

February 17, 2025

**Summary of Financial Results for the 41st Fiscal Period**  
**(July 1, 2024 to December 31, 2024)**  
**<Under Japanese GAAP>**

Name of REIT Issuer : Frontier Real Estate Investment Corporation  
Stock Exchange Listing : Tokyo Stock Exchange  
Securities Code : 8964  
Website : <https://www.frontier-reit.co.jp/en/>  
Representative : Toshihide Ichikawa, Executive Director  
Name of Asset Manager : Mitsui Fudosan Frontier REIT Management Inc.  
Representative : Shigekazu Yokochi,  
Chief Executive Officer and Representative Director  
Contact : Teruyuki Hayashi,  
Chief Finance Officer and Director  
TEL: +81-3-3289-0440  
Scheduled date to file securities report : March 28, 2025  
Scheduled date to commence distribution payments : March 11, 2025

(Amounts of less than one million yen are rounded down, ratios are rounded off, unless otherwise stated)

**1. Performance for the 41st Fiscal Period (July 1, 2024 to December 31, 2024)**

**(1) Business Results**

(% show period-on-period changes)

|                   | Operating Revenue |      | Operating Income |      | Ordinary Income |      | Net Income      |      |
|-------------------|-------------------|------|------------------|------|-----------------|------|-----------------|------|
| Period ended,     | Millions of yen   | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %    |
| December 31, 2024 | 12,288            | 1.0  | 6,879            | 1.4  | 6,502           | 1.1  | 6,501           | 1.1  |
| June 30, 2024     | 12,162            | 10.2 | 6,785            | 12.9 | 6,431           | 12.8 | 6,430           | 12.8 |

|                   | Net Income per Unit | Return on Equity (Note) | Ordinary Income to Total Assets | Ordinary Income to Operating Revenue |
|-------------------|---------------------|-------------------------|---------------------------------|--------------------------------------|
| Period ended,     | yen                 | %                       | %                               | %                                    |
| December 31, 2024 | 2,403               | 3.7                     | 1.9                             | 52.9                                 |
| June 30, 2024     | 2,377               | 3.7                     | 1.9                             | 52.9                                 |

Notes:

- Return on Equity = Net income / ((Net assets at beginning of period + Net assets at end of period)/2) × 100
- As of December 31, 2024 as record date, each of the investment units have been divided on a five-for-one basis, January 1, 2025 as the effective date. Net income per unit is calculated based on the assumption that the investment unit had been split at the beginning of the previous fiscal period.

## (2) Distributions

(Ratios are rounded down)

|                   | <b>Distribution<br/>per Unit</b><br>(excluding<br>distribution<br>in excess of<br>earnings) | <b>Total<br/>Distributions</b><br>(excluding<br>distributions<br>in excess of<br>earnings) | <b>Distribution<br/>in Excess of<br/>Earnings<br/>per Unit</b> | <b>Total<br/>Distributions<br/>in Excess of<br/>Earnings</b> | <b>Payout<br/>Ratio</b><br>(Note) | <b>Distribution<br/>to Net<br/>Assets</b> |
|-------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------|-------------------------------------------|
| Period ended,     | yen                                                                                         | Millions of yen                                                                            | yen                                                            | Millions of yen                                              | %                                 | %                                         |
| December 31, 2024 | 11,000                                                                                      | 5,951                                                                                      | -                                                              | -                                                            | 91.5                              | 3.3                                       |
| June 30, 2024     | 11,030                                                                                      | 5,967                                                                                      | -                                                              | -                                                            | 92.7                              | 3.4                                       |

Notes:

- The main factors for the difference between distributions per unit for the fiscal period ended June 2024 and December 2024 in the above table (2) and profit per unit for the fiscal period ended June 2024 and December 2024 in the above table (1) are that profit per unit for the fiscal period ended December 2024 is calculated based on the assumption that the aforementioned five-for-one split of investment units was implemented at the beginning of the fiscal period ended June 2024.
- Payout ratio = Total Distributions (excluding distributions in excess of earnings) / Net Income ×100

## (3) Financial Position

|                   | <b>Total Assets</b> | <b>Net Assets</b> | <b>Equity Ratio</b><br>(Note) | <b>Net Assets<br/>per Unit</b> |
|-------------------|---------------------|-------------------|-------------------------------|--------------------------------|
| Period ended,     | Millions of yen     | Millions of yen   | %                             | yen                            |
| December 31, 2024 | 333,310             | 175,649           | 52.7                          | 64,935                         |
| June 30, 2024     | 333,976             | 175,115           | 52.4                          | 64,737                         |

Notes:

- Equity Ratio = Net assets / Total assets×100
- As of December 31, 2024 as record date, each of the investment units have been divided on a five-for-one basis, January 1, 2025 as the effective date. Net assets per unit is calculated based on the assumption that the investment unit had been split at the beginning of the previous fiscal period.

## (4) Cash Flows

|                   | <b>Cash Flows from<br/>Operating Activities</b> | <b>Cash Flows from<br/>Investing Activities</b> | <b>Cash Flows from<br/>Financing Activities</b> | <b>Cash and Cash<br/>Equivalents<br/>at End of Period</b> |
|-------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| Period ended,     | Millions of yen                                 | Millions of yen                                 | Millions of yen                                 | Millions of yen                                           |
| December 31, 2024 | 9,691                                           | (3,720)                                         | (5,965)                                         | 16,486                                                    |
| June 30, 2024     | 11,443                                          | (4,062)                                         | (8,106)                                         | 16,480                                                    |

**2. Forecasts of Results for the 42nd Fiscal Period (January 1, 2025 to June 30, 2025) and for the 43rd Fiscal Period (July 1, 2025 to December 31, 2025)**

(% show period-on-period changes)

|                   | Operating Revenue |       | Operating Income |       | Ordinary Income |        | Net Income      |        | Distribution per Unit<br>(excluding distribution in excess of earnings)<br>(Note 2, 3) | Distribution in Excess of Earnings per Unit |
|-------------------|-------------------|-------|------------------|-------|-----------------|--------|-----------------|--------|----------------------------------------------------------------------------------------|---------------------------------------------|
| Period ended,     | Millions of yen   | %     | Millions of yen  | %     | Millions of yen | %      | Millions of yen | %      | yen                                                                                    | yen                                         |
| June 30, 2025     | 11,685            | (4.9) | 6,219            | (9.6) | 5,790           | (10.9) | 5,789           | (11.0) | 2,200                                                                                  | -                                           |
| December 31, 2025 | 12,040            | 3.0   | 6,304            | 1.4   | 5,805           | 0.3    | 5,804           | 0.3    | 2,200                                                                                  | -                                           |

Notes:

1. The aforementioned forecasts are based on the "Pre-Conditions and Assumptions for Operating Forecasts for the 42nd Fiscal Period (January 1, 2025 to June 30, 2025) and for the 43rd Fiscal Period(July 1, 2025 to December 31, 2025)" on Page 4.
2. The forecast distribution per unit for the 42nd fiscal period is calculated based on the assumption that net income plus ¥161 million (the reversal of the reserve for reduction entry ) will be distributed.
3. The forecast distribution per unit for the 43rd fiscal period is calculated based on the assumption that net income plus ¥146 million (the reversal of the reserve for reduction entry) will be distributed.

**Pre-Conditions and Assumptions for Operating Forecasts**  
**for the 42nd Fiscal Period (January 1, 2025 to June 30, 2025)**  
**and for the 43rd Fiscal Period (July 1, 2025 to December 31, 2025)**

|                            | Pre-Conditions & Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Calculation Period</b>  | <ul style="list-style-type: none"> <li>• The 42nd fiscal period ending June 30, 2025 (January 1, 2025 to June 30, 2025) (181 days)</li> <li>• The 43rd fiscal period ending December 31, 2025 (July 1, 2025 to December 31, 2025) (184 days)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Investment Assets</b>   | <ul style="list-style-type: none"> <li>• The pre-conditions assumes a total of 41 properties including Mitsui Shopping Park LaLaport AICHI TOGO (30% quasi co-ownership stake) on March 26, 2025 ("New Property"), in addition to the properties the Investment Corporation owns as of February 17, 2025 (total of 41 properties, "Existing Properties"). It is assumed that there will be no change in the number of the investment assets, due to acquisitions and/or disposals, until the end of the 43rd fiscal period (December 31, 2025)</li> <li>• Actual numbers may change due to the future acquisitions and/or disposals of existing properties, if any.</li> </ul>                                                                                                                                                                                                                                                                                                 |
| <b>Loan to Value Ratio</b> | <ul style="list-style-type: none"> <li>• The balance of borrowings, etc. as of February 17, 2025 is ¥ 127,700 million. In addition, the Investment Corporation will execute borrowings to appropriate for a part of the payment of the acquisition of New Property.</li> <li>• It is assumed that refinancing and partial self-financing will be executed for the repayment of borrowings due by December 31, 2025.</li> <li>• The loan to value ratio (LTV*) as of June 30, 2025 and December 31, 2025 are expected to be approximately 46% and 46%, respectively.<br/> * LTV = (Borrowings, etc. + Security deposits – Unrestricted cash and deposits**) / (Total assets – Unrestricted cash and deposits)<br/> ** Unrestricted cash and deposits is calculated by subtracting planned distributions for the next fiscal period and deposits in trust account such as tenant leaseholds, etc. from cash and deposits on the balance sheet of each fiscal periods.</li> </ul> |
| <b>Operating Revenue</b>   | <ul style="list-style-type: none"> <li>• The pre-conditions assumes lease business revenue from the aforementioned investment assets of 41 properties, adding New Property to the Existing Properties. For Existing Properties, it is calculated based on the individual lease contracts which is valid as of February 17, 2025 and estimated fluctuating factors. For New Property, it is calculated based on the individual lease contracts those are expected to be valid on New Property acquisition date and information provided by the current owners of the New Property</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                                         | Pre-Conditions & Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating Expenses                                                      | <ul style="list-style-type: none"> <li>Property taxes, city planning taxes, etc. are expected to be ¥ 1,345 million for the 42nd fiscal period and ¥ 1,345 million for the 43rd fiscal period. However, should properties be newly acquired during the 42nd and the 43rd fiscal period and municipal property taxes and other monies for settlement occur between the Investment Corporation and the seller, the aforementioned monies will be included in its acquisition cost. For New Property, municipal property taxes and other monies for settlement are not calculated as operating expenses but are included in their acquisition cost, which will be booked from the 44th fiscal period.</li> <li>Repairs and maintenance are expected to be ¥377 million for the 42nd period and ¥534 million for the 43rd fiscal period. However, actual repairs and maintenance may be substantially different from the expected amount due to outlay date or certain unanticipated factors.</li> <li>Depreciation and amortization are expected to be ¥ 1,983 million for the 42nd fiscal period and ¥ 2,020 million for the 43rd fiscal period.</li> <li>Other expenses related to rent business (property management expenses, etc.) for Existing Properties, it is calculated based on actual figures and estimated fluctuating factors. For New Property, it is calculated based on the individual lease contracts those are expected to be valid on New Property acquisition date and information provided by the current owners of the New Property.</li> </ul> |
| Non-operating Expenses                                                  | <ul style="list-style-type: none"> <li>It is assumed that non-operating expenses, which include interests charged on borrowings, security deposits, investment corporation bonds and so on, will be ¥ 429 million for the 42nd fiscal period and ¥ 499 million for the 43rd fiscal period.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Distribution per Unit<br>(excluding distribution in excess of earnings) | <ul style="list-style-type: none"> <li>Cash dividends (distribution per unit) are calculated according to the Investment Corporation's distribution policy described in its Articles of Incorporation.</li> <li>The forecast distribution per unit for the 42nd fiscal period is calculated based on the assumption that net income plus ¥ 161 million will be distributed.</li> <li>The forecast distribution per unit for the 43rd fiscal period is calculated based on the assumption that net income plus ¥ 146 million will be distributed.</li> <li>The number of the outstanding investment units is based on the number as of February 17, 2025, which are 2,705,000 units.</li> <li>It is assumed that the Investment Corporation will not engage in the issuance of additional investment units or the buyback and cancellation of investment units until the end of the 43rd fiscal period (December 31, 2025).</li> <li>Cash distribution per unit may change for a variety of reasons including changes in the Investment Corporation's investment assets, changes in rent revenues due to tenant movements, etc. and/or the incidence of unforeseen repairs and maintenance.</li> </ul>                                                                                                                                                                                                                                                                                                                                                               |
| Distribution in Excess of Earnings per Unit                             | <ul style="list-style-type: none"> <li>The Investment Corporation does not currently anticipate cash distributions in excess of earnings per unit.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|        | Pre-Conditions & Assumptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Others | <ul style="list-style-type: none"> <li>• Calculations and operating forecasts are based on the assumption that there will be no changes in legislation, taxation, accounting standards, regulations applying to publicly listed companies, rules and requirements imposed by the Investment Trusts Association, Japan, that would impact the aforementioned forecasts.</li> <li>• Calculations and operating forecasts are also based on the assumption that there will be no material changes in general economic and real estate market conditions in Japan.</li> </ul> |

## Balance Sheet

|                                             | (Thousands of Yen)                         |                                        |
|---------------------------------------------|--------------------------------------------|----------------------------------------|
|                                             | The 41st Period<br>As of December 31, 2024 | The 40th Period<br>As of June 30, 2024 |
| <b>Assets</b>                               |                                            |                                        |
| <b>Current assets</b>                       |                                            |                                        |
| Cash and deposits                           | ¥ 12,863,306                               | ¥ 12,771,686                           |
| Cash and deposits in trust                  | 3,754,978                                  | 3,996,529                              |
| Operating accounts receivable               | 126,368                                    | 113,335                                |
| Prepaid expenses                            | 50,045                                     | 48,529                                 |
| Other                                       | 3,251                                      | 187                                    |
| <b>Total current assets</b>                 | <b>16,797,949</b>                          | <b>16,930,268</b>                      |
| <b>Non-current assets</b>                   |                                            |                                        |
| Property, plant and equipment               |                                            |                                        |
| Buildings                                   | 62,632,153                                 | 61,800,945                             |
| Accumulated depreciation                    | (31,466,636)                               | (30,539,947)                           |
| Buildings, net                              | 31,165,517                                 | 31,260,998                             |
| Structures                                  | 1,273,701                                  | 1,252,080                              |
| Accumulated depreciation                    | (1,114,845)                                | (1,104,964)                            |
| Structures, net                             | 158,856                                    | 147,115                                |
| Machinery and equipment                     | 121,699                                    | 121,699                                |
| Accumulated depreciation                    | (118,739)                                  | (116,672)                              |
| Machinery and equipment, net                | 2,960                                      | 5,027                                  |
| Tools, furniture and fixtures               | 157,749                                    | 154,892                                |
| Accumulated depreciation                    | (118,338)                                  | (109,011)                              |
| Tools, furniture and fixtures, net          | 39,411                                     | 45,880                                 |
| Land                                        | 120,232,481                                | 118,049,021                            |
| Construction in progress                    | -                                          | 21,328                                 |
| Buildings in trust                          | 57,021,783                                 | 57,087,617                             |
| Accumulated depreciation                    | (26,974,795)                               | (26,198,694)                           |
| Buildings in trust, net                     | 30,046,987                                 | 30,888,923                             |
| Structures in trust                         | 779,098                                    | 803,021                                |
| Accumulated depreciation                    | (627,701)                                  | (616,439)                              |
| Structures in trust, net                    | 151,396                                    | 186,582                                |
| Machinery and equipment in trust            | 772,908                                    | 772,908                                |
| Accumulated depreciation                    | (719,843)                                  | (714,333)                              |
| Machinery and equipment in trust, net       | 53,065                                     | 58,575                                 |
| Tools, furniture and fixtures in trust      | 152,807                                    | 145,128                                |
| Accumulated depreciation                    | (110,562)                                  | (103,468)                              |
| Tools, furniture and fixtures in trust, net | 42,244                                     | 41,659                                 |
| Land in trust                               | 132,848,054                                | 134,551,806                            |
| Total property, plant and equipment         | <b>314,740,976</b>                         | <b>315,256,919</b>                     |
| Intangible assets                           |                                            |                                        |
| Leasehold interests in land                 | 1,658,315                                  | 1,658,315                              |
| Other                                       | 4,805                                      | 2,325                                  |
| Total intangible assets                     | <b>1,663,120</b>                           | <b>1,660,640</b>                       |
| Investments and other assets                |                                            |                                        |
| Long-term prepaid expenses                  | 20,462                                     | 36,382                                 |
| Lease and guarantee deposits                | 10,000                                     | 10,000                                 |
| Lease and guarantee deposits in trust       | 20,980                                     | 20,980                                 |
| Deferred tax assets                         | 5                                          | 15                                     |
| Other                                       | 18                                         | 18                                     |
| Total investments and other assets          | <b>51,465</b>                              | <b>67,396</b>                          |
| <b>Total non-current assets</b>             | <b>316,455,562</b>                         | <b>316,984,956</b>                     |

|                                             |               |              |
|---------------------------------------------|---------------|--------------|
| <b>Deferred assets</b>                      |               |              |
| Investment corporation bonds issuance costs | 56,624        | 60,786       |
| <b>Total deferred assets</b>                | 56,624        | 60,786       |
| <b>Total assets</b>                         | ¥ 333,310,137 | ¥333,976,011 |

(Thousands of Yen)

|                                                 | The 41st Period<br>As of December 31, 2024 | The 40th Period<br>As of June 30, 2024 |
|-------------------------------------------------|--------------------------------------------|----------------------------------------|
| <b>Liabilities</b>                              |                                            |                                        |
| <b>Current liabilities</b>                      |                                            |                                        |
| Operating accounts payable                      | ¥ 1,380,037                                | ¥ 1,663,320                            |
| Current portion of long-term loans payable      | 13,000,000                                 | 15,000,000                             |
| Accounts payable – other                        | 40,860                                     | 82,852                                 |
| Accrued expenses                                | 299,715                                    | 305,690                                |
| Income taxes payable                            | 679                                        | 928                                    |
| Accrued consumption taxes                       | 229,991                                    | 659,365                                |
| Advances received                               | 1,205,442                                  | 1,191,234                              |
| Deposits received                               | 5,522                                      | 6,450                                  |
| Other                                           | 33,000                                     | 33,255                                 |
| <b>Total current liabilities</b>                | <b>16,195,249</b>                          | <b>18,943,096</b>                      |
| <b>Non-current liabilities</b>                  |                                            |                                        |
| Investment corporation bonds                    | 13,500,000                                 | 13,500,000                             |
| Long-term loans payable                         | 101,200,000                                | 99,200,000                             |
| Tenant leasehold and security deposits          | 12,965,823                                 | 13,265,699                             |
| Tenant leasehold and security deposits in trust | 13,799,413                                 | 13,951,715                             |
| Other                                           | 57                                         | 50                                     |
| <b>Total non-current liabilities</b>            | <b>141,465,294</b>                         | <b>139,917,466</b>                     |
| <b>Total liabilities</b>                        | <b>157,660,543</b>                         | <b>158,860,563</b>                     |
| <b>Net assets</b>                               |                                            |                                        |
| <b>Unitholders' equity</b>                      |                                            |                                        |
| Unitholders' capital                            | 171,357,423                                | 171,357,423                            |
| Deduction from unitholders' capital             | (2,847,059)                                | (2,847,059)                            |
| Unitholders' capital, net                       | <b>168,510,364</b>                         | <b>168,510,364</b>                     |
| <b>Surplus</b>                                  |                                            |                                        |
| Voluntary retained earnings                     |                                            |                                        |
| Reserve for reduction entry                     | 637,522                                    | 174,090                                |
| Total voluntary retained earnings               | <b>637,522</b>                             | <b>174,090</b>                         |
| Unappropriated retained earnings                | 6,501,707                                  | 6,430,993                              |
| Total surplus                                   | <b>7,139,230</b>                           | <b>6,605,083</b>                       |
| <b>Total unitholders' equity</b>                | <b>175,649,594</b>                         | <b>175,115,447</b>                     |
| <b>Total net assets</b>                         | <b>175,649,594</b>                         | <b>175,115,447</b>                     |
| <b>Total liabilities and net assets</b>         | <b>¥ 333,310,137</b>                       | <b>¥333,976,011</b>                    |

## Statement of Income and Retained Earnings

(Thousands of Yen)

|                                                            | For the 41st Period<br>from July 1, 2024<br>to December 31, 2024 | For the 40th Period<br>from J January 1, 2024<br>to June 30, 2024 |
|------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Operating revenue</b>                                   |                                                                  |                                                                   |
| Rent revenue – real estate                                 | ¥ 11,532,220                                                     | ¥11,512,115                                                       |
| Rent revenue – other                                       | 23,284                                                           | 25,648                                                            |
| Gain on sales of real estate properties                    | 732,614                                                          | 624,376                                                           |
| Total operating revenue                                    | 12,288,119                                                       | 12,162,140                                                        |
| <b>Operating expenses</b>                                  |                                                                  |                                                                   |
| Expenses related to rent business                          | 4,624,133                                                        | 4,602,699                                                         |
| Asset management fee                                       | 609,350                                                          | 607,080                                                           |
| Asset custody fee                                          | 16,698                                                           | 16,816                                                            |
| Administrative service fees                                | 26,163                                                           | 27,305                                                            |
| Directors' compensations                                   | 8,400                                                            | 8,400                                                             |
| Other operating expenses                                   | 123,586                                                          | 114,190                                                           |
| Total operating expenses                                   | 5,408,333                                                        | 5,376,493                                                         |
| <b>Operating income</b>                                    | 6,879,786                                                        | 6,785,646                                                         |
| <b>Non-operating income</b>                                |                                                                  |                                                                   |
| Interest income                                            | 269                                                              | 23                                                                |
| Reversal of distribution payable                           | 2,432                                                            | 660                                                               |
| Interest on tax refund                                     | -                                                                | 3,560                                                             |
| Insurance income                                           | 216                                                              | -                                                                 |
| Total non-operating income                                 | 2,918                                                            | 4,244                                                             |
| <b>Non-operating expenses</b>                              |                                                                  |                                                                   |
| Interest expenses                                          | 304,253                                                          | 283,750                                                           |
| Interest expenses on investment corporation bonds          | 41,256                                                           | 40,807                                                            |
| Amortization of investment corporation bond issuance costs | 4,161                                                            | 4,161                                                             |
| Other                                                      | 30,927                                                           | 29,485                                                            |
| Total non-operating expenses                               | 380,598                                                          | 358,204                                                           |
| <b>Ordinary income</b>                                     | 6,502,106                                                        | 6,431,686                                                         |
| <b>Income before income taxes</b>                          | 6,502,106                                                        | 6,431,686                                                         |
| Income taxes – current                                     | 719                                                              | 932                                                               |
| Income taxes – deferred                                    | 10                                                               | (5)                                                               |
| Total income taxes                                         | 730                                                              | 926                                                               |
| <b>Net income</b>                                          | 6,501,376                                                        | 6,430,759                                                         |
| <b>Retained earnings brought forward</b>                   | 330                                                              | 233                                                               |
| <b>Unappropriated retained earnings</b>                    | ¥ 6,501,707                                                      | ¥6,430,993                                                        |

## Statement of Cash Flows

(Thousands of Yen)

|                                                                | For the 41st Period<br>from July 1, 2024<br>to December 31, 2024 | For the 40th Period<br>from January 1, 2024<br>to June 30, 2024 |
|----------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                    |                                                                  |                                                                 |
| Income before income taxes                                     | ¥ 6,502,106                                                      | ¥ 6,431,686                                                     |
| Depreciation and amortization                                  | 1,933,329                                                        | 1,998,068                                                       |
| Amortization of investment corporation bond issuance costs     | 4,161                                                            | 4,161                                                           |
| Interest income                                                | (269)                                                            | (23)                                                            |
| Interest expenses                                              | 345,509                                                          | 324,557                                                         |
| Decrease (increase) in operating accounts receivable           | (9,916)                                                          | 820                                                             |
| Decrease (increase) in prepaid expenses                        | 14,403                                                           | 19,327                                                          |
| Increase (decrease) in operating accounts payable              | (94,754)                                                         | 122,623                                                         |
| Increase (decrease) in accrued expenses                        | (7,229)                                                          | 23,881                                                          |
| Increase (decrease) in accrued consumption taxes               | (429,374)                                                        | 488,621                                                         |
| Decrease (increase) in consumption taxes receivable            | -                                                                | 702,584                                                         |
| Increase (decrease) in advances received                       | 14,175                                                           | (768)                                                           |
| Decrease in property, plant and equipment in trust due to sale | 1,811,839                                                        | 1,618,021                                                       |
| Other, net                                                     | (47,291)                                                         | 35,523                                                          |
| Subtotal                                                       | 10,036,689                                                       | 11,769,085                                                      |
| Interest income received                                       | 269                                                              | 23                                                              |
| Interest expenses paid                                         | (344,282)                                                        | (324,507)                                                       |
| Income taxes paid                                              | (969)                                                            | (818)                                                           |
| Net cash provided by (used in) operating activities            | 9,691,706                                                        | 11,443,782                                                      |
| <b>Cash flows from investing activities</b>                    |                                                                  |                                                                 |
| Purchase of property, plant and equipment                      | (3,202,631)                                                      | (3,233,840)                                                     |
| Purchase of property, plant and equipment in trust             | (222,093)                                                        | (248,168)                                                       |
| Purchase of intangible assets                                  | (3,150)                                                          | (285)                                                           |
| Repayments of tenant leasehold and security deposits           | (446,336)                                                        | (446,336)                                                       |
| Proceeds from tenant leasehold and security deposits           | 153,960                                                          | 56,580                                                          |
| Repayments of tenant leasehold and security deposits in trust  | (155,917)                                                        | (403,130)                                                       |
| Proceeds from tenant leasehold and security deposits in trust  | 500                                                              | 89,143                                                          |
| Payments for restricted bank deposits in trust                 | (500)                                                            | (9,143)                                                         |
| Proceeds from reversal of restricted bank deposits in trust    | 155,917                                                          | 133,130                                                         |
| Net cash provided by (used in) investing activities            | (3,720,251)                                                      | (4,062,050)                                                     |
| <b>Cash flows from financing activities</b>                    |                                                                  |                                                                 |
| Proceeds from long-term loans payable                          | 8,000,000                                                        | 4,500,000                                                       |
| Repayment of long-term loans payable                           | (8,000,000)                                                      | (6,900,000)                                                     |
| Distributions of earnings paid                                 | (5,965,969)                                                      | (5,706,463)                                                     |
| Net cash provided by (used in) financing activities            | (5,965,969)                                                      | (8,106,463)                                                     |
| <b>Net increase (decrease) in cash and cash equivalents</b>    | 5,485                                                            | (724,731)                                                       |
| <b>Cash and cash equivalents at beginning of period</b>        | 16,480,826                                                       | 17,205,558                                                      |
| <b>Cash and cash equivalents at end of period (Note)</b>       | ¥16,486,312                                                      | ¥16,480,826                                                     |

Note: There are restricted cash ¥287million (40th) and ¥131 million (41st) for repayments of lease and guarantee deposits received.