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38th Fiscal Period Financial Report (REIT)

May 22, 2025

REIT Issuer:	Daiwa Securities Living Investment Corporation	Stock Exchange Listing:	Tokyo Stock Exchange
Securities Code:	8986	URL:	https://www.daiwa-securities-living.co.jp/en
Representative:	Tetsuo Akuzawa, Executive Officer		
Asset Manager:	Daiwa Real Estate Asset Management Co., Ltd.		
Representative:	Yoshiki Nishigaki, President and Chief Executive Officer		
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Scheduled date of submission of semiannual securities report: June 19, 2025
Scheduled date of commencement of distribution payment: June 16, 2025
Preparation of supplementary financial results briefing materials: Yes
Holding of financial results briefing session: Yes (for analysts and institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Status of Operations and Assets for the 38th Fiscal Period (from October 1, 2024 to March 31, 2025)

(1) Management Status (% figures indicate the percentage of increase (decrease) over the previous fiscal period)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
38th Fiscal Period:	15,191	7.3	8,208	15.7	7,211	16.2	7,210	16.2
37th Fiscal Period:	14,155	6.6	7,092	7.5	6,204	6.7	6,203	6.7

	Earnings per unit	Return on equity (ROE)	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
38th Fiscal Period:	2,995	3.8	1.8	47.5
37th Fiscal Period:	2,577	3.3	1.6	43.8

(2) Status of Distributions

	Distribution per unit (excluding distribution in excess of earnings)	Total distributions (excluding distribution in excess of earnings)	Distribution in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Ratio of distributions to net assets
	Yen	Million yen	Yen	Million yen	%	%
38th Fiscal Period:	2,730	6,570	–	–	91.1	3.5
37th Fiscal Period:	2,400	5,776	–	–	93.1	3.1

(Note 1) The source of funds for payment of distributions for the 37th fiscal period is the amount of unappropriated retained earnings after deducting reserve for dividends of ¥506 million and including reserve for temporary difference adjustments of ¥79 million, and thus it differs from profit.

(Note 2) The source of funds for payment of distributions for the 38th fiscal period is the amount of unappropriated retained earnings after deducting reserve for tax purpose reduction entry of ¥640 million and reserve for dividends of ¥78 million and including reserve for temporary difference adjustments of ¥79 million, and thus it differs from profit.

(3) Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per unit
	Million yen	Million yen	%	Yen
38th Fiscal Period:	401,985	189,342	47.1	78,666
37th Fiscal Period:	400,085	187,822	46.9	78,035

(4) Status of Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal period
	Million yen	Million yen	Million yen	Million yen
38th Fiscal Period:	14,979	(6,275)	(5,777)	14,784
37th Fiscal Period:	13,252	(8,184)	(5,535)	11,858

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2. Earnings Forecast for the 39th Fiscal Period (from April 1, 2025 to September 30, 2025) and the 40th Fiscal Period (from October 1, 2025 to March 31, 2026)

(% figures indicate the percentage of increase (decrease) over the previous fiscal period)

	Operating revenue		Operating profit		Ordinary profit		Profit		Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
39th Fiscal Period	14,581	(4.0)	7,757	(5.5)	6,549	(9.2)	6,549	(9.2)	2,670	–
40th Fiscal Period	12,684	(13.0)	6,070	(21.7)	4,768	(27.2)	4,767	(27.2)	2,400	–

(Reference) Expected earnings per unit (39th fiscal period): ¥2,721; Expected earnings per unit (40th fiscal period): ¥1,980

(Note) The source of funds for payment of distributions for the 39th fiscal period is the amount of profit after subtracting internal reserves of ¥702 million and adding reversal of reserve for temporary difference adjustments of ¥579 million, and thus it differs from the amount of profit. The source of funds for payment of distributions for the 40th fiscal period is the amount of profit after adding reversal of reserve for temporary difference adjustments of ¥1,008 million, and thus it differs from the amount of profit. For the details of earnings forecast above, please refer to "1. Management Status, (4) Earnings Outlook" later in this document.

* Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

① Changes in accounting policies accompanying amendments to accounting standards	No
② Changes in accounting policies other than ①	No
③ Changes in accounting estimates	No
④ Retrospective restatement	No

(2) Total Number of Investment Units Issued and Outstanding

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

38th Fiscal Period	2,406,890 units	37th Fiscal Period	2,406,890 units

② Total number of treasury investment units at the end of the fiscal period

38th Fiscal Period	0 units	37th Fiscal Period	0 units

(Note) For the number of investment units used as the base for calculating earnings per unit, please refer to "Notes on Per Unit Information" on page 28.

* Financial reports are exempt from the audit by a certified public accountant or an auditing firm.

* Special note

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions deemed reasonable by Daiwa Securities Living Investment Corporation (hereinafter the "Investment Corporation"). Consequently, actual results may differ materially depending on a number of factors.
In addition, the forecast is not intended as a guarantee of the amount of distributions. Regarding assumptions for earnings forecast and matters to consider when using the earnings forecast, please refer to "1. Management Status, (4) Earnings Outlook" on page 11.

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1. Management Status

(1) Management Status

① Overview of the Fiscal Period under Review

(a) Profile of the Investment Corporation

The Investment Corporation was established on October 7, 2005, based on the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and listed as a "housing-specific REIT" on the Tokyo Stock Exchange Real Estate Investment Trust market (stock code: 8986) on June 22, 2006. The Investment Corporation merged with Prospect Reit Investment Corporation in an absorption-type merger on July 1, 2010, and since then it has been seeking to steadily enhance distributions primarily by improving the quality of its portfolio through the replacement of properties (acquiring new properties and disposing of existing properties), strengthening overall operations by improving occupancy rates and other factors, and reducing costs by decreasing expenses for interest-bearing debt and other items. Furthermore, as a result of an absorption-type merger (hereinafter the "Merger") whereby the Investment Corporation is the surviving corporation and Nippon Healthcare Investment Corporation (hereinafter "NHI") is the absorbed corporation on April 1, 2020, upon which the trade name was changed from "Japan Rental Housing Investments Inc." to "Daiwa Securities Living Investment Corporation" and healthcare facilities were added to the portfolio, the Investment Corporation is now managed as a "REIT that comprehensively provides comfortable living spaces that 'support life and lifestyle of everyone' suited to each life stage."

The properties under management at the end of March 2025 consisted of 246 properties with a total acquisition price of ¥399,378 million and a total rentable floor area of 757,561.01 square meters.

(b) Investment Environment

During the fiscal period under review, the Japanese economy saw a real GDP growth rate of 2.2% (annualized, quarter on quarter) in the October-December 2024 quarter, showing continuous positive growth for three quarters. Increased government expenditure, increased exports, and decreased imports are seen as background factors. Furthermore, the real GDP growth rate (annualized, quarter on quarter) in the January–March 2025 quarter is expected to be 0.3%, marking the fourth consecutive quarter of positive growth. On the other hand, there are many downside risk factors, particularly in overseas economies, such as the economic downturn in the U.S. due to long-term monetary tightening, constraints on economic activities due to intensified U.S.-China trade conflict and strengthened economic security, and growing tensions in the Middle East and Ukraine, requiring close attention.

Rental residential properties owned by listed residential REITs enjoyed a relatively stable management environment as seen in their maintenance of stable occupancy rates when compared with other sectors. On the other hand, in the real estate investment market, with investor interest in the stable cash flows of rental residential properties staying robust even amid ongoing global interest hikes due to inflation and monetary tightening, competition for property acquisition by domestic and foreign investors continues to be severe. Furthermore, for healthcare facilities, social demand for private nursing homes and other facilities for the elderly is increasing year by year as the proportion of the elderly in the total population increases.

(c) Management Performance

To enhance investment unit value, the focus was placed on a. Replacement of assets; b. Continuing to strengthen overall operations; c. Strengthening of financing; and d. Sustainability initiatives.

a. Replacement of assets

In the fiscal period under review, the Investment Corporation acquired 3 rental housing (total acquisition price: 5,064 million yen) indicated below.

These properties contributed to the revenues of the Investment Corporation in the fiscal period under review and are expected to make a contribution toward expanding revenues in the next fiscal period onward.

Also, the Investment Corporation disposed of 9 properties (total disposition price: ¥7,532 million) after comprehensively considering the future profitability potential, property size, location and such.

<Acquired assets>

Property name	Property type	Acquisition date	Acquisition price (thousand yen) (Note)
Gran Casa Higashinakano	Rental housing	November 1, 2024	1,174,000
Gran Casa Ayase			680,000
Gran Casa Saitamashintoshin		March 27, 2025	3,210,000
Total			5,064,000

(Note) Acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.

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<Disposed assets>

Property name	Property type	Disposition date	Disposition price (thousand yen) (Note)
willDo Kanayama	Rental housing	October 31, 2024	400,000
willDo Kanayama sawashita			424,000
willDo Matsubara			583,000
willDo Daikancho			602,000
willDo Higashibetsuin			744,000
willDo Takasago		January 30, 2025	467,000
willDo Kamisugi 3chome		January 31, 2025	732,166
West Park Hasekura			2,200,000
willDo Taiko dori		March 25, 2025	1,380,000
Total			7,532,166

(Note) Disposition price does not include disposition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.

b. Continuing to strengthen overall operations

i. Strategy for managing rental housing

Daiwa Real Estate Asset Management Co., Ltd., the asset management company of the Investment Corporation (hereinafter the "Asset Manager"), used the Daily Occupancy Forecasting System and continued focus on a range of existing initiatives and other measures, the average occupancy rate during the period stood at 98.0% (97.6% in the previous fiscal period). In addition, as a result of continuing to focus on also increasing the rent at the time of replacement (Note), an increase in rent from the previous rent was achieved for 1,205 out of 1,384 contracts (the total number of new contracts) in the fiscal period under review. The percentage of contracts with higher rent (based on the number of contracts) was 87.1%. The percentage of change in rent at tenant turnover (based on rent) rose by 6.8% (an increase of 4.5% in the previous fiscal period), continuing an upward trend and contributing to higher revenues as in the previous fiscal period.

As for expenses related to leasing business, the Asset Manager focused on the optimization of repair expenses and expenses for work to restore properties to their original state.

(Note) The rent at the time of replacement is calculated by excluding properties for which the previous rent is unknown due to newly acquired properties and the cancellation of the sublease contract and rooms for rent whose use is other than as a residence.

(Existing initiatives)

- Utilizing the "Daily Occupancy Forecasting System" (an IT system independently self-developed by the Asset Manager that predicts occupancy rates at the end of every month on a daily basis; introduced in October 2011) to understand dynamic information regarding individual vacancies, and shorten the cycle for identifying individual vacancies, conducting onsite inspections, investigating causes, taking action, and verifying effects. With the commencement of the operation of the IT system that was upgraded to a new version in May 2015, a mechanism that is able to ascertain various types of information including occupancy rates on the Internet almost in real time has been set in place.
- Fully enforcing the "Three-week Rule" (a rule to fully restore properties to their original state within three weeks of tenants vacating; introduced in October 2010) to minimize opportunity losses.
- "Downtime 60 Days" (a policy to conclude a new contract within 60 days of tenants vacating; introduced in October 2012).
- "Action 30 Days" (focused response to achieve the best rent at the earliest in the first 30 days after beginning to seek tenants; focused response to vacancies of 30 days after beginning to seek tenants, which was introduced in October 2013, has been changed to a more aggressive initiative based on the "Management Policy by Property" newly introduced in April 2016) to further improve occupancy rates and profitability by shortening vacancy periods.
- Taking stronger action on "Key Focus Properties (introduced in April 2011)" and "Long-term Vacancies" (vacancies over 60 days; introduced in October 2010)
- "High-Cost Construction Approval Committee" (a committee conducting a detailed, systematic examination of the content and amount of construction work for ¥1 million or more when orders are placed; introduced in April 2012) to optimize expenses for high-priced construction work.
- "Formulation of Standard Specifications for Work to Restore Properties to their Original State" (setting unique construction specifications for work to restore properties to their original state after tenants vacate, regarding it as a recommercialization measure; introduced in April 2012) to build better rooms and improve management of expenses and construction schedules.
- "Management to Increase the Number of Properties with Full Occupancy" (further improving occupancy rates through the management of the number of properties with full occupancy; introduced in April 2014).

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- "Management Policy by Property" (a policy of managing properties by drafting a basic policy for each property based on an analysis of past contract data (rent, downtime, comparison with the previous rent, key money, etc.) of each property and focusing on increasing revenue by simultaneously raising rents and shortening the downtime for each room newly contracted after cancellation through implementation in conjunction with "Action 30 Days," one of the existing initiatives above; introduced in April 2016).

ii. Strategy for managing healthcare facilities

In order for healthcare facilities to earn stable revenue and serve to maintain and enhance unitholder value, the Asset Manager monitors operators as it regards the creditworthiness, operational capabilities, etc. of the operators operating the facilities as important factors in realizing stable occupancy. In the fiscal period under review, monitoring of the impact of the occurrence of the cluster of COVID-19 is continued while interviews and such were conducted by visiting facilities and in the form of meetings with facility managers and head office staff using an online conferencing system. In addition, there are no changes to the terms and conditions of contracts, such as mid-term cancellation of lease agreements with operators, rent reduction/exemption and postponement of payment as of the end of the fiscal period under review.

As a result of the above, the average occupancy rate of healthcare facilities during the period was 99.5%.

c. Strengthening of financing

In the fiscal period under review, the Investment Corporation conducted the following borrowing of funds to fund the repayment of borrowings.

* On October 31, 2024, the Investment Corporation refinanced ¥2,900 million of bank borrowings from existing transaction banks as funds for repayment of the same amount in total for long-term borrowings due on the same day.
* On November 29, 2024, the Investment Corporation refinanced ¥1,000 million of bank borrowings from existing transaction banks as funds for repayment of the same amount for long-term borrowings due on the same day.
* On March 24, 2025, the Investment Corporation refinanced ¥7,000 million of bank borrowings from existing transaction banks as funds for repayment of the same amount in total for long-term borrowings due on the same day.

As a result of the above, the Investment Corporation achieved extension of borrowing periods, in addition to diversification of due dates. Furthermore, the ratio of interest-bearing debt to total assets at the end of the fiscal period under review came to 50.9%, the ratio of long-term interest-bearing debt (excluding interest-bearing debt to be repaid within a year) came to 85.9%, and the ratio of fixed interest rates came to 58.0% on a contract basis.

d. Sustainability initiatives

Based on the recognition that the emphasis on environmental, social and corporate governance practices (collectively called "ESG") in asset management contributes to the improvement of corporate value over the medium to long term, the Investment Corporation has promoted sustainability initiatives based on the sustainability policy established by the Asset Manager.

As for its environmental initiatives, the Investment Corporation is promoting the reduction of environmental impact through the introduction of LED lighting and air-conditioning equipment with high energy-saving performance, the installation of water-saving equipment, etc. It also continuously measures energy consumption of the entire portfolio to understand the achievement rate of its target.

Furthermore, a total of 30 properties owned by the Investment Corporation as of March 31, 2025, have obtained environmental certification (Note 1), and the ratio of certification is 23.24% (based on the total floor area of the entire portfolio). In addition, the Investment Corporation was certified and registered for Eco-Action 21, an environmental management system formulated by the Ministry of the Environment on March 12, 2025. Eco-Action 21 specifies the methods by which organizations can voluntarily and actively implement environmental initiatives. Eco-Action 21 Certification/Registration Program is the certification and registration system by a third party, Eco-Action 21 central secretariat office, for organizations promoting environmental management based on "Eco-Action 21 Guidelines" (Note 2) and disclosing the progress in the form of an environmental management report.

Regarding social initiatives, the Investment Corporation is making efforts to improve tenant satisfaction and contribute to the sustainable development of local communities by building good relationships with external stakeholders related to its real estate held to collaborate with them. In order to further promote the supply of excellent healthcare facilities in Japan, as of March 31, 2025, the Investment Corporation borrowed through social loans (¥10,920 million) and issued social bonds (¥2,000 million) based on the Social Finance Framework formulated in May 2021.

As part of our governance initiatives, the Asset Manager ensures the prevention of conflicts of interest, the management of risks, and compliance with laws and regulations, and has introduced an asset management fee system linked to the results of management, emphasizing the linkage with unitholder interests.

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The Investment Corporation has been continuously participating in the GRESB Real Estate Assessment since 2018 and received the "Green Star" assessment given to participants with excellent scores in the "Management Component" assessing policies and organizational structures for ESG promotion and the "Performance Component" assessing environmental performance and initiatives with tenants in properties owned in the 2024 GRESB Real Estate Assessment for three consecutive years. It also received two stars in the five-level GRESB rating for three consecutive years based on the global ranking of overall scores. Furthermore, in recognition of the Investment Corporation's excellent disclosure related to environmental consideration and sustainability initiatives, it received the highest "A" rank for three consecutive years in the five-level rating in the 2024 GRESB disclosure assessment, the GRESB disclosure assessment being an assessment that measures levels of ESG disclosure.

(Note 1) The environmental certifications which the properties owned by the Investment Corporation have acquired include CASBEE for Real Estate Certification, DBJ Green Building Certification, BELS Certification.

(Note 2) Eco-Action 21 Guidelines states 14 requirements which constitute a PDCA cycle and participants are required to proactively continue to implement environmental initiatives by utilizing the PDCA cycle.

(d) Summary of Results and Distributions

As a result of the management initiatives described above, the Investment Corporation recorded operating revenue of ¥15,191 million, operating profit of ¥8,208 million, ordinary profit of ¥7,211 million and profit of ¥7,210 million in the fiscal period under review.

As for distributions, the Investment Corporation will distribute an amount derived by deducting reserve for dividends (¥640 million) and reserve for dividends (¥78 million) for part of gain on sale of real estate properties, etc. from profit of ¥7,210 million upon the application of the special provisions of taxation in the case of the replacement of specified assets (Article 65-7 of the Act on Special Measures Concerning Taxation), then adding reversal of reserve for temporary difference adjustments (¥79 million) to unappropriated retained earnings according to the existing policy.

As a result, total distributions came to ¥6,570 million in the fiscal period under review, and the distribution per unit was ¥2,730 (up ¥330 from the previous fiscal period).

(Note) With respect to distributions, based on the plan that the maximum amount of distribution of earnings shall be included in deductible expenses upon the application of Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including amendments thereto; hereinafter the "Special Taxation Measures Act"), the full amount of unappropriated retained earnings except for fractions of less than one (1) yen of cash distribution per investment unit will be distributed.

② Outlook for the Next Fiscal Period

(a) Future Management Policy

The Investment Corporation will seek to achieve further growth through investment in rental housing and healthcare facilities as a "REIT that comprehensively provides comfortable living spaces suited to each life stage," and thereby pursue maximization of unitholder value from securement of revenues and stabilization/enhancement of distribution of the Investment Corporation.

a. External growth through acquisition of new properties

As the Asset Manager is entrusted with the asset management business by five listed and private investment corporations, including the Investment Corporation, and real estate funds other than the form of investment corporation, and as the Asset Manager remains an independent asset management company that does not belong to any particular group of real estate firms, developers, or the like, in relation to its real estate business, property information can be obtained from a number of sources, including real estate private funds, asset management companies of real estate investment corporations, financial institutions, real estate firms, real estate agents, business corporations, investors, and Daiwa Securities Group Inc. and its group companies. The Asset Manager will work to acquire new properties in a flexible manner by carefully selecting from the abundant property information obtained. The Asset Manager will also consider investment in development projects using a bridge fund and other means.

In addition, the Asset Manager has been carrying out an investment strategy focused on the healthcare sector (hospitals and nursing care facilities) since 2001, and since 2008 it has concluded an advisory agreement with AIP Healthcare Japan GK, engaged in investment specializing in private nursing homes and other facilities for the elderly. Based on this agreement, the Asset Manager receives advice on information provision, management and operation of healthcare facilities that are the investment assets of the Investment Corporation, collaboration with operators, etc.

The Asset Manager will seek to acquire new properties through use of various methods by carefully selecting properties from the following three perspectives.

1) Properties for which an arm's length transaction is planned on rational grounds and properties with few competing bidders
2) Undervalued properties (with the high probability that the Investment Corporation could improve revenues after acquisition in terms of rent, occupancy rates, leasing-related expenses, etc.)
3) Properties not for sale (properties that are not brought on the market for sale)

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When investing in rental housing, regionally diversified investment will be made in order to secure stable cash flows by mitigating risks associated with changes in local economies and rental markets, and with earthquakes, etc. The investment territory for rental housing will include the national capital region, ordinance-designated cities, prefectural capitals and other similar cities, and commuting areas around thereof, and diversified investment will be made throughout Japan by region. Diversified investment will also be made with different categories of rental housing in order to secure stable cash flows by mitigating risks associated with changes in the rental markets for each category of rental housing. The categories of rental housing for investments will be the studio type (Note 1) and the family type (Note 2). When investing in rental housing, comprehensive judgement will be made on a case-by-case basis based on an examination of investment value, whereby a full investigation is conducted in respect of expected earnings, site area and housing environment, construction and equipment specifications, earthquake-resisting capacity, related rights, building management conditions, environment and geology, etc. of the relevant rental housing.

When investing in healthcare facilities, investment will be made mainly in healthcare facilities located in the three major metropolitan areas consisting of the greater Tokyo area (Note 3), the Chukyo area (Note 4) and the Kinki area (Note 5), where concentration of the entire population and the elderly population can be expected, to secure medium- to long-term stable management, as well as in healthcare facilities located throughout Japan to diversify the risk of the portfolio. When investing in healthcare facilities, investment decisions will be made on a case-by-case basis based on comprehensive examination of (i) general factors including economic factors (such as economic and financial condition, and trends in financial and real estate markets), social factors (such as trends in the elderly population and the number of those who are certified for being eligible of long-term care) and administrative factors (such as nursing and medical insurance systems and regulations on healthcare facilities supply), (ii) local factors such as surrounding environment of the location area of the property (such as transportation accessibility, vicinity to retail and public facilities, and quality as a living environment), and (iii) factors for the individual property such as specifications of the building, the operator that is the lessee, facility occupancy status and rent-paying capacity.

(Note 1) "Studio type" refers to residences in the 1R, 1K, 1DK, and 1LDK layouts.
(Note 2) "Family type" refers to residences in the 2K, 2DK, 2LDK, and above layouts.
(Note 3) "Greater Tokyo area" refers to Tokyo, Kanagawa, Chiba and Saitama prefectures.
(Note 4) "Chukyo area" refers to Aichi, Mie and Gifu prefectures.
(Note 5) "Kinki area" refers to Osaka, Kyoto, Hyogo, Nara and Shiga prefectures.

b. Continuing to strengthen overall operations

i. Strategy for managing rental housing

For rental housing, the Asset Manager will continue to focus on maximizing rental income for each property by optimizing the downtime and rent based on a range of existing initiatives including the Management Policy by Property and by using the Daily Occupancy Forecasting System. In addition, the Asset Manager also pursues an increase in the rent for new contracts by setting fine-tuned rent conditions in light of the stable rental housing market in major metropolitan areas. With regard to leasing-related expenses, the Asset Manager will continue to work to reduce repair expenses and expenses for work to restore properties to their original state, to reduce utilities expenses by introducing LED lighting and other measures, and will control expenses according to the building ages and competitiveness.

ii. Strategy for managing healthcare facilities

In order for healthcare facilities to earn stable revenue and serve to maintain and enhance unitholder value, the Asset Manager continues to monitor operators as it regards the creditworthiness, operational capabilities, etc. of the operators operating the facilities as important factors in realizing stable occupancy. In addition, in order to avoid a decline in revenue due to prolonged vacancy periods resulting from the termination of lease agreements with operators, the Investment Corporation concluded an agreement on the backup of operations with the respective operators of its assets (excluding some of them). We will continue to take a certain level of measures against infectious diseases and monitor the situation by visiting facilities and conducting interviews and such in the form of meetings with facility managers using an online conferencing system.

c. Financial strategy

In terms of debt financing, the Investment Corporation will seek to further extend borrowing periods, diversify due dates and fix floating interest rates, and seek stable financing by continuing to work to maintain a solid bank formation. The Investment Corporation will continue considering the issuance of investment corporation bonds, while identifying trends in the financing environment and conditions such as the effect of reducing interest rates. Concerning the level of interest-bearing debt, the Investment Corporation will manage with the upper limit set at 60% in principle to take heed of securing financing capacity. The Investment Corporation will also consider equity financing, taking into comprehensive account the acquisition of new properties, the total assets LTV, the impact on distributions and the financial market environment, etc.

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d. Distributions strategy

The Investment Corporation has been distributing profit after adding ¥67 million, which is a portion of the reserve for temporary difference adjustments, from the 23rd fiscal period ended September 30, 2017, as well as ¥11 million from the 30th fiscal period ended March 31, 2021.

To stabilize the level of distributions over the long term, the Investment Corporation may additionally reverse internal reserves and add them to the above amount for distributions (Note).

(Note) This policy may be changed by a resolution, etc. at a meeting of the Investment Corporation's Board of Directors and does not guarantee the method and amount, etc. of the reversal of reserve in the future.

(2) Investment Risk

Disclosure is omitted because there are no material changes from the statement in the most recent semiannual securities report (submitted on December 20, 2024. Subsequent corrections are included).

(3) Significant Events after the Closing of Accounts

① Acquisition of Assets

The Investment Corporation acquired the assets for which purchase and sale agreements were concluded on March 19, 2025, as described below.

Property name	Asset type	Property type	Location	Acquisition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Acquisition date	Counterparty
Gran Casa Sendai Bansui Dori	Trust beneficiary interests	Rental housing	Sendai-shi, Miyagi	1,251,000	1,280,000	April 3, 2025	(Note 3)
Serenite Nihonbashi Miracle	Trust beneficiary interests	Rental housing	Osaka-shi, Osaka	1,157,000	1,170,000	April 3, 2025	(Note 3)
Gran Casa Kawaguchi Namiki	Trust beneficiary interests	Rental housing	Kawaguchi-shi, Saitama	919,000	948,000	April 3, 2025	(Note 3)
Total	–	–	–	3,327,000	3,398,000	–	–

(Note 1) Acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.

(Note 2) The date of the appraisal value is February 1, 2025.

(Note 3) The counterparty is Daiwa Securities Realty Co., Ltd.

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② Disposition of assets

The Investment Corporation disposed of the assets for which purchase and sale agreements were concluded on January 22, February 19, and March 19, 2025, as described below.

Property name	Asset type	Property type	Location	Disposition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Disposition date	Counterparty
willDo Okayamaeki Nishiguchi	Trust beneficiary interests (Note 3)	Rental housing	Okayama-shi, Okayama	1,440,000	1,360,000	April 2, 2025	(Note 4)
willDo Okayamadaiku	Trust beneficiary interests (Note 3)	Rental housing	Okayama-shi, Okayama	1,260,000	1,210,000	April 2, 2025	(Note 4)
willDo Temmacho	Real estate	Rental housing	Nagoya-shi, Aichi	842,000	842,000	April 8, 2025	(Note 5)
Bonheur Tokiwa	Trust beneficiary interests (Note 3)	Rental housing	Saitama-shi, Saitama	1,000,000	947,000	April 25, 2025	(Note 6)
Total	–	–	–	4,542,000	4,359,000	–	–

(Note 1) Disposition price does not include disposition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.
(Note 2) The date of the appraisal value is September 30, 2024.
(Note 3) As of March 31, 2025, the asset type was real estate, but the asset type was changed to trust beneficiary interests before disposition.
(Note 4) The counterparty is Fuyo General Lease Co., Ltd.
(Note 5) The counterparty is a domestic corporation whose name is not disclosed because the counterparty's consent has not been obtained.
(Note 6) The counterparty is Tokyo Tatemono Real Estate Sales Co., Ltd.

Furthermore, the Investment Corporation concluded the following purchase and sale agreements on April 30, 2025, for the following assets and is expected to dispose of them as shown below.

Property name	Asset type	Property type	Location	Scheduled disposition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Scheduled disposition date	Scheduled counterparty
Sawayaka Kaikyokan	Trust beneficiary interests	Healthcare facilities	Kitakyushu-shi, Fukuoka	1,030,000	991,000	May 30, 2025	(Note 3)
Sawayaka Hinodekan	Trust beneficiary interests	Healthcare facilities	Niigata-shi, Niigata	970,000	926,000	May 30, 2025	(Note 3)
Silver Heights Hitsujigaoka No.3	Trust beneficiary interests	Healthcare facilities	Sapporo-shi, Hokkaido	1,460,000	1,380,000	May 30, 2025	(Note 3)
Total	–	–	–	3,460,000	3,297,000	–	–

(Note 1) Scheduled disposition prices do not include disposition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.
(Note 2) The date of appraisal values was September 30, 2024.
(Note 3) The counterparty is a domestic corporation whose name is not disclosed because the counterparty's consent has not been obtained.

③ Acquisition of own investment units

At a Board of Directors meeting held on May 22, 2025, pursuant to the provisions of Article 80, Paragraph 2 of the Act on Investment Trusts and Investment Corporations, as applied mutatis mutandis to the provisions of Article 80-5, Paragraph 2 of said Act, the Investment Corporation decided on the matters concerning the acquisition of own investment units as follows. Furthermore, all acquired investment units are scheduled to be cancelled during the 39th fiscal period.

English Translation
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(a) Reasons for the acquisition of own investment units

After comprehensively considering the Investment Corporation's investment unit price level, the status of cash on hand, the financial conditions, the market environment, etc., the Investment Corporation determined that improving investment efficiency and implementing unitholder returns through the acquisition and cancellation of own investment units lead to enhance medium- to long-term unitholder value.

(b) Summary of matters concerning the acquisition

Total number of investment units that can be acquired	26,000 (upper limit)
Total acquisition cost of investment units	¥2,000,000,000 (upper limit)
Acquisition period	From May 23 to September 12, 2025
Acquisition method	Market purchase on the Tokyo Stock Exchange based on discretionary transaction agreement for the acquisition of own investment units with a securities company

(4) Earnings Outlook

The earnings outlook for the 39th fiscal period (from April 1, 2025 to September 30, 2025) and the 40th fiscal period (from October 1, 2025 to March 31, 2026) is as follows. For the preconditions for this earnings outlook, please refer to "Preconditions for Earnings Forecast for the 39th fiscal period (from April 1, 2025 to September 30, 2025) and the 40th fiscal period (from October 1, 2025 to March 31, 2026)" below.

(% figures indicate the percentage of increase (decrease) over the previous fiscal period)

	Operating revenue		Operating profit		Ordinary profit		Profit		Distribution per unit (excluding distribution in excess of earnings)	Total distributions in excess of earnings per unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
39th period	14,581	(4.0)	7,757	(5.5)	6,549	(9.2)	6,549	(9.2)	2,670	–
40th period	12,684	(13.0)	6,070	(21.7)	4,768	(27.2)	4,767	(27.2)	2,400	–

(Reference) Expected earnings per unit (39th fiscal period): ¥2,721; Expected earnings per unit (40th fiscal period): ¥1,980

(Note) The source of funds for payment of distributions for the 39th fiscal period is the amount of profit after subtracting internal reserves of ¥702 million and adding reversal of reserve for temporary difference adjustments of ¥579 million, and thus it differs from the amount of profit. The source of funds for payment of distributions for the 40th fiscal period is the amount of profit after adding reversal of reserve for temporary difference adjustments of ¥1,008million, and thus it differs from the amount of profit.

English Translation
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<Preconditions for Earnings Forecast for the 39th Fiscal Period (from April 1, 2025 to September 30, 2025) and the 40th Fiscal Period (from October 1, 2025 to March 31, 2026)>

Item	Preconditions
Dates	* 39th fiscal period: from April 1, 2025 to September 30, 2025 (183 days) * 40th fiscal period: from October 1, 2025 to March 31, 2026 (182 days)
Portfolio assets	* The Investment Corporation assumes that from the real estate and real estate trust beneficiary interests it owns as of March 31, 2025, of 246 properties, there will be the following changes in the portfolio assets: <Acquired assets> Acquisition date: April 3, 2025 ① Gran Casa Sendai Bansui Dori ② Serenite Nihonbashi Miracle ③ Gran Casa Kawaguchi Namiki <Disposed assets> Disposition date: April 2, 2025 ① willDo Okayamaeki Nishiguchi ② willDo Okayamadaiku Disposition date: April 8, 2025 ③ willDo Temmacho Disposition date: April 25, 2025 ④ Bonheur Tokiwa Scheduled disposition date: May 30, 2025 ⑤ Sawayaka Kaikyokan ⑥ Sawayaka Hinodekan ⑦ Silver Heights Hitsujigaoka No.3 * In light of the above assumptions, the portfolio assets will be the 242 properties as of the end of the 39th fiscal period and as of the end of the 40th fiscal period. In practice, assets under management are likely to change due to acquisitions or sales of other properties.
Operating revenue	* Operating revenue is calculated under the above assumptions for portfolio assets. * Gain on sale of real estate properties of ¥2,002 million is expected for the 39th fiscal period. * No posting of gain on sale of real estate properties is expected for the 40th fiscal period.
Operating expenses	* Operating expenses are calculated under the above assumptions for portfolio assets. * No posting of loss on sale of real estate properties is expected for the 39th and 40th fiscal periods. * Of the expenses related to leasing business, which are major operating expenses, expenses other than depreciation are calculated based on past results as well as materials provided by the previous owners, etc. of the assets to be acquired and by reflecting fluctuation factors of the expenses. * Management fee is assumed to be ¥530 million for the 39th fiscal period and ¥531 million for the 40th fiscal period. * For the expenditures for repair of buildings, the amount required in the relevant fiscal period is estimated, and is assumed to be ¥535million for the 39th fiscal period and ¥469 million for the 40th fiscal period. Please note, however, the actual repair expenses could differ significantly from the estimated amount due to unexpected repair expenses possibly arising and other factors. * Taxes are assumed to be ¥785 million for the 39th fiscal period and ¥781 million for the 40th fiscal period. In general, property tax, city planning tax, etc. upon transactions of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the current owner, but the property tax, city planning tax, etc. for the fiscal year of acquisition borne by the Investment Corporation are included in the cost of acquisition and thus not recognized as expenses. * Depreciation is calculated using the straight-line method, including incidental expenses and additional future capital expenditure, and is assumed to be ¥2,645 million for the 39th fiscal period and ¥2,628 million for the 40th fiscal period.

English Translation
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Item	Preconditions
Non-operating expenses	* Non-operating expenses are assumed to be ¥1,229 million for the 39th fiscal period and ¥1,310 million for the 40th fiscal period and consist of the following: (1) Interest expenses and interest expenses on investment corporation bonds of ¥1,025 million for the 39th fiscal period and ¥1,104 million for the 40th fiscal period (2) Borrowing-related expenses of ¥187 million for the 39th fiscal period and ¥188 million for the 40th fiscal period (3) No posting of investment unit issuance expenses is expected for the 39th and 40th fiscal periods (4) Amortization of investment corporation bond issuance costs of ¥12 million for the 39th fiscal period and ¥12 million for the 40th fiscal period (5) Other expenses of ¥3 million for the 39th fiscal period and ¥4 million for the 40th fiscal period
Interest-bearing debt	* The Investment Corporation has outstanding borrowings of ¥182,637 million and outstanding amount of investment corporation bonds issued of ¥22,100 million as of today. * It is assumed to refinance the entire amount of the bank borrowings of ¥10,710 million which is due during the 39th fiscal period. * It is assumed to refinance the entire amount of bank borrowings of ¥8,100 million, which is due during the 40th fiscal period, and the entire amount of investment corporation bonds of ¥10,000 million, which is due during the 40th fiscal period. * As a result of the above, it is assumed that outstanding borrowings will be ¥182,637 million and the outstanding amount of investment corporation bonds issued will be ¥22,100 million as of the end of the 39th fiscal period and the end of the 40th fiscal period. * Interest-bearing debt ratio is expected to be 50.9% as of the end of the 39th fiscal period and the end of the 40th fiscal period. * The interest-bearing debt ratio in the forecast is calculated using the following formula. Interest-bearing debt ratio = (Total interest-bearing debt / Total assets) x 100
Total number of investment units issued and outstanding	* The total number of investment units issued and outstanding is 2,406,890 units as of today. * Afterward, it is assumed there will be no change to this through to the end of the 40th fiscal period.
Distribution per unit	* Distribution per unit is based on the assumption that distribution will comply with the monetary distribution policy stipulated in the Articles of Incorporation. * A total of ¥6,426 million (distribution per unit of ¥2,670), which is the amount obtained by subtracting the planned internal reserves of ¥702 million (¥291 yen per unit) for part of the gain on the sale of real estate properties from profit of ¥6,549 million (¥2,721 per unit) and adding the planned reversal of reserve for temporary difference adjustment of ¥579 million (¥240 per unit), is assumed to be distributed for the 39th fiscal period. * A total of ¥5,776 million (distribution per unit of ¥2,400), which is the amount obtained by adding the planned reversal of reserve for temporary difference adjustment of ¥1,008 million (¥419 per unit) to profit of ¥4,767 million (¥1,980 per unit), is assumed to be distributed for the 40th fiscal period. * Distribution per unit may change due to various factors including change of rental revenue alongside transfer of assets under management, transfer of tenants, etc. and unforeseen repairs. * Earnings per unit and distribution per unit for each business period are calculated using the expected total number of investment units issued and outstanding at the end of each period based on the above total number of investment units issued and outstanding.
Distribution in excess of earnings per unit	* At present, the Investment Corporation does not plan to make cash distribution in excess of earnings.
Other	* The forecast is based on the assumption that no revisions impacting the forecast figures above will be made to laws and regulations, the tax system, accounting standards, the listing rules, or the rules of The Investment Trusts Association, Japan, etc. * It is also assumed there will be no unexpected material change in general economic trends, the real estate market conditions, etc.

English Translation
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2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	37th period (September 30, 2024)	38th period (March 31, 2025)
Assets		
Current assets		
Cash and deposits	8,171,202	10,985,163
Cash and deposits in trust	3,686,947	3,799,432
Operating accounts receivable	156,092	156,654
Prepaid expenses	504,577	408,626
Other	47	7,469
Allowance for doubtful accounts	(8,705)	(6,188)
Total current assets	12,510,161	15,351,158
Non-current assets		
Property, plant and equipment		
Buildings	96,176,297	91,600,111
Accumulated depreciation	(29,349,720)	(28,506,512)
Buildings, net	66,826,576	63,093,599
Structures	539,582	502,502
Accumulated depreciation	(338,037)	(316,265)
Structures, net	201,545	186,237
Machinery and equipment	483,461	494,537
Accumulated depreciation	(296,812)	(310,547)
Machinery and equipment, net	186,649	183,990
Tools, furniture and fixtures	1,493,931	1,588,183
Accumulated depreciation	(903,648)	(964,961)
Tools, furniture and fixtures, net	590,282	623,221
Land	81,308,668	79,604,806
Construction in progress	–	1,650
Buildings in trust	112,030,547	114,245,979
Accumulated depreciation	(16,313,091)	(17,713,142)
Buildings in trust, net	95,717,455	96,532,837
Structures in trust	1,430,760	1,450,477
Accumulated depreciation	(318,202)	(350,794)
Structures in trust, net	1,112,558	1,099,683
Machinery and equipment in trust	141,102	144,507
Accumulated depreciation	(76,122)	(81,777)
Machinery and equipment in trust, net	64,979	62,730
Tools, furniture and fixtures in trust	699,082	780,457
Accumulated depreciation	(325,398)	(379,400)
Tools, furniture and fixtures in trust, net	373,683	401,057
Land in trust	137,069,338	140,635,797
Construction in progress in trust	6,556	12,844
Total property, plant and equipment	383,458,295	382,438,455
Intangible assets		
Leasehold interests in land	546,283	546,283
Land leasehold interests in trust	2,094,946	2,094,630
Trademark right	326	293
Total intangible assets	2,641,557	2,641,206

English Translation
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(Unit: thousand yen)

	37th period (September 30, 2024)	38th period (March 31, 2025)
Investments and other assets		
Leasehold and guarantee deposits	27,839	27,839
Long-term prepaid expenses	1,102,612	1,099,676
Derivatives	45,975	132,490
Reserve for repairs	232,688	240,687
Total investments and other assets	1,409,116	1,500,693
Total non-current assets	387,508,968	386,580,355
Deferred assets		
Investment corporation bond issuance costs	65,927	53,546
Total deferred assets	65,927	53,546
Total assets	400,085,057	401,985,060
Liabilities		
Current liabilities		
Operating accounts payable	637,827	716,986
Current portion of investment corporation bonds	–	10,000,000
Current portion of long-term borrowings	21,610,000	18,810,000
Accounts payable - other	31,541	39,954
Accrued expenses	995,316	1,134,425
Income taxes payable	605	605
Accrued consumption tax	41,582	218,651
Advances received	1,205,853	1,190,965
Other	32,684	30,146
Total current liabilities	24,555,411	32,141,736
Non-current liabilities		
Investment corporation bonds	22,100,000	12,100,000
Long-term borrowings	161,027,000	163,827,000
Leasehold and guarantee deposits received	943,124	912,065
Leasehold and guarantee deposits received in trust	3,517,290	3,541,074
Asset retirement obligations	120,144	120,474
Total non-current liabilities	187,707,559	180,500,613
Total liabilities	212,262,971	212,642,349
Net assets		
Unitholders' equity		
Unitholders' capital	152,719,492	152,719,492
Surplus		
Capital surplus	20,620,242	20,620,242
Voluntary retained earnings		
Reserve for dividends	1,790,969	2,297,673
Reserve for temporary difference adjustments	*2 6,441,477	*2 6,362,165
Total voluntary retained earnings	8,232,447	8,659,838
Unappropriated retained earnings (undisposed loss)	6,203,926	7,210,646
Total surplus	35,056,617	36,490,727
Total unitholders' equity	187,776,109	189,210,220
Valuation and translation adjustments		
Deferred gains or losses on hedges	45,975	132,490
Total valuation and translation adjustments	45,975	132,490
Total net assets	*1 187,822,085	*1 189,342,710
Total liabilities and net assets	400,085,057	401,985,060

English Translation
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(2) Statement of Income

(Unit: thousand yen)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Operating revenue		
Leasing business revenue	*1,*2 12,643,425	*1,*2 12,634,812
Gain on sale of real estate properties	*3 1,512,029	*3 2,556,424
Total operating revenue	14,155,454	15,191,237
Operating expenses		
Expenses related to leasing business	*1 5,498,704	*1 5,351,761
Asset management fees	1,031,700	1,118,200
Remuneration for directors (and other officers)	6,000	6,000
Asset custody fees	20,530	20,553
Administrative service fees	55,724	56,085
Audit fees	15,000	15,000
Provision of allowance for doubtful accounts	941	—
Bad debt expenses	3	401
Other operating expenses	434,030	414,642
Total operating expenses	7,062,634	6,982,643
Operating profit	7,092,819	8,208,593
Non-operating income		
Interest income	214	1,368
Miscellaneous income	25,712	29,487
Total non-operating income	25,927	30,856
Non-operating expenses		
Interest expenses	654,874	762,693
Interest expenses on investment corporation bonds	66,295	65,761
Borrowing related expenses	176,783	183,452
Amortization of investment corporation bond issuance costs	12,380	12,380
Other	3,880	3,909
Total non-operating expenses	914,214	1,028,197
Ordinary profit	6,204,531	7,211,251
Profit before income taxes	6,204,531	7,211,251
Income taxes - current	605	605
Total income taxes	605	605
Profit	6,203,926	7,210,646
Unappropriated retained earnings (undisposed loss)	6,203,926	7,210,646

English Translation
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(3) Statement of Unitholders' Equity

37th period (from April 1, 2024 to September 30,2024)

(Unit: thousand yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for dividends	Reserve for temporary difference adjustments	Total voluntary retained earnings			
Balance at beginning of period	152,719,492	20,620,242	1,434,284	6,520,790	7,955,074	5,813,220	34,388,537	187,108,029
Changes during period								
Provision of reserve for dividends			356,685		356,685	(356,685)	—	—
Reversal of reserve for temporary difference adjustments				(79,312)	(79,312)	79,312	—	—
Dividends of surplus						(5,535,847)	(5,535,847)	(5,535,847)
Profit						6,203,926	6,203,926	6,203,926
Net changes in items other than unitholders' equity								
Total changes during period	—	—	356,685	(79,312)	277,373	390,706	668,079	668,079
Balance at end of period	152,719,492	20,620,242	1,790,969	6,441,477	8,232,447	6,203,926	35,056,617	187,776,109

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	10,882	10,882	187,118,912
Changes during period			
Provision of reserve for dividends			—
Reversal of reserve for temporary difference adjustments			—
Dividends of surplus			(5,535,847)
Profit			6,203,926
Net changes in items other than unitholders' equity	35,093	35,093	35,093
Total changes during period	35,093	35,093	703,173
Balance at end of period	45,975	45,975	187,822,085

English Translation
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38th period (from October 1, 2024 to March 31, 2025)

(Unit: thousand yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for dividends	Reserve for temporary difference adjustments	Total voluntary retained earnings			
Balance at beginning of period	152,719,492	20,620,242	1,790,969	6,441,477	8,232,447	6,203,926	35,056,617	187,776,109
Changes during period								
Provision of reserve for dividends			506,703		506,703	(506,703)	—	—
Reversal of reserve for temporary difference adjustments				(79,312)	(79,312)	79,312	—	—
Dividends of surplus						(5,776,536)	(5,776,536)	(5,776,536)
Profit						7,210,646	7,210,646	7,210,646
Net changes in items other than unitholders' equity								
Total changes during period	—	—	506,703	(79,312)	427,390	1,006,719	1,434,110	1,434,110
Balance at end of period	152,719,492	20,620,242	2,297,673	6,362,165	8,659,838	7,210,646	36,490,727	189,210,220

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	45,975	45,975	187,822,085
Changes during period			
Provision of reserve for dividends			—
Reversal of reserve for temporary difference adjustments			—
Dividends of surplus			(5,776,536)
Profit			7,210,646
Net changes in items other than unitholders' equity	86,514	86,514	86,514
Total changes during period	86,514	86,514	1,520,625
Balance at end of period	132,490	132,490	189,342,710

English Translation
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(4) Statement of Cash Distributions

Item	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
I. Unappropriated retained earnings	¥6,203,926,871	¥7,210,646,561
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments	*1 ¥79,312,567	*1 ¥79,312,567
III. Amount of distributions	¥5,776,536,000	¥6,570,809,700
[Amount of distribution per investment unit]	[¥2,400]	[¥2,730]
IV. Voluntary retained earnings		
Provision of reserve for tax purpose reduction entry	–	¥640,707,142
Provision of reserve for dividends	¥506,703,438	¥78,442,286
V. Retained earnings carried forward	–	–
Method for calculating the amount of distributions	The cash distribution policy set out in Article 15, Paragraph 1 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of distributions shall exceed the amount equivalent to 90% of "earnings available for distribution" as provided for in Article 67-15 of the Special Taxation Measures Act. Based on this policy, the decision was made to distribute, as a distribution of earnings, ¥5,776,536,000, the maximum integral multiple of the 2,406,890 investment units issued and an amount not exceeding the amount obtained by subtracting ¥506,703,438 for provision of reserve for dividends, and adding ¥79,312,567 for reversal of reserve for temporary difference adjustments to ¥6,203,926,871 of unappropriated retained earnings. The cash distribution in excess of earnings set out in Article 15, Paragraph 3 of the Articles of Incorporation of the Investment Corporation will not take place.	The cash distribution policy set out in Article 15, Paragraph 1 of the Articles of Incorporation of the Investment Corporation stipulates that the amount of distributions shall exceed the amount equivalent to 90% of "earnings available for distribution" as provided for in Article 67-15 of the Special Taxation Measures Act. Based on this policy, the decision was made to distribute, as a distribution of earnings, ¥6,570,809,700, the maximum integral multiple of the 2,406,890 investment units issued and an amount not exceeding the amount obtained by subtracting each of ¥640,707,142 for provision of reserve for tax purpose reduction entry under Article 65-7 of the Act on Special Measures Concerning Taxation and ¥78,442,286 for provision of reserve for dividends from unappropriated retained earnings of ¥7,210,646,561, then adding ¥79,312,567 for reversal of reserve for temporary difference adjustments. The cash distribution in excess of earnings set out in Article 15, Paragraph 3 of the Articles of Incorporation of the Investment Corporation will not take place.

English Translation
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(5) Statement of Cash Flows

(Unit: thousand yen)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	6,204,531	7,211,251
Depreciation	2,711,109	2,707,531
Amortization of long-term prepaid expenses	148,494	153,268
Amortization of investment corporation bond issuance costs	12,380	12,380
Interest income	(214)	(1,368)
Interest expenses	654,874	762,693
Interest expenses on investment corporation bonds	66,295	65,761
Increase (decrease) in allowance for doubtful accounts	(1,947)	(2,516)
Decrease (increase) in operating accounts receivable	53,398	(562)
Decrease (increase) in prepaid expenses	(105,873)	104,730
Decrease (increase) in consumption taxes refund receivable	204,833	—
Increase (decrease) in operating accounts payable	(58,036)	(9,643)
Increase (decrease) in accrued consumption taxes	(33,165)	177,069
Increase (decrease) in accounts payable - other	(3,471)	3,775
Increase (decrease) in accrued expenses	66,348	99,228
Increase (decrease) in advances received	164,548	(14,887)
Decrease in property, plant and equipment due to sale	3,975,125	3,776,935
Decrease in property, plant and equipment in trust due to sale	–	934,906
Long-term prepaid expenses paid	(92,823)	(159,112)
Other	10,648	(18,642)
Subtotal	13,977,058	15,802,799
Interest received	214	1,368
Interest paid	(723,921)	(823,884)
Income taxes paid	(605)	(605)
Net cash provided by (used in) operating activities	13,252,746	14,979,678
Cash flows from investing activities		
Purchase of property, plant and equipment	(652,893)	(540,288)
Purchase of property, plant and equipment in trust	(7,522,804)	(5,728,141)
Refund of leasehold and guarantee deposits received	(119,326)	(85,521)
Proceeds from leasehold and guarantee deposits received	78,243	54,462
Refund of leasehold and guarantee deposits received in trust	(43,550)	(41,044)
Proceeds from leasehold and guarantee deposits received in trust	75,481	64,828
Net cash provided by (used in) investing activities	(8,184,849)	(6,275,705)
Cash flows from financing activities		
Proceeds from long-term borrowings	7,250,000	10,900,000
Repayments of long-term borrowings	(7,250,000)	(10,900,000)
Distributions paid	(5,535,171)	(5,777,526)
Net cash provided by (used in) financing activities	(5,535,171)	(5,777,526)
Net increase (decrease) in cash and cash equivalents	(467,275)	2,926,446
Cash and cash equivalents at beginning of period	12,325,424	11,858,149
Cash and cash equivalents at end of period	*1 11,858,149	*1 14,784,596

English Translation
The following is an English translation of the original Japanese document and is being provided for informational purposes only.

(6) Notes on the Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets

① Property and equipment (including trust accounts)

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives of the assets as stated below.

Buildings	1–70 years
Structures	4–60 years
Machinery and equipment	6–24 years
Tools, furniture and fixtures	2–21 years

② Intangible assets

Depreciation of intangible assets is calculated on a straight-line basis.

③ Long-term prepaid expenses

Depreciation of long-term prepaid expenses is calculated on a straight-line basis.

2. Accounting for deferred assets

① Investment unit issuance expenses

The entire amount is expensed when incurred.

② Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized equally over the period up to the redemption of the investment corporation bonds.

3. Standards for recognition of allowances

Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the amount which is considered sufficient to cover possible bad debt expenses on receivables, based on a case-by-case examination of collectability for doubtful and other specific receivables.

4. Standards for recognition of revenues and expenses

① Accounting for property tax, etc.

Properties are subject to various taxes, such as property tax, city planning tax and depreciable assets tax. The owner of properties is registered in a record maintained by the local government in each jurisdiction, and the taxes are imposed on the owner registered in the record, as of January 1, based on an assessment made by the local government.

When a property is purchased before January 1 of any given calendar year, such taxes for the previous year are imposed on the seller. The Investment Corporation pays the seller the corresponding tax amounts for the period from the property's transfer date to December 31 of the previous year as part of the purchase prices of each property and capitalizes these amounts as part of the cost of the property. The Investment Corporation expenses the taxes imposed on such properties as expenses related to leasing business every calendar year when incurred.

② Standards for recognition of revenues

The details of main obligations relevant to revenue from contracts with customers of the Investment Corporation and normal timing when such obligations are satisfied (normal timing when revenue is recognized) are as follows.

a. Sale of real estate properties

Regarding the sale of real estate properties, revenue is recognized at the time when buyers who are customers take control of the properties by fulfilling the obligation of delivery specified in the contract on the sale of properties.

b. Utilities reimbursement

For utilities reimbursement, revenue is recognized depending on the supply of electricity, water, etc. to tenants who are customers based on the content of lease agreements for real estate and incidental agreements. For the utilities reimbursement for which the Investment Corporation is deemed to be an agent, the net amount obtained by deducting the amount to be paid to another party from the amount received from tenants as charges for electricity, gas, etc., provided by said party.

English Translation
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5. Hedge accounting method

① Method of hedge accounting

In principle, the deferred hedge method is used. In cases where the interest swaps meet conditions for special treatment, special treatment is adopted.

② Hedging instruments and hedged items

Hedging instruments: Interest rate swap transactions

Hedged items: Interest on borrowings

③ Hedging policy

The Investment Corporation conducts derivative transactions to hedge risks set out in the Articles of Incorporation pursuant to the financial policy.

④ Method for assessing the effectiveness of hedging

The effectiveness of hedging is assessed by comparing the cumulative changes in cash flows of the hedged items and the cumulative changes in cash flows of the hedging instruments and examining the ratio of the amount of change in both. However, evaluation of effectiveness is omitted in the case of interest rate swaps with special treatment.

6. Scope of funds on the Statement of Cash Flows

The funds (cash and cash equivalents) on the Statement of Cash Flows consist of cash on hand, cash held in trust, deposits and deposits held in trust that can be withdrawn at any time, and short-term investments, with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of value fluctuation.

7. Other matters serving as the basis for preparing financial statements

① Accounting for trust beneficiary interests in real estate

For trust beneficiary interests in real estate, all trust assets and liabilities as well as all income generated and expenses incurred in trusts are recorded in the relevant accounts on the Balance Sheet and the Statement of Income.

The following material items of the trust accounts recorded in the relevant accounts are separately listed on the Balance Sheet.

a. Cash and deposits in trust
b. Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust
c. Land leasehold interests in trust
d. Leasehold and guarantee deposits received in trust

② Accounting for consumption taxes on non-current assets and deferred assets

Non-current assets and deferred assets are tax inclusive.

(8) Notes to Financial Statements

(Notes to Balance Sheet)

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

¥50,000 thousand

*2. Matters concerning provision and reversal of reserve for temporary difference adjustments

37th period (as of September 30, 2024)

(Unit: thousand yen)

	Initial amount	Balance at beginning of period	Provision during period	Reversal during period	Balance at end of period	Reason for provision/reversal
Reserve for dividends (Note 1)	6,733,122	5,394,543	–	67,331	5,327,212	Appropriation to the distribution
Part of the discrepancy between taxation and accounting in excess of earnings due to gain on bargain purchase (Note 2)	1,198,134	1,126,246	–	11,981	1,114,265	Appropriation to the distribution
Total	7,931,256	6,520,790	–	79,312	6,441,477	

(Note 1) The amount is the remaining balance of the amount subdivided into gain on bargain purchase recorded in prior fiscal years. The Investment Corporation plans to reverse an amount equivalent to the averaged amount for 50 years or more, in each fiscal period, starting with the fiscal period ended September 2017.

(Note 2) The amount is the accumulation of a portion of the discrepancy between taxation and accounting in excess of earnings due to gain on bargain purchase, and the Investment Corporation plans to reverse an amount equivalent to the averaged amount for 50 years or more, in each fiscal period, starting with the fiscal period ended March 2021.

English Translation
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38th period (as of March 31, 2025)

(Unit: thousand yen)

	Initial amount	Balance at beginning of period	Provision during period	Reversal during period	Balance at end of period	Reason for provision/reversal
Reserve for dividends (Note 1)	6,733,122	5,327,212	–	67,331	5,259,881	Appropriation to the distribution
Part of the discrepancy between taxation and accounting in excess of earnings due to gain on bargain purchase (Note 2)	1,198,134	1,114,265	–	11,981	1,102,283	Appropriation to the distribution
Total	7,931,256	6,441,477	–	79,312	6,362,165	

(Note 1) The amount is the remaining balance of the amount subdivided into gain on bargain purchase recorded in prior fiscal years. The Investment Corporation plans to reverse an amount equivalent to the averaged amount for 50 years or more, in each fiscal period, starting with the fiscal period ended September 2017.

(Note 2) The amount is the accumulation of a portion of the discrepancy between taxation and accounting in excess of earnings due to gain on bargain purchase, and the Investment Corporation plans to reverse an amount equivalent to the averaged amount for 50 years or more, in each fiscal period, starting with the fiscal period ended March 2021.

(Notes to Statement of Income)

*1. Breakdown of profit (loss) on operations of rental properties

(Unit: thousand yen)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
A. Leasing business revenue		
Rent income	11,176,924	11,235,663
Common area charges	604,387	615,153
Parking revenue	317,578	310,579
Incidental revenue	96,994	95,920
Other leasing business revenue	447,539	377,496
Total	12,643,425	12,634,812
B. Expenses related to leasing business		
Management fees	537,479	541,242
Taxes	779,416	765,620
Utilities expenses	187,558	195,234
Repair expenses	671,555	596,398
Insurance expenses	39,355	41,561
Advertising expenses	357,456	303,098
Trust fees	26,870	31,999
Depreciation	2,711,076	2,707,498
Other expenses related to leasing business	187,934	169,108
Total	5,498,704	5,351,761
C. Net profit on operations of rental properties (A − B)	7,144,720	7,283,051

*2. Trading volume with major unitholders

(Unit: thousand yen)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Trading volume through sales transactions		
Leasing business revenue	40,537	40,107

English Translation
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*3. Breakdown of gain on sale of real estate properties

37th period (from April 1, 2024 to September 30,2024)

(Unit: thousand yen)

Bulk transaction items (Note 1) (Note 2)	
Revenue from sale of real estate	5,589,521
Cost of sale of real estate	3,975,125
Other selling expenses	102,366
Gain on sale of real estate properties	1,512,029

(Note 1) Bulk transaction items are the following 4 properties.
willDo Todoroki
SK Residence
Angel Heim Nishi-Rokugo No. 2
willDo Chiyoda

(Note 2) The dispositions have been concluded with the same buyer on a single purchase and sale agreement. In regard to disclosure of the price of each property, the buyer requested not to disclose it as an essential condition of the transaction. Therefore only the total amount is stated.

38th period (from October 1, 2024 to March 31, 2025)

(Unit: thousand yen)

willDo Kanayama	
Revenue from sale of real estate	400,269
Cost of sale of real estate	278,440
Other selling expenses	14,951
Gain on sale of real estate properties	106,877
willDo Kanayama sawashita	
Revenue from sale of real estate	424,287
Cost of sale of real estate	279,001
Other selling expenses	15,838
Gain on sale of real estate properties	129,448
willDo Matsubara	
Revenue from sale of real estate	583,447
Cost of sale of real estate	419,079
Other selling expenses	24,525
Gain on sale of real estate properties	139,842
willDo Daikancho	
Revenue from sale of real estate	602,535
Cost of sale of real estate	503,215
Other selling expenses	23,126
Gain on sale of real estate properties	76,194
willDo Higashibetsuin	
Revenue from sale of real estate	744,577
Cost of sale of real estate	520,796
Other selling expenses	27,528
Gain on sale of real estate properties	196,252
willDo Takasago	
Revenue from sale of real estate	469,253
Cost of sale of real estate	309,879
Other selling expenses	17,435
Gain on sale of real estate properties	141,938

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willDo Kamisugi 3chome	
Revenue from sale of real estate	735,284
Cost of sale of real estate	400,131
Other selling expenses	26,769
Gain on sale of real estate properties	308,383

West Park Hasekura	
Revenue from sale of real estate	2,208,164
Cost of sale of real estate	1,066,391
Other selling expenses	79,396
Gain on sale of real estate properties	1,062,376

willDo Taiko dori	
Revenue from sale of real estate	1,380,000
Cost of sale of real estate	934,906
Other selling expenses	49,983
Gain on sale of real estate properties	395,110

(Notes to Statement of Unitholders' Equity)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Total number of investment units authorized and total number of investment units issued and outstanding		
Total number of investment units authorized	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	2,406,890 units	2,406,890 units

(Notes to Statement of Cash Distributions)

*1. Reserve for temporary difference adjustments

37th period (from April 1, 2024 to September 30, 2024)

By application of the transitional measures stipulated in Paragraph 3 of Supplementary Provisions of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), ¥6,733,122,069 of reserve for dividends that is the remaining balance of the amount subdivided into gain on bargain purchase recorded in prior fiscal years is reserved as reserve for temporary difference adjustments on the Statement of Cash Distributions for the fiscal period ended March 2017. Starting from the fiscal period ended September 2017 (the fiscal year following the fiscal year in which the reserve was made), the Investment Corporation is required to reverse the amount equivalent to the averaged amount for 50 years of the balance at the time of provision or more (¥67,331,221 or more) in each fiscal period, and thus reversed ¥67,331,221 in the fiscal period ended September 2024.

Of the discrepancy between taxation and accounting in excess of earnings (refers to the discrepancy between taxation and accounting where the amount obtained by deducting the total amount of expenses, etc. from the total amount of revenues, etc. exceeds the amount obtained by deducting the amount of deductible expenses from the amount of gross profit) arising in the fiscal period ended September 2020, ¥1,198,134,568 is reserved as reserve for temporary difference adjustments. Starting from the fiscal period ended March 2021 (the fiscal year following the fiscal year in which the reserve was made), the Investment Corporation is required to reverse the amount equivalent to the averaged amount (¥11,981,346 or more) in each fiscal period within 50 years, and thus reversed ¥11,981,346 in the fiscal period ended September 2024.

38th period (from October 1, 2024 to March 31, 2025)

By application of the transitional measures stipulated in Paragraph 3 of Supplementary Provisions of Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015), ¥6,733,122,069 of reserve for dividends that is the remaining balance of the amount subdivided into gain on bargain purchase recorded in prior fiscal years is reserved as reserve for temporary difference adjustments on the Statement of Cash Distributions for the fiscal period ended March 2017. Starting from the fiscal period ended September 2017 (the fiscal year following the fiscal year in which the reserve was made), the Investment Corporation is required to reverse the amount equivalent to the averaged amount for 50 years of the balance at the time of provision or more (¥67,331,221 or more) in each fiscal period, and thus reversed ¥67,331,221 in the fiscal period ended March 2025.

English Translation
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Of the discrepancy between taxation and accounting in excess of earnings (refers to the discrepancy between taxation and accounting where the amount obtained by deducting the total amount of expenses, etc. from the total amount of revenues, etc. exceeds the amount obtained by deducting the amount of deductible expenses from the amount of gross profit) arising in the fiscal period ended September 2020, ¥1,198,134,568 is reserved as reserve for temporary difference adjustments. Starting from the fiscal period ended March 2021 (the fiscal year following the fiscal year in which the reserve was made), the Investment Corporation is required to reverse the amount equivalent to the averaged amount (¥11,981,346 or more) in each fiscal period within 50 years, and thus reversed ¥11,981,346 in the fiscal period ended March 2025.

(Notes to Statement of Cash Flows)

*1. Reconciliation of cash and cash equivalents at the end of the fiscal period with the amount of the accounts on the Balance Sheet was as follows:

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Cash and deposits	¥8,171,202 thousand	¥10,985,163 thousand
Cash and deposits in trust	¥3,686,947 thousand	¥3,799,432 thousand
Cash and cash equivalents	¥11,858,149 thousand	¥14,784,596 thousand

English Translation
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(Notes on Related-Party Transactions)

1. Parent company, major corporate unitholder, etc.

Not applicable for the 37th period and 38th period.

2. Subsidiary, etc.

Not applicable for the 37th period and 38th period.

3. Fellow subsidiary, etc.

37th period (from April 1, 2024 to September 30,2024)

Not applicable.

38th period (from October 1, 2024 to March 31, 2025)

Type	Name	Location	Capital stock or investments in capital (thousand yen)	Description of business or occupation	Percentage of voting rights, etc. held in (by) related party (%)	Relationship with related party	Description of transaction	Amount of transaction (thousand yen) (Note 1)	Account item	Balance at the end of the period (thousand yen) (Note 1)
Subsidiary of major unitholder	Daiwa Securities Realty Co. Ltd.	Chuo-ku, Tokyo	500,000	Real estate sales, investment, leasing and brokerage, etc.	–	Seller of real estate trust beneficiary interests	Purchase of real estate trust beneficiary interests (Note 4)	1,854,000	–	–

(Note 1) Of the amounts above, the amount of transaction does not include consumption tax, etc., and the balance at the end of the period includes consumption tax, etc.

(Note 2) The terms and conditions of transactions with interested persons or other close affiliates were determined based on the internal rules on measures against conflicts of interest of the Asset Manager.

(Note 3) The terms and conditions of transactions were determined based on market conditions.

(Note 4) The amount of transaction for the purchase of real estate trust beneficiary interests stated above does not include acquisition expenses, adjustments to property tax and city planning tax, consumption tax, etc.

4. Director, major individual unitholder, etc.

Not applicable for the 37th period and 38th period.

(Notes on Investment and Rental Properties)

The Investment Corporation has rental housing and healthcare facilities in Tokyo and other areas for the purpose of earning rental revenues. The carrying amounts, net increase (decrease) during the period and fair value of such rental residential properties were as follows:

(Unit: thousand yen)

			37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Rental residential properties	Carrying amount (Note 2)	Balance at the beginning of the period	384,836,529	386,092,969
		Net increase (decrease) during the period (Note 3) (Note 4)	1,256,439	(1,028,094)
		Balance at the end of the period	386,092,969	385,064,874
	Fair value at the end of the period (Note 5)		492,655,000	491,018,000

(Note 1) For a summary of the rental residential properties, please refer to “3. Reference Information; (1) Information on Price of Assets under Management” later in this document.

(Note 2) The carrying amounts represent the amount after deducting the accumulated depreciation from the acquisition costs (including incidental expenses upon acquisition).

(Note 3) For the 37th fiscal period, the major increase during the period was acquisition of real estate trust beneficiary interests in 3 real estate properties (¥6,950,623 thousand), and the major decrease was due to sale of 4 real estate properties (¥3,975,125 thousand) and depreciation (¥2,711,076 thousand).

(Note 4) For the 38th fiscal period, the major increase during the period was acquisition of real estate trust beneficiary interests in 3 properties (¥5,383,222 thousand), and the major decrease was sale of 8 real estate properties and real estate trust beneficiary interests in 1 real estate property (¥4,711,841 thousand) and depreciation (¥2,707,498 thousand).

(Note 5) Fair value at the end of the period was based on the appraisal value or investigation value by external real-property appraisers.

In addition, profit or loss on operations of rental properties was as described in “Notes to Statement of Income.”

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(Notes on Segment and Related Information)

[Segment information]

Since the business of the Investment Corporation represents “real estate leasing business” only, there are no reporting segments. Therefore, segment disclosures are omitted.

[Related information]

37th period (from April 1, 2024 to September 30,2024)

1. Information about products and services

Since the proportion of operating revenue from external customers for each product and service exceeds 90% of operating revenue on the Statement of Income, product and service disclosures are omitted.

2. Information about geographical areas

(1) Operating revenue

Since the proportion of operating revenue from external customers in Japan exceeds 90% of operating revenue on the Statement of Income, geographic area on operating revenue disclosures are omitted.

(2) Property, plant and equipment

Since the proportion of property, plant and equipment located in Japan exceeds 90% of property, plant and equipment on the Balance Sheet, geographic area on property, plant and equipment disclosures are omitted.

3. Information about major customers

(Unit: thousand yen)

Name of customer	Operating revenue	Related segments
JAPAN AKAISHI TMK	1,512,029	Real estate investment business

38th period (from October 1, 2024 to March 31, 2025)

1. Information about products and services

Since the proportion of operating revenue from external customers for each product and service exceeds 90% of operating revenue on the Statement of Income, product and service disclosures are omitted.

2. Information about geographical areas

(1) Operating revenue

Since the proportion of operating revenue from external customers in Japan exceeds 90% of operating revenue on the Statement of Income, geographic area on operating revenue disclosures are omitted.

(2) Property, plant and equipment

Since the proportion of property, plant and equipment located in Japan exceeds 90% of property, plant and equipment on the Balance Sheet, geographic area on property, plant and equipment disclosures is omitted.

3. Information about major customers

Since all the proportion of operating revenue from each external customer is lower than 10% of operating revenue on the Statement of Income, major customer disclosures are omitted.

(Notes on Per Unit Information)

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Net assets per unit	¥78,035	¥78,666
Earnings per unit	¥2,577	¥2,995

Earnings per unit are calculated by dividing profit by the daily weighted average number of investment units.
Diluted earnings per unit are not stated because there were no diluted investment units.

(Note) The basis for calculating earnings per unit was as follows:

	37th period (from April 1, 2024 to September 30, 2024)	38th period (from October 1, 2024 to March 31, 2025)
Profit (thousand yen)	6,203,926	7,210,646
Amount not attributable to common unitholders (thousand yen)	–	–
Profit attributable to common investment units (thousand yen)	6,203,926	7,210,646
Average number of investment units during the period (units)	2,406,890	2,406,890

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(Notes on Significant Subsequent Events)

1. Acquisition of assets

The Investment Corporation acquired the assets for which purchase and sale agreements were concluded on March 19, 2025, as described below.

Property name	Asset type	Property type	Location	Acquisition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Acquisition date	Counterparty
Gran Casa Sendai Bansui Dori	Trust beneficiary interests	Rental housing	Sendai-shi, Miyagi	1,251,000	1,280,000	April 3, 2025	(Note 3)
Serenite Nihonbashi Miracle	Trust beneficiary interests	Rental housing	Osaka-shi, Osaka	1,157,000	1,170,000	April 3, 2025	(Note 3)
Gran Casa Kawaguchi Namiki	Trust beneficiary interests	Rental housing	Kawaguchi-shi, Saitama	919,000	948,000	April 3, 2025	(Note 3)
Total	–	–	–	3,327,000	3,398,000	–	–

(Note 1) Acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.
(Note 2) The date of the appraisal value is February 1, 2025.
(Note 3) The counterparty is Daiwa Securities Realty Co., Ltd.

2. Disposition of assets

The Investment Corporation disposed of the assets for which purchase and sale agreements were concluded on January 22, February 19, and March 19, 2025, as described below.

Property name	Asset type	Property type	Location	Disposition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Disposition date	Counterparty
willDo Okayamaeki Nishiguchi	Trust beneficiary interests (Note 3)	Rental housing	Okayama-shi, Okayama	1,440,000	1,360,000	April 2, 2025	(Note 4)
willDo Okayamadaiku	Trust beneficiary interests (Note 3)	Rental housing	Okayama-shi, Okayama	1,260,000	1,210,000	April 2, 2025	(Note 4)
willDo Temmacho	Real estate	Rental housing	Nagoya-shi, Aichi	842,000	842,000	April 8, 2025	(Note 5)
Bonheur Tokiwa	Trust beneficiary interests (Note 3)	Rental housing	Saitama-shi, Saitama	1,000,000	947,000	April 25, 2025	(Note 6)
Total	–	–	–	4,542,000	4,359,000	–	–

(Note 1) Disposition price does not include disposition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.
(Note 2) The date of the appraisal value is September 30, 2024.
(Note 3) As of March 31, 2025, the asset type is real estate, but the asset type was changed to trust beneficiary interests before disposition.
(Note 4) The counterparty is Fuyo General Lease Co., Ltd.
(Note 5) The counterparty is a domestic corporation whose name is not disclosed because the counterparty's consent has not been obtained.
(Note 6) The counterparty is Tokyo Tatemono Real Estate Sales Co., Ltd.

Furthermore, the Investment Corporation concluded the following purchase and sale agreements on April 30, 2025, for the following assets, and is expected to dispose of them as shown below.

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Property name	Asset type	Property type	Location	Scheduled disposition price (thousand yen) (Note 1)	Appraisal value (thousand yen) (Note 2)	Scheduled disposition date	Scheduled counterparty
Sawayaka Kaikyokan	Trust beneficiary interests	Healthcare facilities	Kitakyushu-shi, Fukuoka	1,030,000	991,000	May 30, 2025	(Note 3)
Sawayaka Hinodekan	Trust beneficiary interests	Healthcare facilities	Niigata-shi, Niigata	970,000	926,000	May 30, 2025	(Note 3)
Silver Heights Hitsujigaoka No.3	Trust beneficiary interests	Healthcare facilities	Sapporo-shi, Hokkaido	1,460,000	1,380,000	May 30, 2025	(Note 3)
Total	–	–	–	3,460,000	3,297,000	–	–

(Note 1) Scheduled disposition prices do not include disposition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.

(Note 2) The date of appraisal values was September 30, 2024.

(Note 3) The counterparty is a domestic corporation whose name is not disclosed because the counterparty's consent has not been obtained

3. Acquisition of own investment units

At a Board of Directors meeting held on May 22, 2025, pursuant to the provisions of Article 80, Paragraph 2 of the Act on Investment Trusts and Investment Corporations, as applied mutatis mutandis to the provisions of Article 80-5, Paragraph 2 of said Act, the Investment Corporation decided on the matters concerning the acquisition of own investment units as follows. Furthermore, all acquired investment units are scheduled to be cancelled during the 39th fiscal period.

(1) Reasons for the acquisition of own investment units

After comprehensively considering the Investment Corporation's investment unit price level, the status of cash on hand, the financial conditions, the market environment, etc., the Investment Corporation determined that improving investment efficiency and implementing unitholder returns through the acquisition and cancellation of own investment units lead to enhance medium- to long-term unitholder value.

English Translation
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Reasons for the acquisition of own investment units

(2) Summary of matters relating to acquisition

Total number of investment units that can be acquired	26,000 (upper limit)
Total acquisition cost of investment units	¥2,000,000,000 (upper limit)
Acquisition period	From May 23 to September 12, 2025
Acquisition method	Market purchase on the Tokyo Stock Exchange based on discretionary transaction agreement for the acquisition of own investment units with a securities company.

(Omission of Disclosure)

Disclosure of notes on lease transactions, notes on financial instruments, notes on securities, notes on derivative transactions, notes on tax-effect accounting, notes on share of loss (profit) of entities accounted for using equity method, etc., notes on retirement benefits, notes on asset retirement obligations, notes on revenue recognition, and notes on accounting estimates is omitted because the need for disclosure in financial reports is considered to be immaterial.

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

The table below shows the changes in the total number of investment units issued and outstanding and unitholders' capital in the five years up to the end of the fiscal period under review.

Date	Description	Total number of investment units issued and outstanding (units)		Unitholders' capital (thousand yen)		Notes
		Change	Total	Change	Total	
April 1, 2020	Merger	152,995	1,793,055	–	91,715,714	(Note 1)
April 1, 2020	Capital increase through third-party allotment	262,891	2,055,946	25,999,919	117,715,634	(Note 2)
December 4, 2020	Capital increase through public offering	72,000	2,127,946	6,090,192	123,805,826	(Note 3)
December 25, 2020	Capital increase through third-party allotment	3,600	2,131,546	304,509	124,110,336	(Note 4)
October 1, 2021	Capital increase through public offering	70,476	2,202,022	7,745,030	131,855,366	(Note 5)
October 20, 2021	Capital increase through third-party allotment	2,868	2,204,890	315,181	132,170,548	(Note 6)
October 3, 2022	Capital increase through public offering	53,333	2,258,223	5,900,336	138,070,884	(Note 7)
October 19, 2022	Capital increase through third-party allotment	2,667	2,260,890	295,055	138,365,940	(Note 8)
October 12, 2023	Capital increase through public offering	139,047	2,399,937	13,669,988	152,035,929	(Note 9)
November 8, 2023	Capital increase through third-party allotment	6,953	2,406,890	683,563	152,719,492	(Note 10)

(Note 1) The Investment Corporation executed an absorption-type merger whereby the Investment Corporation is the surviving corporation and NHI is the absorbed corporation based on Article 147 of the Act on Investment Trusts and Investment Corporations. Upon the merger, 2.05 investment units of the Investment Corporation were allotted and delivered per investment unit of NHI to all investment units of NHI. The total number of investment units issued and outstanding of NHI at the time of the merger was 74,632 units.

(Note 2) The Investment Corporation issued new investment units through third-party allotment at an issue value of ¥98,900 per unit for the purpose of acquiring new properties.

(Note 3) The Investment Corporation issued new investment units through public offering at an issue price of ¥87,457 (issue value of ¥84,586) per unit for the purpose of acquiring new properties.

(Note 4) The Investment Corporation issued new investment units through third-party allotment at an issue value of ¥84,586 per unit for the purpose of acquiring new properties.

(Note 5) The Investment Corporation issued new investment units through public offering at an issue price of ¥113,626 (issue value of ¥109,896) per unit for the purpose of acquiring new properties.

(Note 6) The Investment Corporation issued new investment units through third-party allocation at an issue value of ¥109,896 per unit for the purpose of

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repaying part of borrowings and partly using to acquire specified assets in the future.

(Note 7) The Investment Corporation issued new investment units through public offering at an issue price of ¥114,387 (issue value of ¥110,632) per unit for the purpose of acquiring new properties.

(Note 8) The Investment Corporation issued new investment units through third-party allotment at an issue value of ¥110,632 per unit for the purpose of repaying part of borrowings and partly using to acquire specified assets in the future.

(Note 9) The Investment Corporation issued new investment units through public offering at an issue price of ¥101,595 (issue value of ¥98,312) per unit for the purpose of acquiring new properties.

(Note 10) The Investment Corporation issued new investment units through third-party allotment at an issue value of ¥98,312 per unit for the purpose of repaying part of borrowings and partly using to acquire specified assets in the future.

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3. Reference Information

(1) Information on Price of Assets under Management

① Composition of Assets of the Investment Corporation

The status of assets under management of the Investment Corporation as of the end of the fiscal period is shown in the table below. Assets under management of both real estate and the real estate in trust of real estate trust beneficiary interests (hereinafter "trust beneficiary interests") are for leasing to tenants. They are buildings—rental housing or healthcare facilities—and the sites of the buildings.

Asset type	Property type	Area classification	38th period (as of March 31, 2025)	
			Total amount held (million yen) (Note 3)	Ratio to total assets (%) (Note 4)
Real estate	Rental housing	23 wards of Tokyo	82,134	20.4
		Three major metropolitan areas (Note 1)	46,168	11.5
		Other major cities (Note 1)	15,935	4.0
	Healthcare facilities	Three major metropolitan areas (Note 2)	–	–
		Core city areas (Note 2)	–	–
		Other (Note 2)	–	–
	Subtotal		144,238	35.9
Trust beneficiary interest	Rental housing	23 wards of Tokyo	44,687	11.1
		Three major metropolitan areas (Note 1)	71,998	17.9
		Other major cities (Note 1)	13,050	3.2
	Healthcare facilities	Three major metropolitan areas (Note 2)	103,281	25.7
		Core city areas (Note 2)	7,809	1.9
		Other (Note 2)	–	–
	Subtotal		240,826	59.9
Deposits and other assets			16,920	4.2
Total assets			401,985	100.0

	38th period (as of March 31, 2025)	
	Amount (million yen)	Ratio to total assets (%) (Note 4)
Total liabilities (Note 5)	212,642	52.9
Total net assets (Note 5)	189,342	47.1
Total assets	401,985	100.0

(Note 1) In the "Area classification" column for rental housing, "Three major metropolitan areas" refers to the Kanto metropolitan area excluding the 23 wards of Tokyo, the Chukyo metropolitan area and the Kinki metropolitan area. "Other major cities" refers to Sapporo, Sendai, Niigata, Shizuoka/Hamamatsu, Okayama, Hiroshima, Kitakyushu/Fukuoka and Kumamoto metropolitan areas, and core cities with a population of 300,000 or more. These classifications apply to the "Area classification" column in the table below as well.

(Note 2) In the "Area classification" column for healthcare facilities, "Three major metropolitan areas" refers to the greater Tokyo area (Tokyo, Kanagawa, Chiba and Saitama prefectures), the Chukyo area (Aichi, Mie and Gifu prefectures) and the Kinki area (Osaka, Kyoto, Hyogo, Nara and Shiga prefectures). "Core city areas" refers to cities (outside the three major metropolitan areas) with a population of 200,000 or more. "Other" refers to cities (outside the three major metropolitan areas and the core city areas) with a population under 200,000. These classifications apply to the "Area classification" column in the table below as well.

(Note 3) The total amount held is the amount recorded on the balance sheet as of the end of the fiscal period (for real estate and trust beneficiary interest, book value after impairment and depreciation). The amount of real estate or trust beneficiary interests includes the amount of intangible assets.

(Note 4) The ratio to total assets is the ratio of the amount recorded on the balance sheet for trust beneficiary interests, real estate or deposits and other assets to total assets. (The ratio is rounded off to the first decimal place.)

(Note 5) Total liabilities and total net assets are the amount recorded on the balance sheet as of the end of the fiscal period.

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② Investment Real Estate Properties, Trust Beneficiary Interests in Real Estate, Etc.
The following is a breakdown of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of the end of the fiscal period.

(a) Summary, Price and Investment Ratio of Investment Assets

Property type	Area classification	Property name	Acquisition price (million yen) (Note 1)	Investment ratio (%) (Note 2)	Carrying amount (million yen)	Appraisal value at the end of the period (million yen) (Note 3)
Rental housing	23 wards of Tokyo	willDo Kiyosumi	5,024	1.3	4,408	7,910
		Joy Oyamadai	624	0.2	678	751
		willDo Otsuka	725	0.2	720	882
		Toshin Shoto Mansion	912	0.2	947	1,170
		Harmony Kamikitazawa	400	0.1	384	447
		College Square KitaIkebukuro	727	0.2	586	820
		College Square TobuNerima	892	0.2	756	985
		College Square Akatsuka	734	0.2	586	853
		College Square Waseda II	215	0.1	174	317
		College Square Myogadani	1,060	0.3	934	1,530
		College Square Shinkoiwa	724	0.2	610	799
		College Square Kiba	639	0.2	512	856
		College Square Kinshicho	490	0.1	418	613
		College Square Waseda	316	0.1	286	427
		Lexington Square ShinjukuGyoen	1,010	0.3	1,003	1,490
		Prospect NihombashiHoncho	808	0.2	741	1,380
		Maison de Ville Takanawa Gyoranzaka	1,480	0.4	1,444	2,050
		Roppongi Rise House	912	0.2	850	1,470
		TK Flats Shibuya	4,770	1.2	4,303	7,430
		Maison de Ville NakaMeguro	1,050	0.3	1,003	1,790
		Prospect KALON Minowa	1,620	0.4	1,349	2,660
		Prospect Shinonomebashi	3,040	0.8	2,645	4,940
		Prospect Monzennakacho	1,080	0.3	965	1,680
		Prospect Ogikubo	701	0.2	607	1,020
		Exceria Ikebukuro West II	852	0.2	795	1,230
		Prospect OmoriKaigan	1,480	0.4	1,376	2,390
		Gala Place Shinjuku Gyoen	2,170	0.5	2,044	3,920
		Joyce Court	3,010	0.8	2,801	4,750
		Gran Casa Asakusa	1,216	0.3	1,119	2,320
		Gran Casa Roppongi	1,480	0.4	774	1,090
		Gran Casa MinamiAoyama	3,750	0.9	2,234	2,320
		Storia Jingumae	3,160	0.8	3,157	2,910
		Gran Casa Shinjuku Gyoen	2,525	0.6	2,416	4,490
		Lietocourt Yotsuya	1,716	0.4	1,682	2,770
		Lietocourt Motoakasaka	1,095	0.3	1,081	1,950
		Gran Casa Ginza East	2,000	0.5	1,950	2,790
		Gran Casa Minowa	850	0.2	804	1,150
		Gran Casa Honkomagome	1,500	0.4	1,555	1,880
		Gran Casa Nihonbashi Hamacho	930	0.2	974	1,010
		Gran Casa Magome I	602	0.2	635	657
		Gran Casa OmoriKaigan	1,119	0.3	1,179	1,130
		Gran Casa Uenoikenohata	1,420	0.4	1,458	1,650
		Gran Casa Sumiyoshi	1,140	0.3	1,205	1,300
		Gran Casa Uenoiriya	1,225	0.3	1,296	1,370
		Gran Casa Monzennakacho	780	0.2	809	921
		Gran Casa Magome II	700	0.2	720	786
		Gran Casa Itabashi EAST	955	0.2	977	1,040
		Gran Casa Kuramae	1,505	0.4	1,617	1,650
		Gran Casa Kiyosumishirakawa	1,775	0.4	1,863	2,010
		Gran Casa Hikifune	2,760	0.7	2,928	2,970
		Gran Casa Oji	1,150	0.3	1,201	1,240
		Gran Casa Ryogoku East	1,120	0.3	1,192	1,240
		Gran Casa Tabata	825	0.2	891	958
		Gran Casa Kinshicho	850	0.2	895	901
		Gran Casa Itabashihoncho	1,230	0.3	1,289	1,350
		Gran Casa Ueno	970	0.2	1,022	1,040
		Gran Casa Ojima	2,819	0.7	3,017	3,070
		Gran Casa Edogawabashi	2,280	0.6	2,366	2,490
		Gran Casa Minowa II	1,340	0.3	1,420	1,470
		Gran Casa Yotsuya	3,500	0.9	3,633	3,900
		Gran Casa Minowa III	957	0.2	1,022	1,050
		Gran Casa Minowa IV	1,970	0.5	2,068	2,120
		Gran Casa Higashinakano	1,174	0.3	1,225	1,340

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Property type	Area classification	Property name	Acquisition price (million yen) (Note 1)	Investment ratio (%) (Note 2)	Carrying amount (million yen)	Appraisal value at the end of the period (million yen) (Note 3)
Rental housing	23 wards of Tokyo	Gran Casa Ayase	680	0.2	717	730
		Profit Link Takenotsuka	636	0.2	609	747
		Dream Heights	358	0.1	366	583
		Green Hills Asukayama	587	0.1	567	767
		Oji Heights	347	0.1	350	605
		Sakagami Royal Heights No. II	360	0.1	326	534
		Greenhills Roka	662	0.2	697	822
		Lofty Hirai	324	0.1	311	410
		The Palms Yoyogi Uehara Cosmo Terrace	1,250	0.3	1,267	1,780
		Sun Terrace Yoyogi Uehara	1,180	0.3	1,258	1,880
		Prospect NihombashiKoamicho	840	0.2	707	1,550
		Park Terrace Ebisu	2,060	0.5	1,966	3,740
		Prospect Shibuya Dogenzaka	1,590	0.4	1,538	2,860
		Prospect Glarsa Hiroo	3,560	0.9	3,046	5,730
		Prospect Hatsudai	518	0.1	478	782
		Prospect NishiSugamo	1,110	0.3	996	1,780
		Prospect Machiya	484	0.1	365	713
		Prospect KiyosumiTeien	2,630	0.7	2,356	4,640
		Prospect Morishita	1,260	0.3	1,068	1,990
		Prospect OnshiKoen	1,110	0.3	917	2,020
		BELNOS 34	1,700	0.4	1,775	2,930
		Glana Ueno	1,100	0.3	1,010	1,920
		Lietocourt Asakusabashi	1,615	0.4	1,534	2,670
		Gran Casa ShinKoiwa	1,510	0.4	1,441	1,720
		Gran Casa Ryogoku Ichibankan	1,420	0.4	1,396	1,610
		Gran Casa Ryogoku Nibankan	770	0.2	766	888
		Gran Casa Bunkyo Sengoku	1,480	0.4	1,500	1,750
		Gran Casa Minamisenju	1,159	0.3	1,240	1,390
		Gran Casa Ryogoku Verde	2,215	0.6	2,359	2,370
		Gran Casa Nippori	1,640	0.4	1,725	1,820
		Gran Casa Oji II	4,340	1.1	4,528	4,680
	Three major metropolitan areas	willDo Yokohama Minami	233	0.1	180	302
		willDo Kanayama masaki	490	0.1	357	579
		willDo Ichioka	722	0.2	572	727
		willDo Ebie	350	0.1	290	370
		willDo ImafukuNishi	413	0.1	318	455
		VISTA Supreme	563	0.1	462	572
		willDo Tsukamoto	730	0.2	596	915
		willDo Tanimachi	1,040	0.3	901	1,170
		willDo Namba w II	486	0.1	391	519
		willDo Namba w I	690	0.2	535	717
		willDo Kachigawa	503	0.1	362	672
		Stagea Kogane	600	0.2	448	568
		willDo Hamasaki dori	2,280	0.6	1,774	2,390
		willDo Minamimorimachi	493	0.1	433	564
		willDo Minami Urawa	396	0.1	336	504
		willDo Matsuyamachi	810	0.2	685	1,100
		willDo ShinOsaka	861	0.2	685	1,170
		College Square Higashikurume	523	0.1	384	649
		willDo Sannomiya East	731	0.2	540	823
		willDo Kujo	537	0.1	508	680
		willDo Takabata	494	0.1	358	494
		Prospect MusashiShinjo	1,050	0.3	874	1,420
		Fragrance Kawasaki	548	0.1	442	844
		Prospect ChuoRinkan	524	0.1	399	749
		Prospect Nakanoshima	734	0.2	627	1,090
		Prospect Toyonaka Hattori	366	0.1	278	469
		Prospect Shimogamo	281	0.1	241	316
		Prospect Kawaramachi Gojo	583	0.1	484	753
		Gransys Esaka	1,260	0.3	1,123	1,890
		Serenite Koshien	2,550	0.6	2,211	3,410
		Pregio Miyakojima	1,610	0.4	1,432	2,080
		Serenite ShinOsaka Nibankan	3,510	0.9	3,167	4,430
		Gran Casa UmedaKita	2,050	0.5	1,884	2,710
		Serenite Honmachi Grande	4,286	1.1	3,785	6,530
		Gransys Tenmabashi	4,050	1.0	3,829	5,790
		DayGran Tsurumi	1,030	0.3	994	1,370
		Sakura Hills Riverside WEST	1,920	0.5	1,750	2,550
		Sakura Hills Riverside EAST	1,030	0.3	946	1,320

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Rental housing	Three major metropolitan areas	Sakura Hills Meieki NORTH	750	0.2	708	979
		Runai Nippombashi anhelo	1,400	0.4	1,317	1,970
		HS Umeda EAST	2,151	0.5	2,022	2,950
		Serenite Umeda EST	1,057	0.3	989	1,480
		Serenite Yuhigaoka EST	811	0.2	763	1,090
		Serenite Umeda Reflet	1,148	0.3	1,154	1,430
		Gran Casa Urayasu	886	0.2	910	938
		Gran Casa Chiyoda	959	0.2	966	952
		Gran Casa Nambamotomachi	5,820	1.5	6,062	6,660
		Gran Casa Ryokuchi-koen	2,600	0.7	2,644	2,970
		Gran Casa Shin-Osaka SOUTH	4,310	1.1	4,524	4,840
		Serenite Nippombashi Prier	2,606	0.7	2,671	2,900
		Gran Casa Tennoji EAST	846	0.2	897	878
		Serenite Namba Plie	2,739	0.7	2,831	2,890
		L-Place Esaka II	2,820	0.7	2,934	2,930
		PREGIO Namba	4,280	1.1	4,582	4,380
		Serenite Hommachi Higashi Lien	3,670	0.9	3,827	3,780
		Gran Casa Kyotoekimae	1,510	0.4	1,648	1,640
		Gran Casa Gyotoku	2,572	0.6	2,666	2,660
		Gran Casa Yamato	2,136	0.5	2,241	2,170
		Gran Casa Ichikawa Konodai	1,911	0.5	2,002	1,980
		Gran Casa Saitamashintoshin	3,210	0.8	3,432	3,220
		Sereno Omiya	1,554	0.4	1,621	2,210
		Suzuran-kan	441	0.1	405	697
		Bonheur Tokiwa	752	0.2	759	947 (Note 4)
		Libest NishiChiba	2,152	0.5	1,785	3,160
		willDo Temmacho	627	0.2	507	842 (Note 5)
		willDo NishiAkashi	635	0.2	527	919
		Libest Higashi Nakayama	1,371	0.3	1,118	1,960
		Stellato City Sakurayama	735	0.2	574	829
		La Vita Nippombashi	1,860	0.5	1,492	2,430
		willDo Kurokawa	677	0.2	476	649
		Deim Hashimoto	748	0.2	845	1,230
		Prospect Kawasaki	1,520	0.4	1,257	2,750
		Prospect UrawaTokiwa	717	0.2	662	1,110
		Crown Heim NishiTanabe	405	0.1	404	619
		The Residence Honmoku Yokohama Bayside	5,550	1.4	4,727	8,360
		Lietocourt Marunouchi	3,756	0.9	3,482	5,180
		Gran Casa Kamimaezu	2,050	0.5	1,773	2,770
		Sakura Hills Fujimi	2,750	0.7	2,479	3,370
		Gran Casa Kitaurawa	2,490	0.6	2,472	2,670
		Gran Casa Fujisawa	1,000	0.2	1,053	1,160
		Gran Casa Mizonokuchi	2,241	0.6	2,340	2,340
	Other major cities	Satella Kita 34jo	1,133	0.3	938	1,340
		willDo Nakasu	2,460	0.6	2,138	3,110
		willDo Okayamaeki Nishiguchi	1,220	0.3	850	1,360 (Note 6)
		willDo Okayamadaiku	1,040	0.3	808	1,210 (Note 6)
		Sky Hills N15	712	0.2	725	1,010
		Alpha Tower Sapporo Minami4jo	1,185	0.3	1,059	1,700
		Renaissance 21 Hakata	1,500	0.4	1,356	2,150
		Cresidence Sapporo Minami4jo	1,140	0.3	1,008	1,500
		Granpark Tenjin	4,698	1.2	4,368	7,550
		Forest Hill SendaiAoba	2,750	0.7	2,464	2,860
		Gran Casa Sendai Itsutsubashi	2,100	0.5	1,897	2,250
		Gran Casa NagayamaKoen Dori	1,002	0.3	1,059	1,270
		Gran Casa Minami11jo	830	0.2	801	1,050
		Gran Casa Watanabe dori	668	0.2	729	727
		Gran Casa Minami6jo	1,610	0.4	1,753	1,720
		Gran Casa Urasando	1,510	0.4	1,434	2,020
		Gran Casa Kita3jo	1,265	0.3	1,272	1,850
		Chijikoukanmae Tower Residence	4,530	1.1	4,319	5,620
	Rental housing subtotal (total of 193 properties)		289,276	72.4	273,973	373,151

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Property type	Area classification	Property name	Acquisition price (million yen) (Note 1)	Investment ratio (%) (Note 2)	Carrying amount (million yen)	Appraisal value at the end of the period (million yen) (Note 3)
Healthcare facilities	Three major metropolitan areas	Charm Suite Ryokuchi Koen	3,030	0.8	2,850	3,150
		Sompo Care LAVIERE Sagamihara Chuo	1,780	0.4	1,638	1,840
		Sawayaka Heart Life Nishikyogoku	1,130	0.3	1,045	1,270
		Sompo Care LAVIERE Kinugasayama Koen	2,000	0.5	1,826	2,130
		Super Court JR Nara-Ekimae	1,710	0.4	1,567	1,710
		La'nassica Arakogawa	1,400	0.4	1,264	1,490
		Sompo no ie Nishitanabeekimae	737	0.2	696	735
		Irise Komae Bettei	1,319	0.3	1,313	1,400
		AIP Kachidoki-Ekimae	8,150	2.0	8,225	9,240
		PLAISANT GRAND MINAMI YUKIGAYA	3,380	0.8	3,421	3,510
		Aira no mori Higashi-Ofuna	2,271	0.6	2,285	2,610
		Aira no mori Shakujiikoen	2,070	0.5	2,084	2,320
		Aira no mori Edogawa-Shinozaki	1,499	0.4	1,512	1,620
		Senior Forest Yokohama-Tsuzuki	1,202	0.3	1,210	1,300
		Good Time Living Center-Minami, Platesia Center-Minami	11,150	2.8	11,226	11,800
		Good Time Living Chibaminato-Kaigandori・Platesia Chibaminato	4,516	1.1	4,877	4,170
		Good Time Living Yokohama-Tsuzuki	4,064	1.0	4,171	4,060
		Good Time Living Senri-Hinatagaoka	2,800	0.7	2,818	3,040
		Good Time Living Nakamozu	2,180	0.5	2,187	2,390
		Good Time Living Kourigaoka	2,120	0.5	2,212	2,400
		Good Time Living Kameido	1,860	0.5	1,880	2,580
		Good Time Living Mikage	1,820	0.5	1,862	2,520
		Good Time Living Amagasaki-Shintoshin	1,585	0.4	1,614	1,850
		Good Time Living Minami Senri	1,430	0.4	1,545	1,630
		Good Time Living Kobe-Tarumi	1,370	0.3	1,456	1,520
		Good Time Living Chibaminato-Ekimaedori	1,320	0.3	1,423	1,280
		Good Time Living Senboku-Izumigaoka	980	0.2	1,024	1,100
		Good Time Living Ikeda-Midorigaoka	920	0.2	963	969
		Good Time Living Nagatsuta-Minamidai	850	0.2	860	799
		Good Time Living Saitama-Hasuda	659	0.2	676	679
		Good Time Living Nagareyama-Ichibankan	610	0.2	639	613
		Good Time Living Nagareyama-Nibankan	563	0.1	633	670
		Good Time Living Amagasaki-Ekimae	320	0.1	352	368
		Good Time Living Osaka-Bay	4,700	1.2	4,785	4,770
		Sunny Life Hiyoshi	2,060	0.5	2,091	2,100
		Sunny Life Chofu	1,920	0.5	2,009	2,200
		Charm Premier Kamakurayama	2,550	0.6	2,622	2,770
		As Heim Tsunashima	1,500	0.4	1,561	1,650
		Library ShinShibamata	1,405	0.4	1,453	1,540
		Ishinkan Kamiooka	933	0.2	986	1,060
		Sunny Life Shibaura	6,280	1.6	6,528	6,440
		Library Nerima Yahara	3,146	0.8	3,294	3,270
		Library Shimura-sakaue	2,630	0.7	2,737	2,780
		Sunny Life Kamakura Tamanawa	1,750	0.4	1,843	1,770
	Core city areas	Sompo Care LAVIERE Hiroshima Hikarigaoka	1,210	0.3	1,106	1,280
		Sawayaka Kaikyokan	899	0.2	764	991
		Sawayaka Meisuikan	813	0.2	717	901
		Sawayaka Hinodekan	896	0.2	824	932
		Silver Heights Hitsujigaoka No.3	1,330	0.3	1,268	1,380
		Alpha Living Okayama Nishigawa Ryokudokoen	789	0.2	738	740
		Alpha Living Takamatsu Ekimae	642	0.2	602	631
		Alpha Living Takamatsu Hyakkenmachi	628	0.2	567	619
		Alpha Living Takamatsu Konyamachi	1,225	0.3	1,219	1,280
	Healthcare facilities subtotal (total of 53 properties)		110,102	27.6	111,091	117,867
Total (total of 246 properties)			399,378	100.0	385,064	491,018

(Note 1) Acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax.

(Note 2) The investment ratio is the ratio of the acquisition price of the real estate or trust beneficiary interest in real estate to the total acquisition price of real estate or trust beneficiary interest in real estate. (The ratio is rounded off to the first decimal place.)

(Note 3) "Appraisal value at the end of the period" is the appraisal value or investigation value with the end of the fiscal period as the date of value.

(Note 4) The property was disposed of on April 25, 2025, and the appraisal value as of September 30, 2024, is indicated.

(Note 5) The property was disposed of on April 8, 2025, and the appraisal value as of September 30, 2024, is indicated.

(Note 6) The property was disposed of on April 2, 2025, and the appraisal value as of September 30, 2024, is indicated.

English Translation
The following is an English translation of the original Japanese document and is being provided for informational purposes only.

(2) Status of Capital Expenditure

① Capital Expenditure Plan

The major capital expenditure items in association with planned repair work on properties under management as of March 31, 2025, are as below. The amount of payment includes the amount allocated to expenses in accounting procedures.

Property name (Location)	Description of works (purpose)	Period	Amount of payment (million yen)		
			Total cost	Amount paid in the fiscal period under review	Total amount paid
Good Time Living Center-Minami, Platesia Center-Minami (Yokohama-shi, Kanagawa)	Exterior wall renovation work, etc.	From April 2025 To September 2025	106	–	2
Good Time Living Osaka-Bay (Osaka-shi, Osaka)	Exclusive area renovation work, etc.	From April 2025 To September 2025	94	–	–
Good Time Living Senboku-Izumigaoka (Sakai-shi, Osaka)	Equipment replacement in common areas, etc.	From April 2025 To September 2025	51	–	–
Good Time Living Amagasaki-Ekimae (Amagasaki-shi, Hyogo)	Equipment replacement in common areas, etc.	From April 2025 To September 2025	50	–	–
Good Time Living Kobe-Tarumi (Kobe-shi, Hyogo)	Exterior wall renovation work, etc.	From April 2025 To September 2025	30	–	–

② Capital Expenditure during the Period under Review

Capital improvement construction expenditures made by the Investment Corporation during the 38th period for portfolio properties are as follows. Construction expenditures during the 38th period amounted to ¥986 million; construction-related costs amounted to ¥1,583 million combined with repair expenses of ¥596 million during the 38th period.

Property name (Location)	Description of works (purpose)	Period	Amount of payment (million yen)
Good Time Living Chibaminato-Kaigandori・Platesia Chibaminato (Chiba-shi, Chiba)	Common area renovation work, etc.	From October 2024 To March 2025	78
Good Time Living Minami Senri (Suita-shi, Osaka)	Exterior wall renovation work, etc.	From October 2024 To March 2025	60
Good Time Living Kobe-Tarumi (Kobe-shi, Hyogo)	Common area renovation work, etc.	From October 2024 To March 2025	57
Good Time Living Kourigaoka (Hirakata-shi, Osaka)	Common area renovation work, etc.	From October 2024 To March 2025	52
Lietocourt Marunouchi (Nagoya-shi, Aichi)	Common area renovation work, etc.	From October 2024 To March 2025	32
Other properties	Common area renovation work, etc.	From October 2024 To March 2025	705
Total			986