	Total surplus	Total unitholders' equity
			Voluntary retained earnings				
			Reserve for temporary difference adjustments	Total voluntary retained earnings			
(in thousands of yen)							
Balance as of July 31, 2020	¥108,550,294	¥13,187,100	¥1,940,000	¥1,940,000	¥4,212,398	¥19,339,498	¥127,889,792
Changes of items during the period							
Reversal of reserve for temporary difference adjustments			(20,000)	(20,000)	20,000	-	-
Dividends from surplus					(3,866,863)	(3,866,863)	(3,866,863)
Net income					3,631,741	3,631,741	3,631,741
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	-	(20,000)	(20,000)	(215,121)	(235,121)	(235,121)
Balance as of January 31, 2021 (Note 7)	¥108,550,294	¥13,187,100	¥1,920,000	¥1,920,000	¥3,997,276	¥19,104,376	¥127,654,670
Changes of items during the period							
Issuance of new investment units	7,772,336						7,772,336
Reversal of reserve for temporary difference adjustments			(20,000)	(20,000)	20,000	-	-
Dividends from surplus					(3,867,815)	(3,867,815)	(3,867,815)
Net income					4,146,823	4,146,823	4,146,823
Net changes of items other than unitholders' equity							
Total changes of items during the period	7,772,336	-	(20,000)	(20,000)	299,008	279,008	8,051,344
Balance as of July 31, 2021 (Note 7)	¥116,322,630	¥13,187,100	¥1,900,000	¥1,900,000	¥4,296,284	¥19,383,384	¥135,706,015

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	(in thousands of yen)		
Balance as of July 31, 2020	¥(432,188)	¥(432,188)	¥127,457,603
Changes of items during the period			
Reversal of reserve for temporary difference adjustment			-
Dividends from surplus			(3,866,863)
Net income			3,631,741
Net changes of items other than unitholders' equity	(90,411)	(90,411)	(90,411)
Total changes of items during the period	(90,411)	(90,411)	(325,533)
Balance as of January 31, 2021 (Note 7)	¥(522,600)	¥(522,600)	¥127,132,070
Changes of items during the period			
Issuance of new investment units			7,772,336
Reversal of reserve for temporary difference adjustments			-
Dividends from surplus			(3,867,815)
Net income			4,146,823
Net changes of items other than unitholders' equity	35,012	35,012	35,012
Total changes of items during the period	35,012	35,012	8,086,357
Balance as of July 31, 2021 (Note 7)	¥(487,588)	¥(487,588)	¥135,218,427

See accompanying notes to the financial statements.

## KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

### Statement of Cash Flows

For the period from February 1, 2021 to July 31, 2021

	19th Fiscal Period from February 1, 2021 to July 31, 2021	18th Fiscal Period from August 1, 2020 to January 31, 2021
(in thousands of yen)		
Net cash provided by (used in) operating activities		
Income before income taxes	¥4,147,428	¥3,632,346
Depreciation and amortization	1,547,032	1,504,959
Amortization of investment corporation bond issuance costs	4,505	4,118
Amortization of investment unit issuance costs	30,528	24,697
Interest income	(43)	(41)
Interest expenses	552,973	553,658
Decrease (increase) in operating accounts receivable	(77,134)	(59,168)
Decrease (increase) in consumption taxes refund receivable	-	35,339
Decrease (increase) in prepaid expenses	(6,246)	5,095
Increase (decrease) in operating accounts payable	(60,583)	127,276
Increase (decrease) in accounts payable-other	85,956	(14,235)
Increase (decrease) in accrued consumption taxes	30,091	25,117
Increase (decrease) in advances received	56,116	(32,451)
Decrease (increase) in long-term prepaid expenses	57,754	(42,030)
Decrease in net property, plant and equipment held in trust due to sale	631,984	-
Other, net	(145,674)	120,676
<b>Subtotal</b>	<b>6,854,688</b>	<b>5,885,358</b>
Interest income received	43	41
Interest expenses paid	(559,047)	(548,623)
Income taxes (paid) refund	(605)	(605)
<b>Net cash provided by (used in) operating activities</b>	<b>6,295,079</b>	<b>5,336,171</b>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-	(65,684)
Purchase of property, plant and equipment in trust	(7,895,245)	(11,717,031)
Payments for lease and guarantee deposits	-	(171)
Repayments of tenant leasehold and security deposits in trust	(179,176)	(130,915)
Proceeds from tenant leasehold and security deposits in trust	400,972	174,807
Repayments of tenant lump sum deposits in trust	(190,257)	(235,705)
Proceeds from tenant lump sum deposits in trust	141,861	368,895
<b>Net cash provided by (used in) investing activities</b>	<b>(7,721,844)</b>	<b>(11,605,805)</b>
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(2,000,000)	(800,000)
Proceeds from long-term loans payable	8,750,000	15,070,000
Repayments of long-term loans payable	(6,750,000)	(4,100,000)
Proceeds from issuance of investment corporation bonds	1,684,522	-
Proceeds from issuance of investment units	7,728,578	-
Dividends paid	(3,867,656)	(3,867,238)
<b>Net cash provided by (used in) financing activities</b>	<b>5,545,445</b>	<b>6,302,761</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,118,679</b>	<b>33,127</b>
Cash and cash equivalents at the beginning of period	23,417,194	23,384,067
<b>Cash and cash equivalents at the end of period (Note 8)</b>	<b>¥27,535,874</b>	<b>¥23,417,194</b>

See accompanying notes to the financial statements.



# KENEDIX RESIDENTIAL NEXT INVESTMENT CORPORATION

## Notes to Financial Statements

For the period from February 1, 2021 to July 31, 2021

### 1. ORGANIZATION AND BASIS OF PRESENTATION

#### Organization

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) was established on November 15, 2011 under the Act on Investment Trusts and Investment Corporations of Japan (“the Investment Trust Act”). On April 26, 2012, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange (Securities Code: 3278). The Investment Corporation implemented a 2-for-1 split of its investment units held by unitholders set forth or recorded in the final unitholder registry on February 28, 2018 with March 1, 2018 as the effective date. And also on March 1, 2018, the Investment Corporation conducted an absorption-type merger (“the Merger”) whereby the Investment Corporation was the surviving corporation and Japan Senior Living Investment Corporation (“JSL”) was the dissolving corporation.

After “the Merger”, the Investment Corporation raised funds through four public offerings and three third-party allotment. As of July 31, 2021, the end of the 19th fiscal period, the number of investment units issued and outstanding totaled 995,883 units.

The Investment Corporation is externally managed by Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”), a company that was formed with personnel from Kenedix, Inc. and adheres to the core philosophies of Kenedix, Inc., that is, to provide management services from the perspective of real estate investors a real estate management company. As the asset manager, the Asset Management Company shall provide flexible and speedy real estate investment and management services based on the strategies of the Investment Corporation: “Flexible pursuit for appropriate investment and profit opportunities with comprehension of the real estate market trends” and “Speedy execution based on expeditious information collection and judgement.”

During the 19th fiscal period, the Investment Corporation acquired 3 residential properties (total acquisition price of ¥2,533 million) and 2 healthcare properties (total acquisition price of ¥4,429 million) and sold 1 residential property (acquisition price of ¥650 million, disposition price of ¥1,110 million). As a result, the Investment Corporation has a portfolio comprised of 161 properties (total acquisition price of ¥265,762 million) as of July 31, 2021, the end of the 19th fiscal period. The portfolio consists of 133 residential properties (total acquisition price of ¥202,182 million), 26 healthcare properties (total acquisition price of ¥58,620 million) and 2 accommodation properties (total acquisition price of ¥4,960 million).

The occupancy rates of the overall portfolio were 96.2% and 97.4% as of the end of the 18th and 19th fiscal period, respectively. Furthermore, the average occupancy rates of the properties for residential and healthcare were 95.9% and 100.0% as of the end of the 19th fiscal period.

During the 18th and 19th fiscal period, the Investment Corporation made borrowings of ¥4,900 million and ¥8,750 million for the repayment of debt matured. During the 18th fiscal period, the Investment Corporation made new borrowings of ¥10,170 million upon acquiring properties. As a result, the balance of borrowings as of the end of the 18th and 19th fiscal period stood at ¥138,220 million and ¥138,220 million, respectively. The balance of interest-bearing debt including investment corporation bonds as of the end of the 18th and 19th periods, was ¥145,220 million and ¥146,920 million, respectively.

#### Basis of Presentation

The Investment Corporation maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the Investment Trust Act, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Investment Corporation, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Investment Corporation filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information.

The Investment Corporation fiscal period is a six-month period which ends at the end of January or July. The Investment Corporation does not prepare consolidated financial statements because it has no subsidiaries.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (A) Property and Equipment (including trust assets)

Property and equipment are stated at cost. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
Buildings	2-69 years	2-69 years
Structures	3-65 years	3-65 years
Machinery and equipment	3-40 years	3-40 years
Tools, furniture and fixtures	2-30 years	2-30 years

### (B) Intangible Assets (including trust assets)

Intangible assets are amortized by the straight-line method. Fixed-term leaseholds are amortized by the straight-line method based on the contract period.

### (C) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized by the straight-line method.

### (D) Unit Issuance Costs

Unit issuance costs are amortized over a period of 3 years under the straight-line method.

### (E) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized over a maturity period under the straight-line method.

### (F) Accounting Treatment of Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate, which are commonly utilized in the ownership of commercial properties in Japan, all relevant assets and liabilities in trust are recorded on the balance sheet and the statement of income and retained earnings.

### (G) Revenue Recognition

Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues including parking space rental revenues and other miscellaneous revenues. Rental revenues are generally recognized on an accrual basis over the life of each lease.

### (H) Taxes on Property and Equipment

Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is generally reimbursed by the purchaser for these accrued property-related tax liabilities.

When the Investment Corporation purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to ¥4,538 thousand and ¥31,508 thousand as of January 31, 2021 and July 31, 2021, respectively.

### (I) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory tax rates.

(J) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.

(K) Derivative Financial Instruments

The Investment Corporation enters into derivative transactions to hedge risks prescribed in its Articles of Incorporation based on its risk management policies. The Investment Corporation hedges interest rate volatility risk of its interest payments on its borrowings by utilizing interest rate swap as hedging instruments.

As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps and other derivatives that meet the requirements for special treatment.

(L) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.

(M) Presentation of Amounts

Amounts of less than one thousand yen are truncated in the Japanese financial statements prepared in accordance with Japanese GAAP and filed with regulatory authorities in Japan. Unless otherwise noted, amounts are rounded down and ratios are rounded off in the accompanying financial statements. Totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

(Accounting standards issued but not yet effective)

- “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 issued on March 26, 2021)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and issued “Revenue from Contracts with Customers” (IFRS 15 (IASB) and Topic 606 (FASB)) in May 2014. Given the situation where IFRS 15 is applied from fiscal years beginning on or after January 1, 2018 and that Topic 606 will be applied from fiscal years beginning after December 15, 2017, the ASBJ has developed comprehensive accounting standards for revenue recognition and issued them together with the implementation guidance.

The basic policy of the ASBJ when it developed the accounting standards for revenue recognition was to specify the accounting standards, incorporating the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which consideration should be given, such as practices that have been conducted thus far in Japan, alternative treatments will be added to the extent to which comparability is not impaired.

(2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending January 31, 2022.

(3) Impact of applying the accounting standards

The impact of applying “Accounting Standard for Revenue Recognition” and its guidance on the financial statements is currently under evaluation.

- “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30 issued on July 4, 2019)
- “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31 issued on July 4, 2019)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on March 31, 2020)

(1) Overview

The IASB and the FASB have established detailed guidance regarding fair value measurement (IFRS 13 “Fair Value Measurement” (IASB) and Topic 820 “Fair Value Measurement” (FASB)). The ASBJ repeatedly considered the guidance regarding fair value of financial instruments and disclosure in order to improve the comparability with such international accounting standards, and issued “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement.”

(2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending January 31, 2022.

(3) Impact of applying the accounting standards

The impact of applying the “Accounting Standard for Fair Value Measurement” and its guidance on the financial statements is currently under evaluation.

### 3. NET ASSETS

The Investment Corporation issues only non-par value units in accordance with the Investment Trust Act. The entire amount of the issue price of new units is designated as stated capital. The Investment Corporation is required to maintain net assets of at least ¥50,000 thousand as required by the Investment Trust Act.

### 4. RESERVE FOR TEMPORARY DIFFERENCE ADJUSTMENTS

As of July 31, 2021

The following summarizes reserve for temporary difference adjustments.

	Initial amount	Balance at the beginning of the period	Reserve during the period	Reversal during the period	Balance at the end of the period	Reason for reserve and reversal
(in thousands of yen)						
Gain on negative goodwill*	¥2,000,000	¥1,920,000	¥ -	¥20,000	¥1,900,000	Appropriation for cash distribution

\* The Investment Corporation reserved part of gain on negative goodwill incurred in the 13th fiscal period as reserve for temporary difference adjustments. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period starting from the next fiscal period after the fiscal period, in which the initial amount was reserved.

As of January 31, 2021

The following summarizes reserve for temporary difference adjustments.

	Initial amount	Balance at the beginning of the period	Reserve during the period	Reversal during the period	Balance at the end of the period	Reason for reserve and reversal
(in thousands of yen)						
Gain on negative goodwill*	¥2,000,000	¥1,940,000	¥ -	¥20,000	¥1,920,000	Appropriation for cash distribution

\* The Investment Corporation reserved part of gain on negative goodwill incurred in the 13th fiscal period as reserve for temporary difference adjustments. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period starting from the next fiscal period after the fiscal period, in which the initial amount was reserved.

### 5. COMMITMENT LINE CONTRACTS

KDR has commitment line contracts with the following financial institutions

	As of July 31, 2021	As of January 31, 2021
(in thousands of yen)		
Total amount of commitment line contracts	¥4,500,000	¥4,500,000
Balance of loans payable outstanding	-	-
Remaining amount	¥4,500,000	¥4,500,000



## 6. BREAKDOWN OF RENTAL AND OTHER OPERATING REVENUES, PROPERTY-RELATED EXPENSES AND GAIN ON SALES OF REAL ESTATE PROPERTY

Rental and other operating revenues and property-related expenses for the periods from February 1, 2021 to July 31, 2021 and from August 1, 2020 to January 31, 2021 consist of the following:

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
(in thousands of yen)		
A. Rental and other operating revenues:		
Rental revenues	¥7,783,762	¥7,464,641
Rental revenues from limited proprietary rights of land	-	22,118
Common area charges	361,784	347,902
Subtotal	8,145,546	7,834,662
Others:		
Parking space rental revenues	209,493	206,193
Miscellaneous	403,283	341,808
Subtotal	612,776	548,002
Total rental and other operating revenues	¥8,758,323	¥8,382,664
B. Property-related expenses:		
Property management fees and facility management fees	¥482,452	¥436,795
Utilities	93,519	92,202
Taxes	533,686	497,116
Repairs and maintenance	365,133	275,759
Insurance	13,681	15,119
Trust fees	58,580	57,030
Depreciation	1,546,256	1,504,182
Others	240,128	182,718
Total property-related expenses	¥3,333,440	¥3,060,925
C. Net operating income from real estate rental business (A-B)	¥5,424,883	¥5,321,738

Gain on sales of real estate property:

From February 1, 2021 to July 31, 2021

(in thousands of yen)

KDX Residence Sendagaya	
Revenue from sale of real estate property	¥1,110,000
Cost of real estate property	631,984
Other sales expenses	40,478
Gain on sales of real estate property	¥437,537

From August 1, 2020 to January 31, 2021 : Not applicable

## 7. UNITHOLDERS' EQUITY

Total number of authorized investment units and total number of investment units issued and outstanding are as follows:

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
Total number of authorized investment units	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	995,883 units	951,258 units

## 8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of July 31, 2021 and January 31, 2021:

	As of July 31, 2021	As of January 31, 2021
	(in thousands of yen)	
Cash and deposits	¥16,724,647	¥12,947,764
Cash and deposits in trust	10,811,226	10,469,429
Cash and cash equivalents	¥27,535,874	¥23,417,194

## 9. LEASES

The Investment Corporation, as lessee, has entered into Fixed-term lease contract whereby fixed monthly rents are due in advance. The future minimum rental expenses under existing non-cancelable operating leases as of July 31, 2021 and January 31, 2021 are as follows:

	As of July 31, 2021	As of January 31, 2021
	(in thousands of yen)	
Due in 1 year	¥12,000	¥12,000
Due after 1 year	527,000	533,000
Total	¥539,000	¥545,000

The Investment Corporation, as lessor, has entered into leases whereby fixed monthly rents are due in advance with a lease term of generally two years for residential properties. The future minimum rental revenues under existing non-cancelable operating leases as of July 31, 2021 and January 31, 2021 are as follows:

	As of July 31, 2021	As of January 31, 2021
	(in thousands of yen)	
Due in 1 year	¥6,078,634	¥3,475,193
Due after 1 year	13,592,410	15,461,675
Total	¥19,671,045	¥18,936,868

## 10. FINANCIAL INSTRUMENTS

### (A). Overview

#### (1) Policy for financial instruments

The Investment Corporation procures funds for asset acquisitions, repairs, payment of distributions, repayment of loans, etc. through loans from financial institutions, issuance of investment corporation bonds, issuance of investment units and other means. With regard to the procurement of interest-bearing debts, the Investment Corporation ensures that it can effectively combine stable long-term funds with flexible short-term funds. Management of surplus funds is undertaken through various bank deposits focusing on safety, liquidity and effectiveness. The Investment Corporation uses derivatives for the purpose of hedging its exposure to changes in interest rates and other risks and does not enter into derivative transactions for speculative or trading purposes.

#### (2) Types of financial instruments and related risk

Bank deposits are for managing the Investment Corporation's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited.

Borrowings and investment corporation bonds are made primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 8 years and 6 months for borrowings and also have a redemption date of a maximum of 9 years and 10 months for investment corporation bonds as of July 31, 2021, the end of the 19th fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, borrowings with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the borrowings.

#### (3) Risk management for financial instruments

##### a. Credit risk

While bank deposits are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited, such risk is monitored by deposits in non-interest bearing ordinary savings accounts or with financial institutions with credit ratings above a certain level. In utilizing

derivatives, the Investment Corporation aims to mitigate counterparty risk such as by transacting with financial institutions with favorable ratings.

b. Market risk

While borrowings with floating rates are exposed to interest rate volatility risk, such risk is monitored by adjusting the rate of the balance of borrowings with floating rates against the total borrowings according to the financial environment, interest rate forecasts by continuous monitoring, etc. and by using derivatives, etc. A risk management policy is established with regard to the execution and management of derivatives, and such transactions are entered into based on this policy.

c. Liquidity risk

Though borrowings are subject to liquidity risk, the Investment Corporation reduces such risk by spreading out payment due dates and by diversifying financial institutions. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

**(4) Supplementary explanation of the estimated fair value of financial instruments**

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

**(B). Estimated Fair Value of Financial Instruments**

The carrying value of financial instruments on the balance sheet and estimated fair value are shown in the following table.

As of July 31, 2021

	Carrying amount	Estimated fair value	Difference
(in thousands of yen)			
(1) Cash and deposits	¥16,724,647	¥16,724,647	¥ -
(2) Cash and deposits in trust	10,811,226	10,811,226	-
Subtotal	27,535,874	27,535,874	-
(1) Short-term loans payable	-	-	-
(2) Current portion of investment corporation bonds	1,000,000	999,800	(200)
(3) Current portion of long-term loans payable	21,950,000	21,965,460	15,460
(4) Investment corporation bonds	7,700,000	7,691,110	(8,890)
(5) Long-term loans payable	116,270,000	116,667,820	397,820
Subtotal	146,920,000	147,324,190	404,190
Derivative transactions*	¥(487,588)	¥(487,588)	¥ -

\* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

As of January 31, 2021

	Carrying amount	Estimated fair value	Difference
(in thousands of yen)			
(1) Cash and deposits	¥12,947,764	¥12,947,764	¥ -
(2) Cash and deposits in trust	10,469,429	10,469,429	-
Subtotal	23,417,194	23,417,194	-
(1) Short-term loans payable	2,000,000	2,000,000	-
(2) Current portion of investment corporation bonds	1,000,000	998,900	(1,100)
(3) Current portion of long-term loans payable	15,200,000	15,215,486	15,486
(4) Investment corporation bonds	6,000,000	5,958,400	(41,600)
(5) Long-term loans payable	121,020,000	121,463,368	443,368
Subtotal	145,220,000	145,636,154	416,154
Derivative transactions*	¥(522,600)	¥(522,600)	¥ -

\* Figures indicate net amount of derivative assets/liabilities derived from derivative transactions, with minus representing net liabilities.

Note 1: Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions.

Assets

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

Since these items are settled in a short period of time, their carrying amount approximates fair value.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time with floating interest rates, their carrying amount approximates fair value.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value of investment corporation bonds is based on quoted market prices.

(3) Current portion of long-term loans payable and (5) Long-term loans payable

Among these items, the fair value of loans payable with fixed interest rates is calculated based on the present value, which is the total amount of principal and interest discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type. As for the fair value of loans payable with floating interest rates, it is based on the carrying amount since market interest rates are reflected in the short term and the fair value is believed to approximate the carrying amount as the credit standing of the Investment Corporation has not changed significantly since the loans were made. (However, the fair value of long-term loans payable subject to the special treatment for interest-rate swaps is based on the present value of the total of principal and interest, accounted for together with the applicable interest-rate swaps, discounted by the estimated interest rate to be applied in the event that the Investment Corporation conducts new borrowings of the same type.)

Derivative transactions

Please refer to Note 11 "DERIVATIVE TRANSACTIONS".

Note 2: Redemption schedule for financial assets with maturities

As of July 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(in thousands of yen)					
Cash and Deposits	¥16,724,647	¥ -	¥ -	¥ -	¥ -	¥ -
Cash and deposits in trust	10,811,226	-	-	-	-	-
Total	¥27,535,874	¥ -	¥ -	¥ -	¥ -	¥ -

As of January 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(in thousands of yen)					
Cash and Deposits	¥12,947,764	¥ -	¥ -	¥ -	¥ -	¥ -
Cash and deposits in trust	10,469,429	-	-	-	-	-
Total	¥23,417,194	¥ -	¥ -	¥ -	¥ -	¥ -

Note 3: Redemption schedule for loans payable and investment corporation bonds

As of July 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(in thousands of yen)					
Short-term loans payable	¥ -	¥ -	¥ -	¥ -	¥ -	¥ -
Investment corporation bonds	1,000,000	-	1,000,000	-	-	6,700,000
Long-term loans payable	21,950,000	13,350,000	15,850,000	16,350,000	19,000,000	51,720,000
Total	¥22,950,000	¥13,350,000	¥16,850,000	¥16,350,000	¥19,000,000	¥58,420,000

As of January 31, 2021

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(in thousands of yen)						
Short-term loans payable	¥2,000,000	¥ -	¥ -	¥ -	¥ -	¥ -
Investment corporation bonds	1,000,000	-	1,000,000	-	-	5,000,000
Long-term loans payable	15,200,000	18,250,000	14,400,000	15,900,000	15,500,000	56,970,000
Total	¥18,200,000	¥18,250,000	¥15,400,000	¥15,900,000	¥15,500,000	¥61,970,000

## 11. DERIVATIVE TRANSACTIONS

The contract amount and the fair value of interest-rate swap transactions as of July 31, 2021 are shown in the following table.

(1) Transactions not subject to hedge accounting

Not applicable

(2) Transactions subject to hedge accounting

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
			Total	Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	¥82,870,000	¥78,370,000	¥(487,588)	Based on the amount provided by counterparty financial institutions
Special treatment for interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	30,850,000	16,700,000	*	-
	Total		¥113,720,000	¥95,070,000	¥(487,588)	-

\*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term loans payable.

The contract amount and the fair value of interest-rate swap transactions as of January 31, 2021 are shown in the following table.

(1) Transactions not subject to hedge accounting

Not applicable

(2) Transactions subject to hedge accounting

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
			Total	Maturing after 1 year		
Accounting method, in principle	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	¥79,320,000	¥76,320,000	¥(522,600)	Based on the amount provided by counterparty financial institutions
Special treatment for interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	33,200,000	24,200,000	*	-
	Total		¥112,520,000	¥100,520,000	¥(522,600)	-

\*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term loans payable.



## 12. RELATED-PARTY TRANSACTIONS

1. Parent Company, major corporate unitholders and other  
19th Fiscal Period (February 1, 2021 to July 31, 2021) and 18th Fiscal Period (August 1, 2020 to January 31, 2021): Not applicable
2. Affiliated companies and other  
19th Fiscal Period (February 1, 2021 to July 31, 2021) and 18th Fiscal Period (August 1, 2020 to January 31, 2021): Not applicable
3. Fellow subsidiary companies and other  
19th Fiscal Period (February 1, 2021 to July 31, 2021) and 18th Fiscal Period (August 1, 2020 to January 31, 2021): Not applicable
4. Directors, major individual unitholders and other  
19th Fiscal Period (February 1, 2021 to July 31, 2021) and 18th Fiscal Period (August 1, 2020 to January 31, 2021): Not applicable

## 13. INCOME TAXES

The Investment Corporation is subject to corporate income taxes at a regular statutory rate of approximately 32%. However, the Investment Corporation may deduct from its taxable income amounts distributed to its unitholders, provided the requirements under the Special Taxation Measures Law of Japan are met, including a requirement that it currently distributes in excess of 90% of its net income for the fiscal period in order to be able to deduct such amounts. If the Investment Corporation does not satisfy all of the requirements, the entire taxable income of the Investment Corporation will be subject to regular corporate income taxes. Since the Investment Corporation distributed in excess of 90% of its distributable income in the form of cash distributions totaling ¥4,100 million and ¥3,867 million for the periods ended July 31, 2021 and January 31, 2021, respectively, the distributions were treated as deductible distributions for purposes of corporate income taxes. The effective tax rates on the Investment Corporation's income were 0.01% and 0.02% for the periods ended July 31, 2021 and January 31, 2021, respectively. The following table summarizes the significant differences between the statutory tax rate and the effective tax rate.

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
Statutory tax rate	31.46%	31.46%
Deductible cash distributions	(31.09)	(31.04)
Others	(0.36)	(0.40)
Effective tax rate	0.01%	0.02%

The significant components of deferred tax assets and liabilities as of July 31, 2021 and January 31, 2021 are as follows:

	As of July 31, 2021	As of January 31, 2021
	(in thousands of yen)	
Deferred tax assets:		
Valuation difference on assets acquired by merger	¥644,993	¥661,652
Deferred gains or losses on hedges	157,409	168,964
Asset retirement obligations	21,417	21,359
Amortization of leasehold right in trust	2,351	1,808
Other	20	20
Subtotal deferred tax assets	826,192	853,806
Valuation allowance	(826,192)	(853,806)
Total deferred tax assets	¥ -	¥ -
Net deferred tax assets	¥ -	¥ -

## 14. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reported on balance sheets

### 1. Summary of the asset retirement obligations

The Investment corporation has recognized the original state restoration obligations assumed under the general fixed-term land leasehold agreement as the asset retirement obligations in connection with Arute Ishiyagawa acquired on June 3, 2019.

### 2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 0.54711% and the useful life has been estimated to be 47 years and one month based on the time period from the date of acquisition to the expiration of the agreement.

### 3. Changes in the amount of applicable asset retirement obligations consisted of the following

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
	(in thousands of yen)	
Balance at the beginning of period	¥67,892	¥67,707
Accretion adjustment	185	185
Balance at the end of period	¥68,078	¥67,892

## 15. INVESTMENT AND RENTAL PROPERTIES

The Investment Corporation owns real estate for rental purposes in the Tokyo Metropolitan Area and other regional areas for the purpose of generating rental revenues.

The book value and fair value concerning the above real estate for rental purposes are as follows.

	19th Fiscal Period from February 1, 2021 to July 31, 2021	18th Fiscal Period from August 1, 2020 to January 31, 2021
	(in thousands of yen)	
Book value		
Balance at the beginning of period	¥258,384,330	¥248,229,744
Changes during the period	5,820,457	10,154,586
Balance at the end of period	264,204,787	258,384,330
Fair value at the end of period	¥323,918,000	¥312,166,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the 19th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 5 properties totaling ¥7,340,422 thousand, and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling ¥631,984 thousand and depreciation of ¥1,546,070 thousand, and during the 18th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interests in 6 properties totaling ¥10,750,264 thousand and additional acquisition of real estate and real estate trust beneficiary interest in 2 properties amounting to ¥430,265 thousand, and the principal decrease was depreciation of ¥1,503,997 thousand.

Note 3: The fair value is the appraisal value or the survey value determined by outside appraisers. In addition, the fair value at the end of 18th fiscal period of KDX Residence Sendagaya, which was sold on February 5, 2021, is based on the sales price (¥1,110,000 thousand) under the trust beneficiary interest sales contracts entered into on January 26, 2021.

Income and loss in the fiscal periods ended July 31, 2021 and January 31, 2021 for real estate for rental purposes is listed in Note 6 "BREAKDOWN OF RENTAL AND OTHER OPERATING REVENUES, PROPERTY-RELATED EXPENSES AND GAIN ON SALES OF REAL ESTATE PROPERTY".

## 16. SEGMENT AND RELATED INFORMATION

Segment and related information for the period ended from February 1, 2021 to July 31, 2021 and from August 1, 2020 to January 31, 2021 is as follows:

### (A) Segment information

Disclosure is omitted because the real estate leasing business is the Investment Corporation's sole business and it has no reportable segment subject to disclosure.

(B) Related information

(1) Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Information about each geographic area

(a) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(b) Property, plant and equipment

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

(3) Information about each major customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenue on the statement of income and retained earnings.

## 17. PER UNIT INFORMATION

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
Net asset value per unit	¥135,777	¥133,646
Net income per unit	¥4,189	¥3,817
Weighted average number of units (units)	989,825	951,258

The weighted average number of units outstanding of 989,825 and 951,258 were used for the computation of the amount of net income per unit as of July 31, 2021 and January 31, 2021, respectively.

Net income per unit after adjusting for residual units is not included because there were no residual investment units.

The basis for calculating net income per unit is as follows:

	From February 1, 2021 to July 31, 2021	From August 1, 2020 to January 31, 2021
Net income (in thousands of yen)	¥4,146,823	¥3,631,741
Net income not available to ordinary unitholders (in thousands of yen)	-	-
Net income available to ordinary unitholders (in thousands of yen)	¥4,146,823	¥3,631,741
Weighted average number of units during the period (units)	989,825	951,258

## 18. SIGNIFICANT SUBSEQUENT EVENTS

Not applicable

## 19. SECURITIES PORTFOLIO

Securities portfolio consists of the following as of July 31, 2021

- (1) Stock Not applicable
- (2) Securities other than shares Not applicable

Securities portfolio consists of the following as of January 31, 2021

- (1) Stock Not applicable
- (2) Securities other than shares Not applicable

## 20. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment consist of the following as of July 31, 2021:

Type of asset	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Depreciation		Net balance at end of the period	Remarks
					Accumulated depreciation	Depreciation for the period		
(in thousands of yen)								
Land	¥172,666	¥ -	¥ -	¥172,666	¥ -	¥ -	¥172,666	
Sub total	172,666	-	-	172,666	-	-	172,666	
Buildings in trust	108,177,749	3,112,405	171,014	111,119,141	15,847,746	1,450,106	95,271,394	Notes 1 and 2
Structures in trust	1,175,676	75,269	1,436	1,249,509	319,090	34,603	930,419	
Machinery and equipment in trust	1,493,742	11,715	4,307	1,501,150	452,582	33,830	1,048,567	
Tools, furniture and fixtures in trust	798,111	145,367	1,698	941,780	147,578	25,805	794,202	
Land in trust	160,714,888	4,653,754	496,137	164,872,506	-	-	164,872,506	Notes 1 and 2
Sub total	272,360,169	7,998,512	674,593	279,684,088	16,766,997	1,544,345	262,917,090	
Total	272,532,836	7,998,512	674,593	279,856,754	16,766,997	1,544,345	263,089,757	
Intangible assets								
Leasehold right in trust	1,122,504	-	-	1,122,504	7,474	1,724	1,115,030	
Other	7,762	-	-	7,762	5,304	776	2,458	
Total	¥1,130,267	¥ -	¥ -	¥1,130,267	¥12,779	¥2,501	¥1,117,488	

Note 1: The amount of increase during the period is primarily attributable to the acquisition of the real estate properties and capital expenditures.

Note2: The amount of decrease during the period is primarily attributable to the sales of the real estate property.

Property, plant and equipment consist of the following as of January 31, 2021:

Type of asset	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Depreciation		Net balance at end of the period	Remarks
					Accumulated depreciation	Depreciation for the period		
(in thousands of yen)								
Land	¥1,798,041	¥172,666	¥1,798,041	¥172,666	¥ -	¥ -	¥172,666	Note 2
Sub total	1,798,041	172,666	1,798,041	172,666	-	-	172,666	
Buildings in trust	104,694,136	3,483,612	-	108,177,749	14,437,598	1,413,425	93,740,151	Note 1
Structures in trust	1,127,421	48,255	-	1,175,676	285,575	33,354	890,101	
Machinery and equipment in trust	1,468,718	25,024	-	1,493,742	420,189	33,429	1,073,553	
Tools, furniture and fixtures in trust	693,103	105,008	-	798,111	121,898	22,063	676,213	
Land in trust	150,985,849	9,729,039	-	160,714,888	-	-	160,714,888	Notes 1 and 2
Sub total	258,969,228	13,390,940	-	272,360,169	15,265,261	1,502,272	257,094,908	
Total	260,767,270	13,563,607	1,798,041	272,532,836	15,265,261	1,502,272	257,267,575	
Intangible assets								
Leasehold right in trust	1,229,487	-	106,982	1,122,504	5,749	1,724	1,116,755	Note 2
Other	7,762	-	-	7,762	4,528	776	3,234	
Total	¥1,237,249	¥ -	¥106,982	¥1,130,267	¥10,277	¥2,501	¥1,119,989	

Note 1: The amount of increase during the period is primarily attributable to the acquisition of the real estate properties and capital expenditures.

Note 2: Due to the change in ownership form to real estate trust beneficiary for Cosmo Heim Motosumiyoshi (land), land decreased and reclassified into land in trust. On the other hand, due to the partial change in ownership form to real estate for Rehabili-home Granda Mondo Yakujin (land with leasehold interest), leasehold right in trust decreased and reclassified into Land.

## 21. INVESTMENT CORPORATION BONDS

Outstanding Investment corporation bonds as of July 31, 2021 are as follows.

Series	Date of issue	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Repayment date	Use	Remarks
(in thousands of yen)								
First series of unsecured investment corporation bonds (Note 1)	August 30, 2016	¥1,000,000	¥ -	¥1,000,000	0.200%	August 30, 2021		
Second series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.540%	August 28, 2026		
Third series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.800%	August 30, 2028	(Note2)	Unsecured
Fourth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.410%	November 30, 2023		
Fifth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.850%	November 30, 2028		
Sixth series of unsecured investment corporation bonds(Social bond) (Note 1)	December 20, 2019	2,000,000	-	2,000,000	0.750%	December 20, 2029	(Note3)	Unsecured
Seventh series of unsecured investment corporation bonds(Social bond) (Note 1)	May 31, 2021	-	-	1,700,000	0.720%	May 30, 2031	(Note4)	Unsecured
<b>Total</b>		<b>¥7,000,000</b>	<b>¥ -</b>	<b>¥ 8,700,000</b>				

Note 1: Ranking pari passu among the specified investment corporation bonds.

Note 2: Investment corporation bonds were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate and repayment of debts.

Note 3: Investment corporation bonds were used as the funds for repayment of borrowings procured for the purpose of appropriating funds for the acquisition of social eligible assets.

Note 4: Investment corporation bonds were used as the funds for the acquisition of social eligible assets.

Note 5: Annual repayments of investment corporation bonds scheduled for the next five years after the balance sheet date are as follows.

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
(in thousands of yen)					
Investment corporation bonds	¥1,000,000	¥ -	¥1,000,000	¥ -	¥ -

Outstanding Investment corporation bonds as of January 31, 2021 are as follows.

Series	Date of issue	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Repayment date	Use	Remarks
(in thousands of yen)								
First series of unsecured investment corporation bonds (Note 1)	August 30, 2016	¥1,000,000	¥ -	¥1,000,000	0.200%	August 30, 2021		
Second series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.540%	August 28, 2026		
Third series of unsecured investment corporation bonds (Note 1)	August 30, 2016	1,000,000	-	1,000,000	0.800%	August 30, 2028	(Note2)	Unsecured
Fourth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.410%	November 30, 2023		
Fifth series of unsecured investment corporation bonds (Note 1)	November 30, 2018	1,000,000	-	1,000,000	0.850%	November 30, 2028		
Sixth series of unsecured investment corporation bonds(Social bond) (Note 1)	December 20, 2019	2,000,000	-	2,000,000	0.750%	December 20, 2029	(Note3)	Unsecured
<b>Total</b>		<b>¥7,000,000</b>	<b>¥ -</b>	<b>¥7,000,000</b>				

Note 1: Ranking pari passu among the specified investment corporation bonds.



Note 2: Investment corporation bonds were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate and repayment of debts.

Note 3: Investment corporation bonds were used as the funds for repayment of borrowings procured for the purpose of appropriating funds for the acquisition of social eligible assets.

Note 4: Annual repayments of investment corporation bonds scheduled for the next five years after the balance sheet date are as follows.

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
	(in thousands of yen)				
Investment corporation bonds	¥1,000,000	¥ -	¥1,000,000	¥ -	¥ -

## 22. SHORT-TERM DEBT AND LONG-TERM DEBT

Short-term debt and long-term debt consist of the following as of July 31, 2021

Classification		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender									
(in thousands of yen)									
Short-term loans payable	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-	0.428%	February 28, 2021		
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-	0.428%	February 28, 2021	(Note 6)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-	0.381%	July 31, 2021		
	Sub total	2,000,000	-	2,000,000	-				
Current portion of long-term loans payable	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	1,350,000	-	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-	0.409%	July 31, 2021		
	Shinsei Bank, Limited	1,000,000	-	1,000,000	-	0.409%	July 31, 2021		
	MUFG Bank, Ltd.	500,000	-	500,000	-	0.409%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	500,000	-	0.409%	July 31, 2021		
	MUFG Bank, Ltd.	900,000	-	900,000	-	0.456%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	500,000	-	0.456%	July 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd.	1,100,000	-	-	1,100,000				
	Mizuho Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	350,000	-	-	350,000	0.916%	August 7, 2021		
	Resona Bank, Limited	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.996% (Note 5)	August 7, 2021		
	Sumitomo Mitsui Banking Corporation	600,000	-	-	600,000	0.945%	August 31, 2021		
	MUFG Bank, Ltd.	600,000	-	-	600,000	0.945%	August 31, 2021		
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.945%	August 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.875%	January 31, 2022		
	Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	0.431%	January 31, 2022	(Note 6)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd. (Note 2)	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	MUFG Bank, Ltd. (Note 2)	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Limited (Note 2)	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd. (Note 2)	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Shinsei Bank, Limited (Note 2)	1,100,000	-	-	1,100,000				
	Sumitomo Mitsui Banking Corporation (Note 2)	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd. (Note 2)	1,000,000	-	-	1,000,000	1.115%	July 29, 2022		
	Mizuho Bank, Ltd. (Note 2)	300,000	-	-	300,000				
	Sompo Japan Insurance Inc. (Note 2)	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Banking Corporation	-	1,000,000	-	1,000,000	0.432%	February 28, 2022		
	Sumitomo Mitsui Banking Corporation	-	500,000	-	500,000	0.432%	February 28, 2022		
Sub total	27,200,000	1,500,000	6,750,000	21,950,000					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000				
	MUFG Bank, Ltd.	400,000	-	-	400,000	1.254%	August 7, 2023	(Note 6)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Limited	200,000	-	-	200,000				

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
Aozora Bank, Ltd.	150,000	-	-	150,000				
Development Bank of Japan Inc.	500,000	-	-	500,000	1.320% (Note 5)	August 7, 2023		
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
Resona Bank, Limited	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	1.100%	April 30, 2024		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.265%	April 30, 2025		
Resona Bank, Limited	1,100,000	-	-	1,100,000	0.923%	August 31, 2022		
Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022		
Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023		
MUFG Bank, Ltd.	1,700,000	-	-	1,700,000	1.169%	August 31, 2024		
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024		
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	1.193% (Note 5)	August 31, 2024		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	1.156%	April 27, 2025		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.819%	April 28, 2025		
Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	0.903%	April 30, 2026		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.660% (Note 5)	July 31, 2025		
Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000	0.816% (Note 5)	August 31, 2026		
Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.713%	August 31, 2024		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.797%	August 31, 2025		
Resona Bank, Limited	500,000	-	-	500,000	0.797%	August 31, 2025	(Note 6)	Unsecured/ Unguaranteed
MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.670% (Note 5)	August 31, 2025		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.751% (Note 5)	August 31, 2025		
Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.773% (Note 5)	October 31, 2025		
Resona Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.928% (Note 5)	August 22, 2027		
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.928% (Note 5)	August 22, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	0.582%	February 29, 2024		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.624%	August 31, 2024		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.661% (Note 5)	August 31, 2024		
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.665%	February 28, 2025		
Resona Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
		(in thousands of yen)							
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Nippon Life Insurance Company	500,000	-	-	500,000	0.900% (Note 5)	January 30, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
	MUFG Bank, Ltd.	1,400,000	-	-	1,400,000	0.799%	February 2, 2026		
	Mizuho Bank, Ltd.	900,000	-	-	900,000				
	Development Bank of Japan Inc.	500,000	-	-	500,000				
	Nippon Life Insurance Company	500,000	-	-	500,000				
	Resona Bank, Limited	400,000	-	-	400,000				
	Shinsei Bank, Limited	400,000	-	-	400,000	0.799%	February 2, 2026		
	Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000				
	Aozora Bank, Ltd.	300,000	-	-	300,000				
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.509%	August 31, 2022		
	MUFG Bank, Ltd.	400,000	-	-	400,000	0.509%	August 31, 2022		
	Development Bank of Japan Inc.	1,600,000	-	-	1,600,000	0.498% (Note 5)	August 31, 2022		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.592%	August 31, 2023		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.592%	August 31, 2023		
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.592%	August 31, 2023		
	Sumitomo Mitsui Banking Corporation	1,050,000	-	-	1,050,000	0.914%	February 28, 2027		
	Resona Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
Long-term loans payable	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027	(Note 6)	Unsecured/Unsecured
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.914%	February 28, 2027		
	Mizuho Bank, Ltd.	250,000	-	-	250,000	0.914%	February 28, 2027		
	Development Bank of Japan Inc.	1,400,000	-	-	1,400,000	0.884% (Note 5)	February 28, 2027		
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.825% (Note 5)	February 28, 2027		
	Nippon Life Insurance Company	700,000	-	-	700,000	0.920% (Note 5)	September 30, 2026		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.031%	September 30, 2028		
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.363%	November 30, 2024		
	Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000	0.330% (Note 5)	May 31, 2025		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.484%	November 30, 2025		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.272%	January 31, 2023		
	Mizuho Bank, Ltd.	800,000	-	-	800,000	0.299%	July 31, 2023		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.572%	August 31, 2026		
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.325%	April 30, 2023		
	Resona Bank, Limited	450,000	-	-	450,000	0.336%	April 30, 2024		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.600%	November 30, 2026		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.329%	July 31, 2023		
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000	0.329%	July 31, 2023		
	Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000	0.329%	July 31, 2023		
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000	0.329%	July 31, 2023		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.259%	February 29, 2024		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.259%	February 29, 2024		
Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.464%	February 28, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
Resona Bank, Limited	500,000	-	-	500,000	0.414%	February 28, 2027		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
The Bank of Fukuoka, Ltd.	400,000	-	-	400,000	0.414%	February 28, 2027		
MUFG Bank, Ltd.	400,000	-	-	400,000	0.450% (Note 5)	February 28, 2027		
Aozora Bank, Ltd.	200,000	-	-	200,000	0.531%	February 29, 2028		
MUFG Bank, Ltd.	600,000	-	-	600,000	0.300% (Note 5)	February 29, 2024		
Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.646%	June 30, 2028		
Shinsei Bank, Limited	800,000	-	-	800,000	0.646%	June 30, 2028		
Development Bank of Japan Inc.	500,000	-	-	500,000	0.616% (Note 5)	June 30, 2028		
Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000	0.691%	July 31, 2028		
Shinsei Bank, Limited	1,750,000	-	-	1,750,000	0.641%	July 31, 2028		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.641%	July 31, 2028		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.641%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.686%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	800,000	-	-	800,000	0.637%	July 31, 2028	(Note 6)	Unsecured/ Unguaranteed
MUFG Bank, Ltd.	500,000	-	-	500,000	0.640%	August 31, 2028		
Aozora Bank, Ltd.	300,000	-	-	300,000	0.690%	August 31, 2028		
Sumitomo Mitsui Banking Corporation	840,000	-	-	840,000	0.648%	September 30, 2028		
Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	800,000	-	-	800,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	1,330,000	-	-	1,330,000	0.658%	September 30, 2028		
Resona Bank, Limited	500,000	-	-	500,000	0.558%	September 30, 2028		
Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.608%	September 30, 2028		
MUFG Bank, Ltd.	800,000	-	-	800,000	0.550% (Note 5)	September 30, 2028		
MUFG Bank, Ltd.	300,000	-	-	300,000	0.637%	October 31, 2027		
Mizuho Bank, Ltd.	500,000	-	-	500,000	0.478%	April 30, 2025		
Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000	0.585%	October 31, 2027		
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.617%	November 30, 2027		
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.599%	January 31, 2028		
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000	0.409%	January 31, 2025		
Mizuho Trust & Banking Co., Ltd.	1,100,000	-	-	1,100,000	0.359%	January 31, 2025		
Aozora Bank, Ltd.	-	1,350,000	-	1,350,000	0.677%	March 31, 2029		
Shinsei Bank, Limited	-	1,000,000	-	1,000,000	0.252%	July 31, 2024		
Daishi Hokuetsu Bank, Ltd.	-	500,000	-	500,000	0.350% (Note 5)	January 31, 2027		
The Bank of Yokohama, Ltd.	-	1,000,000	-	1,000,000	0.467%	July 31, 2029		

Classification		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender									
(in thousands of yen)									
Long-term loans payable	Sumitomo Mitsui Banking Corporation	-	1,400,000	-	1,400,000	0.598%	January 31, 2030	(Note 6)	Unsecured/Unguaranteed
	MUFG Bank, Ltd	-	1,000,000	-	1,000,000	0.575% (Note 5)	January 31, 2030		
	Nippon Life Insurance Company	-	1,000,000	-	1,000,000	0.700% (Note 5)	January 31, 2030		
	Sub total	109,020,000	7,250,000	-	116,270,000				
Total		¥138,220,000	¥8,750,000	¥8,750,000	¥138,220,000				

Note 1: Annual repayments of long-term loans payable (except for current portion of long-term loans payable) scheduled for the next five years after the balance sheet date are as follows:

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
(in thousands of yen)					
Long-term loans payable	¥ 13,350,000	¥ 15,850,000	¥ 16,350,000	¥ 19,000,000	¥ 51,720,000

Note 2: Borrowings listed in the current portion of long-term loans payable were listed in long-term loans payable in the previous fiscal period.

Note 3: All debts except for the following Note 5 are borrowing at a floating rate.

Note 4: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps are indicated.

Note 5: Borrowings is applied at a fixed rate.

Note 6: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 7: All the repayment methods of debt financing are lump-sum repayments on the due date.

Short-term debt and long-term debt consist of the following as of January 31, 2021

Classification		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender									
(in thousands of yen)									
Short-term loans payable	Sumitomo Mitsui Banking Corporation	¥800,000	¥ -	¥800,000	¥ -	0.414%	January 31, 2021	(Note 6)	Unsecured/Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.414%	February 28, 2021		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.414%	February 28, 2021		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.364%	July 31, 2021		
	Sub total	2,800,000	-	800,000	2,000,000				
Current portion of long-term loans payable	MUFG Bank, Ltd.	1,000,000	-	1,000,000	-	1.109%	January 31, 2021	(Note 6)	Unsecured/Unguaranteed
	Sumitomo Mitsui Banking Corporation	2,000,000	-	2,000,000	-	0.804%	November 30, 2020		
	Aozora Bank, Ltd.	300,000	-	300,000	-	0.678%	August 31, 2020		
	MUFG Bank, Ltd.	300,000	-	300,000	-	0.624%	October 27, 2020		
	MUFG Bank, Ltd.	500,000	-	500,000	-	0.422%	August 31, 2020		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.221%	July 31, 2021		
	Aozora Bank, Ltd.	1,350,000	-	-	1,350,000	1.183%	March 31, 2021		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.409%	July 31, 2021		
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.409%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.409%	July 31, 2021		
	MUFG Bank, Ltd.	900,000	-	-	900,000	0.439%	July 31, 2021		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.439%	July 31, 2021		
	Sumitomo Mitsui Banking Corporation (Note 2)	1,100,000	-	-	1,100,000	0.916%	August 7, 2021		
MUFG Bank, Ltd. (Note 2)	1,100,000	-	-	1,100,000					

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
(in thousands of yen)									
Current portion of long-term loans payable	Mizuho Bank, Ltd. (Note 2)	600,000	-	-	600,000				
	Aozora Bank, Ltd. (Note 2)	350,000	-	-	350,000				
	Resona Bank, Limited (Note 2)	300,000	-	-	300,000				
	Mizuho Trust & Banking Co., Ltd. (Note 2)	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note 2)	1,000,000	-	-	1,000,000	0.996% (Note 5)	August 7, 2021	(Note 6)	Unsecured/Unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 2)	600,000	-	-	600,000	0.945%	August 31, 2021		
	MUFG Bank, Ltd. (Note 2)	600,000	-	-	600,000	0.945%	August 31, 2021		
	Aozora Bank, Ltd. (Note 2)	500,000	-	-	500,000	0.945%	August 31, 2021		
	Sumitomo Mitsui Banking Corporation (Note 2)	1,200,000	-	-	1,200,000	0.875%	January 31, 2022		
	Sumitomo Mitsui Banking Corporation	-	800,000	-	800,000	0.428%	January 31, 2022		
Sub total	18,500,000	800,000	4,100,000	15,200,000					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.267%	April 30, 2022		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	1.267%	April 30, 2022		
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	1.267%	April 30, 2022		
	Sumitomo Mitsui Banking Corporation	400,000	-	-	400,000				
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Limited	200,000	-	-	200,000	1.254%	August 7, 2023		
	Mizuho Trust & Banking Co., Ltd.	200,000	-	-	200,000				
	Aozora Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc.	500,000	-	-	500,000	1.320% (Note 5)	August 7, 2023		
	Mizuho Bank, Ltd.	950,000	-	-	950,000	1.083%	November 30, 2022		
	MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	1.105%	January 31, 2024		
	Aozora Bank, Ltd.	2,000,000	-	-	2,000,000	0.875%	April 30, 2022		
	Resona Bank, Limited	1,500,000	-	-	1,500,000	0.987%	April 30, 2023		
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	1.100%	April 30, 2024		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	1.265%	April 30, 2025	(Note 6)	Unsecured/Unguaranteed
	Shinsei Bank, Limited	1,100,000	-	-	1,100,000				
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000				
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	1.115%	July 29, 2022		
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Sompo Japan Insurance Inc.	1,000,000	-	-	1,000,000				
	Resona Bank, Limited	1,100,000	-	-	1,100,000	0.923%	August 31, 2022		
	Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000	0.923%	August 31, 2022		
	Sumitomo Mitsui Trust Bank, Limited	950,000	-	-	950,000	1.047%	August 31, 2023		
	MUFG Bank, Ltd.	1,700,000	-	-	1,700,000	1.169%	August 31, 2024		
Mizuho Bank, Ltd.	950,000	-	-	950,000	1.169%	August 31, 2024			
Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	1.345%	August 31, 2025			
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	1.193% (Note 5)	August 31, 2024			
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	1.156%	April 27, 2025			
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.819%	April 28, 2025			
Sumitomo Mitsui Banking Corporation	2,500,000	-	-	2,500,000	0.903%	April 30, 2026			



Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
		(in thousands of yen)							
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.660% (Note 5)	July 31, 2025		
	Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000	0.816% (Note 5)	August 31, 2026		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.713%	August 31, 2024		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.797%	August 31, 2025		
	Resona Bank, Limited	500,000	-	-	500,000	0.797%	August 31, 2025		
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.670% (Note 5)	August 31, 2025		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.751% (Note 5)	August 31, 2025		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.906%	August 31, 2026		
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.773% (Note 5)	October 31, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.900%	August 22, 2027		
	Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.928% (Note 5)	August 22, 2027		
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.928% (Note 5)	August 22, 2027		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.928% (Note 5)	August 22, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.501%	February 28, 2023		
	Aozora Bank, Ltd.	1,500,000	-	-	1,500,000	0.582%	February 29, 2024		
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.582%	February 29, 2024	(Note 6)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.582%	February 29, 2024		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.624%	August 31, 2024		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.661% (Note 5)	August 31, 2024		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.665%	February 28, 2025		
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.749%	February 28, 2026		
	Nippon Life Insurance Company	500,000	-	-	500,000	0.900% (Note 5)	January 30, 2027		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
	MUFG Bank, Ltd.	1,400,000	-	-	1,400,000				
	Mizuho Bank, Ltd.	900,000	-	-	900,000				
	Development Bank of Japan Inc.	500,000	-	-	500,000				
	Nippon Life Insurance Company	500,000	-	-	500,000				
	Resona Bank, Limited	400,000	-	-	400,000	0.799%	February 2, 2026		
	Shinsei Bank, Limited	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000				
	Aozora Bank, Ltd.	300,000	-	-	300,000				
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000				
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.509%	August 31, 2022		
	MUFG Bank, Ltd.	400,000	-	-	400,000	0.509%	August 31, 2022		
	Development Bank of Japan Inc.	1,600,000	-	-	1,600,000	0.498% (Note 5)	August 31, 2022		
	Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.592%	August 31, 2023		

Classification	Lender	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
		(in thousands of yen)							
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.592%	August 31, 2023		
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.592%	August 31, 2023		
	Sumitomo Mitsui Banking Corporation	1,050,000	-	-	1,050,000	0.914%	February 28, 2027		
	Resona Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.914%	February 28, 2027		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.914%	February 28, 2027		
	Mizuho Bank, Ltd.	250,000	-	-	250,000	0.914%	February 28, 2027		
	Development Bank of Japan Inc.	1,400,000	-	-	1,400,000	0.884% (Note 5)	February 28, 2027		
	MUFG Bank, Ltd.	800,000	-	-	800,000	0.825% (Note 5)	February 28, 2027		
	Nippon Life Insurance Company	700,000	-	-	700,000	0.920% (Note 5)	September 30, 2026		
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.031%	September 30, 2028		
	Sumitomo Mitsui Trust Bank, Limited	800,000	-	-	800,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	1.031%	September 30, 2028		
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000	0.363%	November 30, 2024		
	Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000	0.330% (Note 5)	May 31, 2025		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.484%	November 30, 2025		
	Shinsei Bank, Limited	500,000	-	-	500,000	0.272%	January 31, 2023		
	Mizuho Bank, Ltd.	800,000	-	-	800,000	0.299%	July 31, 2023		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.572%	August 31, 2026		
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.325%	April 30, 2023		
	Resona Bank, Limited	450,000	-	-	450,000	0.336%	April 30, 2024		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.600%	November 30, 2026		
Long-term loans payable	Shinsei Bank, Limited	500,000	-	-	500,000	0.329%	July 31, 2023	(Note 6)	Unsecured/ Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000	0.329%	July 31, 2023		
	Sumitomo Mitsui Trust Bank, Limited	300,000	-	-	300,000	0.329%	July 31, 2023		
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000	0.329%	July 31, 2023		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.259%	February 29, 2024		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000	0.259%	February 29, 2024		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	0.464%	February 28, 2027		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
	Resona Bank, Limited	500,000	-	-	500,000	0.414%	February 28, 2027		
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.414%	February 28, 2027		
	The Bank of Fukuoka, Ltd.	400,000	-	-	400,000	0.414%	February 28, 2027		
	MUFG Bank, Ltd.	400,000	-	-	400,000	0.450% (Note 5)	February 28, 2027		
	Aozora Bank, Ltd.	200,000	-	-	200,000	0.531%	February 29, 2028		
	MUFG Bank, Ltd.	600,000	-	-	600,000	0.300% (Note 5)	February 29, 2024		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	0.646%	June 30, 2028		
	Shinsei Bank, Limited	800,000	-	-	800,000	0.646%	June 30, 2028		
	Development Bank of Japan Inc.	500,000	-	-	500,000	0.616% (Note 5)	June 30, 2028		
	Sumitomo Mitsui Banking Corporation	1,750,000	-	-	1,750,000	0.691%	July 31, 2028		
	Shinsei Bank, Limited	1,750,000	-	-	1,750,000	0.641%	July 31, 2028		
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.641%	July 31, 2028		
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 3) (Note 4)	Payment due date (Note 7)	Use	Remarks
Lender	(in thousands of yen)							
Resona Bank, Limited	500,000	-	-	500,000	0.641%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.641%	July 31, 2028		
Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.686%	July 31, 2028		
Mizuho Trust & Banking Co., Ltd.	-	800,000	-	800,000	0.637%	July 31, 2028		
MUFG Bank, Ltd	-	500,000	-	500,000	0.640%	August 31, 2028		
Aozora Bank, Ltd.	-	300,000	-	300,000	0.690%	August 31, 2028		
Sumitomo Mitsui Banking Corporation	-	840,000	-	840,000	0.648%	September 30, 2028		
Sumitomo Mitsui Banking Corporation	-	900,000	-	900,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	-	800,000	-	800,000	0.658%	September 30, 2028		
Mizuho Bank, Ltd.	-	1,330,000	-	1,330,000	0.658%	September 30, 2028	(Note 6)	Unsecured/ Unguaranteed
Resona Bank, Limited	-	500,000	-	500,000	0.558%	September 30, 2028		
Mizuho Trust & Banking Co., Ltd.	-	400,000	-	400,000	0.608%	September 30, 2028		
MUFG Bank, Ltd (Note 5)	-	800,000	-	800,000	0.550%	September 30, 2028		
MUFG Bank, Ltd	-	300,000	-	300,000	0.637%	October 31, 2027		
Mizuho Bank, Ltd.	-	500,000	-	500,000	0.478%	April 30, 2025		
Mizuho Trust & Banking Co., Ltd.	-	1,000,000	-	1,000,000	0.585%	October 31, 2027		
Sumitomo Mitsui Banking Corporation	-	2,000,000	-	2,000,000	0.617%	November 30, 2027		
MUFG Bank, Ltd	-	1,000,000	-	1,000,000	0.599%	January 31, 2028		
Mizuho Bank, Ltd.	-	1,200,000	-	1,200,000	0.409%	January 31, 2025		
Mizuho Trust & Banking Co., Ltd.	-	1,100,000	-	1,100,000	0.359%	January 31, 2025		
Sub total	106,750,000	14,270,000	-	121,020,000				
Total	¥128,050,000	¥15,070,000	¥4,900,000	¥138,220,000				

Note 1: Annual repayments of long-term loans payable (except for current portion of long-term loans payable) scheduled for the next five years after the balance sheet date are as follows:

	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
	(in thousands of yen)				
Long-term loans payable	¥18,250,000	¥14,400,000	¥15,900,000	¥15,500,000	¥56,970,000

Note 2: Borrowings listed in the current portion of long-term loans payable were listed in long-term loans payable in the previous fiscal period.

Note 3: All debts except for the following Note 5 are borrowing at a floating rate.

Note 4: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps are indicated.

Note 5: Borrowings is applied at a fixed rate.

Note 6: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 7: All the repayment methods of debt financing are lump-sum repayments on the due date.

## 23. DISTRIBUTIONS

	19th Fiscal Period (From February 1, 2021 to July 31, 2021)	18th Fiscal Period (From August 1, 2020 to January 31, 2021)
I. Retained earnings at the end of period	¥4,296,284,882	¥3,997,276,406
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments (Note 1)	¥20,000,000	¥20,000,000
III. Total distributions	¥4,100,050,311	¥3,867,815,028
Distributions per unit	¥4,117	¥4,066
IV. Retained earnings brought forward to the next period	¥216,234,571	¥149,461,378
Method of calculating distribution amount	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥4,100,050,311, which is the amount deducted a part of gain on sale of real estate property and other adjustments from net income and added reversal of reserve for temporary difference adjustments, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 19th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>	<p>In accordance with the policy described in Article 38-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall not exceed its accounting profits as the maximum amount. Following this policy, the Investment Corporation has decided that it shall distribute ¥3,867,815,028, which is the amount of ¥3,631,741,850 in net income and ¥216,073,178 from retained earnings brought forward and reversal of reserve for temporary difference adjustments, as the distribution of earnings.</p> <p>Procedures for the distribution of amounts exceeding distributable income are outlined in Article 38-2 of the Investment Corporation's Articles of Incorporation. In the 18th fiscal period, the Investment Corporation has decided not to distribute cash in excess of distributable profit.</p>

### Note 1: Reserve for temporary difference adjustments

#### 19th Fiscal Period (February 1, 2021 to July 31, 2021)

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution. It has been decided that ¥20,000,000 shall be reversed and applied to distribution in the 19th fiscal period distribution.

#### 18th Fiscal Period (August 1, 2020 to January 31, 2021)

The Investment Corporation has reserved ¥2,000,000,000 as reserve for temporary difference adjustments from gain on negative goodwill in the 13th fiscal period. At least 1% of the initial amount in equal installments over 50 years (100 fiscal periods) will be reversed every fiscal period applied to distribution starting from the 14th fiscal period distribution. It has been decided that ¥20,000,000 shall be reversed and applied to distribution in the 18th fiscal period distribution.