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REIT Financial Report for the 32nd Fiscal Period

January 20, 2022

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Preparing presentation material: Yes
 Holding financial brief meeting: Yes (for institutional investors and analysts)

[Amounts are rounded down to the nearest million yen, except for per unit figures]

1. Status of Management and Assets for the 32nd Fiscal Period

32nd Fiscal Period: Fiscal period ended November 2021 (from June 1, 2021 to November 30, 2021)

(1) Management

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
32nd Period	¥13,882 million	(7.8%)	¥7,351 million	(9.7%)	¥6,784 million	(10.1%)	¥6,799 million	(9.9%)
31st Period	¥15,054 million	1.4%	¥8,137 million	5.5%	¥7,550 million	6.0%	¥7,549 million	6.0%

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
32nd Period	¥13,930	2.7%	1.4%	48.9%
31st Period	¥15,412	3.0%	1.6%	50.2%

(Note) Net income per unit is calculated using the following average number of investment units during the period.
 32nd Fiscal Period: 488,088 units; 31st Fiscal Period: 489,860 units

(2) Distributions

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Total distribution amount (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit	Total distribution amount in excess of earnings	Dividend payout	Distribution amount to net assets
32nd Period	¥14,000	¥6,833 million	¥-	¥- million	100.5%	2.7%
31st Period	¥14,000	¥6,833 million	¥-	¥- million	90.5%	2.7%

(Note) Distribution amount per unit for the 32nd Fiscal Period is calculated by dividing ¥6,833 million, the total distribution amount considering the reversal of part of internal reserves of ¥49 million (the sum total of ¥33 million of reserve for reduction entry and ¥15 million of deferred tax liabilities), by the total number of investment units issued and outstanding. The main difference between distribution amount per unit and net income per unit is due to the reversal of reserve for reduction entry.

Distribution amount per unit for the 31st Fiscal Period is calculated by dividing the amount obtained by deducting provision of reserve for reduction entry (¥716 million) from unappropriated retained earnings by the total number of investment units issued and outstanding. The main difference between distribution amount per unit and net income per unit is due to the calculation. As acquisition and cancellation of own investment units were carried out during the period, dividend payout for the 31st Fiscal Period is obtained by using the following calculation formula, rounded to one decimal place.

Dividend payout = Total distribution amount (excluding distribution amount in excess of earnings) / Net income × 100

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
32nd Period	¥483,279 million	¥253,637 million	52.5%	¥519,655
31st Period	¥484,310 million	¥253,522 million	52.3%	¥519,419

(4) 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 end of period
32nd Period	¥8,559 million	(¥2,646 million)	(¥7,833 million)	¥30,291 million
31st Period	¥12,340 million	(¥1,301 million)	(¥10,678 million)	¥32,211 million

2. Management Status Forecasts for the 33rd Fiscal Period and 34th Fiscal Period

33rd Fiscal Period: Fiscal period ending May 2022 (from December 1, 2021 to May 31, 2022)

34th Fiscal Period: Fiscal period ending November 2022 (from June 1, 2022 to November 30, 2022)

[% figures show the period-over-period increase (decrease)]

	Operating revenue		Operating income		Ordinary income		Net income	
33rd Period	¥14,440 million	4.0%	¥7,977 million	8.5%	¥7,411 million	9.2%	¥7,410 million	9.0%
34th Period	¥13,818 million	(4.3%)	¥7,210 million	(9.6%)	¥6,639 million	(10.4%)	¥6,638 million	(10.4%)

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit
33rd Period	¥14,000	¥-
34th Period	¥14,000	¥-

(Reference) Estimated net income per unit for the 33rd Fiscal Period: ¥15,182; 34th Fiscal Period: ¥13,600

(Note) Distribution amount per unit for the 33rd Fiscal Period is calculated based on the assumption that the amount remaining after deducting the provision of reserve for reduction entry (¥577 million) from unappropriated retained earnings will be distributed. Reversal of reserve for reduction entry may change depending on the management status.

Distribution amount per unit for the 34th Fiscal Period is calculated based on the assumption that the amount after adding reversal of reserve for reduction entry (¥195 million) to unappropriated retained earnings will be distributed. Reversal of reserve for reduction entry may change depending on the management status.

3. Other

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

- | | |
|---|------|
| (i) Changes in accounting policies due to amended accounting standards, etc.: | Yes |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Retrospective restatement: | None |

(Note) For details, please see “Notes to Changes in Accounting Policies” on page 19.

(2) Total Number of Investment Units Issued and Outstanding

- | | | | |
|--|---------------------|---------------|-----------------------------------|
| (i) Total number of investment units issued and outstanding at end of period (including treasury units): | | | |
| | 32nd Fiscal Period: | 488,088 units | 31st Fiscal Period: 488,088 units |
| (ii) Total number of treasury units at end of period: | | | |
| | 32nd Fiscal Period: | – units | 31st Fiscal Period: – units |

(Note) Please refer to “Notes to Per Unit Information” on page 27 for the number of investment units used as the basis for calculating the net income per unit.

* This financial report (*kessan tanshin*) is exempt from the audit by a certified public accountant or an auditing company.

* Special note

The forecast figures are forward-looking statements based on information currently available to Daiwa Office Investment Corporation and involve uncertainties. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution amount per unit and distribution amount in excess of earnings per unit may vary due to changes in the status. In addition, the forecast is not a guarantee of the distribution amount. For details on the assumptions underlying the forecast figures above, please refer to “Assumptions for the Management Status Forecasts for the 33rd Fiscal Period and 34th Fiscal Period” on page 8.

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1. Management Status

1.1. Management Status

1.1.1. Overview of the Fiscal Period Under Review

A. Brief History of the Investment Corporation

The Investment Corporation was established on July 11, 2005, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) with Daiwa Real Estate Asset Management Co., Ltd. (former name K.K. daVinci Select) (the “Asset Manager”) as the organizer. After its establishment, the Investment Corporation implemented an additional issuance of investment units through a public offering (99,600 units) on October 18, 2005 and then listed on the Tokyo Stock Exchange, Inc. (TSE) Real Estate Investment Trust Section (stock code: 8976) on the following day.

Though initial assets under management were 79,573 million yen (sum total of acquisition price), subsequent activities, such as additional acquisition of properties and replacement of portfolio properties, resulted in the assets under management amounting to 463,388 million yen as of the last day of November 2021.

The Investment Corporation strives to secure stable revenue and sustained growth of the investment assets based on a clear portfolio development policy of specializing in investment in office buildings, with a particular focus on investment in a total floor area of more than about 2,000 m² situated in downtown Tokyo, as well as through dedicated efforts to heighten tenant satisfaction levels.

B. Investment Environment and Management Performance

a. Investment Environment

The Japanese economy during the fiscal period under review saw deterioration due to a significant decrease in automobile production alongside a shortage of semi-conductors, etc. as well as a drop in individual consumption due to the impact of the declaration of a state of emergency concerning COVID-19 up until September 30, 2021. As a result, the real GDP growth rate (Second Preliminary Estimates) for July to September 2021 sat at an annual rate of -3.6%, registering negative growth.

In the office building leasing market in central Tokyo, the vacancy rate had continued to be on an improving trend since June 2013, but office consolidations and relocations to smaller offices due to future economic uncertainties and deterioration in business performance stemming from the spread of COVID-19 and other reasons have led to contract cancellations and such, resulting in the vacancy rate (Miki Shoji’s average vacancy rate for the five central wards of Tokyo) rising to 6.35% as of the end of November 2021. Office rent had continued to rise, albeit slightly, but turned to a downward trend after peaking in July 2020.

For the office building transaction market, a strong appetite for property acquisitions continued among real estate companies, funds (including J-REITs) and overseas investors with the continuing proactive lending attitude by financial institutions, and there has been no material impact of COVID-19. Nevertheless, future developments warrant close monitoring.

b. Management Performance

In view of increasing the ordinary EPS (EPS (net income per unit) after deducting gain on sale from properties) over the medium to long term, the Investment Corporation continued to work on “external growth,” which aims to boost revenue through acquisition of properties, and “internal growth,” which aims to maximize income generating from owned properties.

Concerning external growth, the Investment Corporation acquired “Kandabashi PR-EX” (acquisition price: ¥1,970 million) in September 2021. As a result, the Investment Corporation’s assets under management as of the end of the 32nd Fiscal Period (November 30, 2021) totaled 60 properties, the sum total of acquisition prices of which amounted to 463,388 million yen.

Concerning internal growth, the Investment Corporation conducted proactive leasing, such as capturing needs for floor expansion within the same property through strengthening relationships with existing tenants and reinforcing collaboration with leasing brokers and property managers. Consequently, the occupancy rate as of the end of the 32nd Fiscal Period (November 30, 2021) was 97.8%.

C. Overview of Capital Procurement

a. Procurement of Capital for Repayment of Borrowings

In the 32nd Fiscal Period, the Investment Corporation made the following borrowings to fund the repayment of borrowings.

- (i) The Investment Corporation took out loans of 1,000 million yen from Shinsei Bank, Limited on August 31, 2021, to fund the repayment of the same amount borrowed from the same bank due for repayment on the same day.
- (ii) The Investment Corporation took out loans totaling 5,500 million yen from Sumitomo Mitsui Banking Corporation, the Development Bank of Japan Inc. and MUFG Bank, Ltd. to fund the repayment of loans totaling 6,500 million yen. The remaining 1,000 million yen was repaid with cash on hand.

The Investment Corporation concluded interest-rate swap agreements in the 32nd Fiscal Period for 15,400 million yen of loans with floating interest rates. Converting the interest payable to fixed rates, these are for the purpose of hedging against future interest rate fluctuation risks.

b. Status of Interest-Bearing Liabilities at End of the Fiscal Period under Review

As a result of the above, the balance of interest-bearing liabilities outstanding as of the end of the 32nd Fiscal Period (November 30, 2021) stood at 202,350 million yen in total (short-term loans payable: 2,400 million yen; long-term loans payable: 190,950 million yen; investment corporation bonds: 9,000 million yen). The balance of the current portion of long-term loans payable stood at 31,600 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 32nd Fiscal Period stands at 3.9 years.

List of Borrowings in the 32nd Fiscal Period

Lender	Loan amount (Millions of yen)	Drawdown date	Repayment date	Loan period (Years)
Shinsei Bank, Ltd.	1,000	2021/8/31	2030/8/30	9.0
Sumitomo Mitsui Banking Corporation	2,000	2021/11/30	2030/5/31	8.5
MUFG Bank, Ltd.	1,000	2021/11/30	2030/5/31	8.5
Sumitomo Mitsui Banking Corporation	1,500	2021/11/30	2029/11/30	8.0
Development Bank of Japan Inc.	1,000	2021/11/30	2029/11/30	8.0

Balance of Borrowings from Each Financial Institution (As of November 30, 2021)

Lender	End of the 32nd Fiscal Period (Millions of yen)	Share (%) (Note)
Sumitomo Mitsui Banking Corporation	39,400	20.38
Sumitomo Mitsui Trust Bank, Ltd.	23,500	12.15
Development Bank of Japan Inc.	21,750	11.25
MUFG Bank, Ltd.	19,500	10.09
Mizuho Bank, Ltd.	19,400	10.03
Shinsei Bank, Ltd.	14,000	7.24
Resona Bank, Limited	12,500	6.46
Mizuho Trust and Banking Co., Ltd.	9,500	4.91
The Bank of Fukuoka, Ltd.	6,500	3.36
Kansai Mirai Bank, Ltd.	5,000	2.59
The Nishi-Nippon City Bank Ltd.	3,000	1.55
The 77 Bank, Ltd.	3,000	1.55
The Norinchukin Bank	3,000	1.55
The Gunma Bank, Ltd.	2,500	1.29
The Musashino Bank, Ltd.	2,000	1.03
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	1.03
The Yamaguchi Bank, Ltd.	2,000	1.03
Nippon Life Insurance Company	1,300	0.67
The Hyakugo Bank, Ltd.	1,000	0.52
The Yamanashi Chuo Bank, Ltd.	1,000	0.52
Momiji Bank, Ltd.	1,000	0.52
Taiyo Life Insurance Company	300	0.16
Fukoku Mutual Life Insurance Company	200	0.10
Total	193,350	100.00

(Note) Share is rounded to two decimal places.

c. Rating Information (As of November 30, 2021)

Credit rating agency	Rating	Outlook
Rating and Investment Information, Inc. (R&I)	AA-	Stable
Japan Credit Rating Agency, Ltd. (JCR)	AA	Stable

d. Shelf Registration

The Investment Corporation filed a shelf registration statement pertaining to investment corporation bonds on October 1, 2021, as below. The total issuable amount as of the date of this document is 100.0 billion yen.

Investment corporation bonds (excluding short-term investment corporation bonds)	
Planned issue amount	100,000 million yen
Planned issue period	From October 9, 2021 to October 8, 2023
Use of funds	Funds for acquisition of specified assets, repayment of borrowings, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of leasehold and security deposits, payment of repairs, and funds for working capital, etc.

D. Sustainability Initiatives

The Sustainability Promotion Committee was set up in 2014 and the Policy Regarding ESG was established in March 2019 based on the Investment Corporation's recognition that emphasizing ESG in asset management would contribute to the enhancement of corporate value over the medium to long term.

The Sustainability Promotion Office was also set up at the Asset Manager in June 2021 in order to further strengthen sustainability initiatives. In these and other ways, sustainability initiatives are underway in an organized manner.

As initiatives for the environment, efforts are being made to reduce the environmental load of the portfolio through energy saving and reduction of greenhouse gas emissions by installing/adopting highly energy-efficient LED lighting and other measures for reducing environmental load, and through water saving and other effective utilization of limited resources. In addition, as of the date of submission of this document, the total number of properties owned by the Investment Corporation that have obtained environmental certification is 31 properties and the ratio of such properties to the entire portfolio (based on total floor area of the portfolio properties) is 61.3%.

As initiatives for society, efforts are being made to heighten tenant satisfaction levels and contribute to the sustained development of local communities by coordinating and working together with the outside parties involved in the portfolio properties by forming favorable relationships with them. In the 32nd Fiscal Period, initiatives were taken for the safety and security of tenants by installing sanitizers and air purifiers in the common areas of portfolio properties, posting documents pertaining to the control of infection and through other means as COVID-19 control measures.

As initiatives for corporate governance, the Asset Manager ensures thorough prevention of conflicts of interest, risk management and legal compliance, and adopts an asset management fee system that focuses on linking with unitholder interests and is linked to management results.

The Investment Corporation has continued to participate in GRESB Real Estate Assessment since 2011, earning the rating of Green Star, which is awarded to participants excelling in both the "Management Component" (assessment of which includes the ESG promotion policy and organizational structure) and the "Performance Component" (assessment of which includes the portfolio properties' environmental performance and initiatives with tenants), for 10 consecutive years. Furthermore, in the GRESB Rating, which assigns a rating out of five stars based on where the participant's overall score ranks globally, the Investment Corporation earned a rating of "4 Star."

Also, in the GRESB Public Disclosure assessment, which measures the comprehensiveness of ESG information disclosure, the Investment Corporation was assessed as providing outstanding information disclosure relating to environmental and sustainability initiatives, receiving the top rating of "A" on the five-tiered evaluation scale.

E. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 32nd Fiscal Period of 13,882 million yen in operating revenue, 7,351 million yen in operating income, 6,784 million yen in ordinary income and 6,799 million yen in net income.

Concerning distributions, it is planned that the amount equivalent to distributions from earnings would be included in the amount of tax-deductible expenses based on application of special provisions for taxation of corporation tax (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act")). Accordingly, the Investment Corporation decided to distribute the entire amount in which 33,973,619 yen of reversal of internally reserved reserve for reduction entry is added to unappropriated retained earnings, and as a result declared a distribution amount per unit of 14,000 yen.

1.1.2. Outlook for the Next Fiscal Period

A. Investment Environment

Although it continues to hover at low levels due to the impact of COVID-19 for the time being, the Japanese economy going forward is expected to head toward recovery with vaccinations, development of oral medication and other advancements in measures to contain the spread of COVID-19, as well as the lifting of the declaration of a state of emergency, leading to normalization of economic activities. Nevertheless, the Japanese economy may slow down due to prolongation of the COVID-19 pandemic (spread of highly contagious variants, etc.), interest rate trends and other factors. Accordingly, careful attention is required.

In the Tokyo office building leasing market, although recovery is expected with normalization of economic activities going forward, developments in office consolidations and relocations to smaller offices triggered by COVID-19 leading to the vacancy rate rising and rent dropping moderately mainly in central Tokyo continue to warrant close monitoring.

In the office building transaction market, backed by the favorable financing environment, among other factors, the property acquisition appetite among overseas investors, real estate companies and funds (including J-REITs) is thought to remain strong. However, the prolongation of the COVID-19 pandemic, interest rate trends and other factors may impact future developments in the transaction market.

B. Future Management Policy and Tasks

a. Strategy for Managing Existing Properties

As to macro trends for the office market, the trend of contraction of office space is ongoing given the impact of partial cancellations due to review of excess space, etc. as well as consolidation of offices and such as the pandemic drags on. On the other hand, new resilient demand mainly from small- to medium-sized companies is being steadily obtained for class B buildings which is the Investment Corporation's main focus. In addition, rents are being secured at slightly higher levels by advancing tenant replacement through leasing activities offering flexible terms. Therefore, the Investment Corporation considers that maintaining/improving competitiveness of buildings to qualify as prime offices that can increase the productivity of employees and accommodate needs of the times and environment will be the future issue, and is determined to continue carrying out operational management under the following policy.

(i) Maintain and raise occupancy rates

Concerning existing tenants, strive to reduce cancellation risks by improving the quality of buildings, equipment and management system. In addition, concerning new tenants, strive to maintain and raise occupancy rates through the provision of highly satisfactory services from gaining deeper understanding of tenant needs through proactive involvement in the market.

(ii) Maintain and raise profitability

Aim to secure stable revenue over the medium to long term through further strengthening good relationships with existing tenants, as well as proactively tapping the needs of new tenants by discerning the market environment.

(iii) Control operational management costs

Strive to control operational management costs based on maintaining office environments with high tenant satisfaction levels by implementing efficient operational management and reviewing systematic construction work through optimal leveraging of economies of scale achieved from proactively realizing external growth.

b. Strategy for New Property Investments

The Investment Corporation will invest in office buildings that have a total floor area of about 2,000 m² or more based on various external growth strategies, while maintaining a balance with the asset acquisition environment and financing situation. In principle, considerations will focus on Tokyo as the investment target area, but the Investment Corporation will also consider investing in competitive properties in cities other than Tokyo from a viewpoint of territorially-distributed investments.

As pipeline support, in addition to expanding its own information-sourcing channels, the Investment Corporation will continue to search for properties that meet its investment criteria by proactively gathering real estate transaction market information through greater collaboration with the Asset Manager and Sponsor Group and utilizing the Group's extensive network of clients, partners, etc.

Moreover, during the 32nd Fiscal Period the Investment Corporation acquired Kandabashi PR-EX located in Tokyo. The acquisition is thought to further the stabilization and enhancement of the portfolio. The Investment Corporation will continue to seek out property acquisitions in accordance with the above investment strategy.

Also, in order to acquire relatively new properties in prime locations and realize an increase in profitability in the medium to long term in a competitive real estate transaction market environment, the Investment Corporation has launched an effort for acquiring land close to train stations in central Tokyo and developing new office buildings.

c. Financial Strategy

The Investment Corporation will conduct disciplined financial management of the following basic content.

(i) Control leverage by keeping the ratio of interest-bearing liabilities to total assets (LTV) within the range of 40% to 50% at maximum, taking into consideration also the LTV, etc. based on appraisal value, as a principle.

(ii) Diversify repayment deadlines, targeting 30.0 billion yen as the maximum amount of interest-bearing liabilities that shall become due during any single fiscal period as a principle.

(iii) Aim to have long-term loans account for at least 70% of balance of loans as a principle.

(iv) Achieve diversification of lenders, which shall mainly be Japanese financial institutions.

(v) Pursuant to its fund management rules, maintain stability in its financial standing by managing necessary funds, such as the amount equivalent to distributions paid, separately from working capital.

C. Significant Subsequent Events

a. Acquisition and Transfer of Assets through Replacement

The Investment Corporation conducted the following acquisition and transfer of trust beneficiary interest in real estate through replacement on December 16, 2021.

Overview of Replacement

Scheduled date of conclusion of replacement agreement	October 20, 2021
Scheduled delivery date	December 16, 2021
The counterparties of the replacement	World Residential Co., Ltd. Nichimo Real Estate Co., Ltd.

Overview of the Acquired Asset

Asset name	Kandasudacho 2-Chome Development Site (land)
Type of asset	Trust beneficiary interest in domestic real estate
Location (lot number)	19-19, and 17 other parcels of land, Kanda Suda-cho 2-chome, Chiyoda-ku, Tokyo
Acquisition price	10,600 million yen (excluding acquisition expenses and consumption tax, etc.)
Seller	World Residential Co., Ltd. and Nichimo Real Estate Co., Ltd.

Overview of the Transferred Asset

Asset name	Daiwa Minami-Aoyama	Daiwa Kojimachi 4-chome
Type of asset	Trust beneficiary interest in domestic real estate	
Sale price (Note)	4,990 million yen	3,200 million yen
Purchaser	World Residential Co., Ltd.	

(Note) The sale price excludes settlement amounts of fixed asset tax and city planning tax, consumption tax, etc.

b. Borrowing of Funds

On January 20, 2022, the Investment Corporation decided on borrowing of funds as described below. The funds were allocated to the acquisition of new property indicated in “a. Acquisition and Transfer of Assets through Replacement” above.

Details of Borrowing

Lender	Balance (million yen)	Interest rate	Borrowing date	Repayment method	Maturity
Sumitomo Mitsui Banking Corporation	1,000	3-month Japanese yen TIBOR+0.250% (Note)	January 31, 2022	Bullet payment / Unsecured	January 31, 2025
Sumitomo Mitsui Trust Bank, Ltd.	1,000	3-month Japanese yen TIBOR+0.200% (Note)			September 30, 2024
MUFG Bank, Ltd.	950	3-month Japanese yen TIBOR+0.250% (Note)			January 31, 2025
Shinsei Bank, Ltd.	500				

(Note) Interest payment date shall be the final day of February, May, August and November each year. (If any such date is not a business day, it will be the following business day. If such date falls within the next month, the preceding business day of the month will be the payment day.) Interest rate is calculated based on the 3-month Japanese yen TIBOR which the Japanese Bankers Association announces two business days prior to the first day of the applicable period.

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 33rd Fiscal Period (fiscal period ending May 2022 (from December 1, 2021 to May 31, 2022)). For the assumptions underlying the management status forecasts, please refer to the “Assumptions for the Management Status Forecasts for the 33rd Fiscal Period and 34th Fiscal Period” on page 8.

33rd Fiscal Period (fiscal period ending May 2022 (from December 1, 2021 to May 31, 2022))

Operating revenue	14,440 million yen
Operating income	7,977 million yen
Ordinary income	7,411 million yen
Net income	7,410 million yen
Distribution amount per unit	14,000 yen
Distribution amount in excess of earnings per unit	— yen

In addition, on the basis that the “Assumptions for the Management Status Forecasts for the 33rd Fiscal Period and 34th Fiscal Period” will remain unchanged, the Investment Corporation forecasts the following management status for the 34th Fiscal Period (fiscal period ending November 2022 (from June 1, 2022 to November 30, 2022)).

34th Fiscal Period (fiscal period ending November 2022 (from June 1, 2022 to November 30, 2022))

Operating revenue	13,818 million yen
Operating income	7,210 million yen
Ordinary income	6,639 million yen
Net income	6,638 million yen
Distribution amount per unit	14,000 yen
Distribution amount in excess of earnings per unit	— yen

(Note) The forecast figures above are the current forecasts calculated based on certain assumptions. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution amount per unit and distribution amount in excess of earnings per unit may vary due to changes in the status. Moreover, the forecasts set forth herein should not be construed as a guarantee of distribution amounts.

Assumptions for the Management Status Forecasts for the 33rd Fiscal Period and 34th Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> • 33rd Fiscal Period: Assets under management are assumed to be 59 properties after applying the asset replacement on December 16, 2021, of Kandasudacho 2-Chome Development Site (acquired asset), Daiwa Minami-Aoyama and Daiwa Kojimachi 4-chome (transferred assets) to the 60 properties owned as of November 30, 2021. • 34th Fiscal Period: Assets under management are assumed to be the properties mentioned above together with the completion of the building included in Nihonbashi-Bakurocho 1-Chome Development Project (scheduled for November 2022). • The actual number of properties may vary due to changes in the assets under management other than above.
Operating revenue	<ul style="list-style-type: none"> • Rent revenue from existing properties is calculated based on historical data and taking into account variable factors. • Gain on sale of real estate, etc. of 906 million yen from the transfer of Daiwa Minami-Aoyama and Daiwa Kojimachi 4-chome is anticipated for the 33rd Fiscal Period.
Operating expenses	<ul style="list-style-type: none"> • Expenses related to rent business, which constitute a major component of operating expenses, are calculated based on historical data and taking into account variable factors. • Repair expenses for buildings are recorded as expenses in the amount expected to be necessary in the respective fiscal period based on the medium to long term repair plan established by the Asset Manager. • Operating income from property leasing (excluding gain on sale from real estate properties) after deducting expenses related to rent business (including depreciation) is expected to be 8,481 million yen in the 33rd Fiscal Period and 8,594 million yen in the 34th Fiscal Period. • Consignment expenses are expected to be 949 million yen in the 33rd Fiscal Period and 965 million yen in the 34th Fiscal Period. • Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 1,144 million yen in the 33rd Fiscal Period and 1,172 million yen in the 34th Fiscal Period. • While, in general, fixed property tax, city planning tax, etc. in the transaction of real estate, etc. are calculated on a pro rata basis and reimbursed at the time of acquisition with the current owner, but for the Investment Corporation, the amount equivalent to the reimbursement is included in the cost of acquisition and thus it is not recognized as expenses in the period of acquisition of properties. As such, fixed property tax, city planning tax, etc. for properties acquired will be recorded as expenses starting from the fiscal year following the acquisition year. • Depreciation is expected to be 1,785 million yen in the 33rd Fiscal Period and 1,791 million yen in the 34th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses in the 33rd Fiscal Period are expected to be 566 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 556 million yen. • Non-operating expenses in the 34th Fiscal Period are expected to be 570 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 561 million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> • The total amount of interest-bearing liabilities is assumed to be 205,800 million yen at the end of the 33rd Fiscal Period and 205,800 million yen at the end of the 34th Fiscal Period. • In the 33rd Fiscal Period, new borrowings of 3,450 million yen were borrowed on January 31, 2022, to be allocated to funds used for the acquisition of Kandasudacho 2-Chome Development Site (land) on December 16, 2021, and it is assumed that the entire amount of borrowings due for repayment on February 28, 2022 (2,000 million yen), March 31, 2022 (2,000 million yen) and May 31, 2022 (12,400 million yen) is refinanced. • In the 34th Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on August 31, 2022 (5,300 million yen) and November 30, 2022 (12,300 million yen) is refinanced.
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> • The total number of investment units issued and outstanding is assumed to be the 488,088 units as of November 30, 2021. • It is assumed that there are no changes to the number of investment units other than stated above until the end of the 34th Fiscal Period through the issuance of new investment units, etc.

Item	Assumptions
Distribution amount per unit	<ul style="list-style-type: none"> • The distribution amount per unit is calculated based on the cash distribution policy as set out in the articles of incorporation of the Investment Corporation. • The distribution amount per unit for the 33rd Fiscal Period is based on the assumption that part of the gain on sale from the transfer of Daiwa Minami-Aoyama and Daiwa Kojimachi 4-chome will be internally reserved through application of the Special Provisions for Taxation in Cases of Repurchase of Specified Assets and that the amount remaining after deducting provision of reserve for reduction entry (577 million yen) from unappropriated retained earnings will be distributed. Reversal of reserve for reduction entry may change depending on the management status. • The distribution amount per unit for the 34th Fiscal Period is based on the assumption that part (195 million yen) of the reserve for reduction entry retained as internal reserves will be reversed and distributed. Reversal of reserve for reduction entry may change depending on the management status. • The distribution amount per unit may vary depending on a variety of factors, such as changes in the assets under management, changes in the rent revenue due to tenant changes and other causes, and incurrence of unforeseen repairs.
Distribution amount in excess of earnings per unit	<ul style="list-style-type: none"> • At present, there is no plan to make any distribution in excess of earnings (distribution amount in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • It is assumed that there are no changes to laws and ordinances, the tax system, accounting standards, listing regulations, the rules of Tokyo Stock Exchange, Inc. and The Investment Trusts Association, Japan, etc. that will affect the abovementioned forecast figures. • It is assumed that there will be no major unforeseen changes in general economic trends, real estate market conditions, etc.

1.2. Investment Risks

Disclosure is omitted because there are no significant changes from the “Part I: Fund Information; Section 1: Fund Status; 3. Investment Risks” set out in the most recent periodic securities report (*yuka shoken hokokusho*) (submitted on August 23, 2021).

2. Financial Statements

2.1. Balance Sheets

(Unit: Thousands of yen)

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Assets		
Current assets		
Cash and deposits	28,515,172	26,650,594
Cash and deposits in trust	3,696,461	3,640,841
Operating accounts receivable	195,627	189,915
Prepaid expenses	357,076	340,300
Other	83,509	94,138
Total current assets	32,847,848	30,915,790
Noncurrent assets		
Property, plant and equipment		
Buildings	3,298,171	3,322,446
Accumulated depreciation	(2,608,711)	(2,681,712)
Buildings, net	689,460	640,734
Structures	14,344	14,344
Accumulated depreciation	(8,356)	(8,797)
Structures, net	5,987	5,547
Tools, furniture and fixtures	20,847	20,976
Accumulated depreciation	(15,075)	(16,039)
Tools, furniture and fixtures, net	5,771	4,936
Land	12,302,226	12,302,226
Construction in progress	3,786	4,703
Buildings in trust	108,495,377	109,177,340
Accumulated depreciation	(28,653,187)	(30,327,004)
Buildings in trust, net	*1, *2 79,842,189	*1, *2 78,850,336
Structures in trust	772,739	776,399
Accumulated depreciation	(221,472)	(232,765)
Structures in trust, net	*2 551,266	*2 543,634
Machinery and equipment in trust	884,250	924,505
Accumulated depreciation	(512,570)	(544,085)
Machinery and equipment in trust, net	371,680	380,419
Tools, furniture and fixtures in trust	333,390	354,822
Accumulated depreciation	(199,989)	(217,321)
Tools, furniture and fixtures in trust, net	133,400	137,500
Land in trust	*2 353,434,357	*2 355,212,305
Construction in progress in trust	50,081	230,034
Total property, plant and equipment	447,390,211	448,312,380
Intangible assets		
Right of trademark	52	7
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust	306,884	306,884
Other	6,251	2,875
Total intangible assets	2,711,464	2,708,043

(Unit: Thousands of yen)

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Investments and other assets		
Leasehold and guarantee deposits in trust	113,684	113,684
Long-term prepaid expenses	1,098,268	1,066,645
Derivatives	3,956	19,157
Other	90,507	94,770
Total investments and other assets	1,306,416	1,294,257
Total noncurrent assets	451,408,092	452,314,681
Deferred assets		
Investment corporation bonds issuance costs	54,391	49,360
Total deferred assets	54,391	49,360
Total assets	484,310,332	483,279,832
Liabilities		
Current liabilities		
Operating accounts payable	924,290	813,836
Short-term loans payable	2,400,000	2,400,000
Current portion of long-term loans payable	21,500,000	31,600,000
Accounts payable – other	634,448	619,303
Income taxes payable	888	880
Accrued consumption taxes	335,635	286,169
Advances received	2,366,227	2,351,548
Other	573,944	642,362
Total current liabilities	28,735,434	38,714,100
Noncurrent liabilities		
Investment corporation bonds	9,000,000	9,000,000
Long-term loans payable	170,450,000	159,350,000
Tenant leasehold and security deposits	20,272,859	20,388,209
Tenant leasehold and security deposits in trust	1,942,181	1,930,698
Deferred tax liabilities	2,240	55,150
Derivatives liabilities	210,647	29,436
Other	174,578	174,578
Total noncurrent liabilities	202,052,507	190,928,072
Total liabilities	230,787,942	229,642,173
Net Assets		
Unitholders' equity		
Unitholders' capital	251,551,759	251,551,759
Deduction from unitholders' capital	*3 (6,458,395)	*3 (6,458,395)
Unitholders' capital, net	245,093,364	245,093,364
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	1,038,691	1,755,357
Total voluntary retained earnings	1,038,691	1,755,357
Unappropriated retained earnings (undisposed loss)	7,549,897	6,799,258
Total surplus	8,588,589	8,554,615
Total unitholders' equity	253,681,953	253,647,979
Valuation and translation adjustments		
Deferred gains or losses on hedges	(159,563)	(10,319)
Total valuation and translation adjustments	(159,563)	(10,319)
Total net assets	*4 253,522,389	*4 253,637,659
Total liabilities and net assets	484,310,332	483,279,832

2.2. Statements of Income

(Unit: Thousands of yen)

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]		32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]	
Operating revenue				
Rent revenue – real estate	*1	13,887,151	*1	13,846,420
Other lease business revenue	*1	140,695	*1	35,944
Gain on sales of real estate properties	*2	1,026,965		-
Total operating revenue		15,054,812		13,882,364
Operating expenses				
Expenses related to rent business	*1	5,454,733	*1	5,146,252
Asset management fees		1,188,807		1,153,133
Asset custody fees		24,303		24,171
Administrative service fees		73,343		72,902
Trust fees		18,786		18,219
Directors' compensation		7,200		7,200
Other operating expenses		150,049		109,453
Total operating expenses		6,917,224		6,531,333
Operating income		8,137,588		7,351,030
Non-operating income				
Interest income		15		15
Reversal of distribution payable		624		515
Insurance income		2,622		555
Miscellaneous income		2,042		46
Total non-operating income		5,304		1,133
Non-operating expenses				
Interest expenses		419,271		406,711
Interest expenses on investment corporation bonds		26,276		26,041
Borrowing expenses		135,066		128,321
Other		11,499		6,542
Total non-operating expenses		592,113		567,617
Ordinary income		7,550,779		6,784,546
Income before income taxes		7,550,779		6,784,546
Income taxes – current		889		881
Income taxes – deferred		(7)		(15,593)
Total income taxes		882		(14,712)
Net income		7,549,897		6,799,258
Retained earnings brought forward		—		-
Unappropriated retained earnings (undisposed loss)		7,549,897		6,799,258

2.3. Statements of Unitholders' Equity

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus
				Reserve for reduction entry	Total voluntary retained earnings		
Balance at beginning of current fiscal period	251,551,759	(3,675,523)	247,876,236	710,209	710,209	7,124,746	7,834,956
Changes of items during the period							
Provision of reserve for reduction entry				328,482	328,482	(328,482)	—
Dividends from surplus						(6,796,264)	(6,796,264)
Net income						7,549,897	7,549,897
Acquisition of own investment units							
Cancellation of own investment units		(2,782,872)	(2,782,872)				
Net changes of items other than shareholders' equity							
Total changes of items during the period	—	(2,782,872)	(2,782,872)	328,482	328,482	425,150	753,632
Balance at end of current fiscal period	251,551,759	(6,458,395)	245,093,364	1,038,691	1,038,691	7,549,897	8,588,589

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Own investment units	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	—	255,711,192	(199,648)	(199,648)	255,511,543
Changes of items during the period					
Provision of reserve for reduction entry		—			—
Dividends from surplus		(6,796,264)			(6,796,264)
Net income		7,549,897			7,549,897
Acquisition of own investment units	(2,782,872)	(2,782,872)			(2,782,872)
Cancellation of own investment units	2,782,872	—			—
Net changes of items other than shareholders' equity			40,085	40,085	40,085
Total changes of items during the period	—	(2,029,239)	40,085	40,085	(1,989,153)
Balance at end of current fiscal period	—	253,681,953	(159,563)	(159,563)	253,522,389

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus
				Reserve for reduction entry	Total voluntary retained earnings		
Balance at beginning of current fiscal period	251,551,759	(6,458,395)	245,093,364	1,038,691	1,038,691	7,549,897	8,588,589
Changes of items during the period							
Provision of reserve for reduction entry				716,665	716,665	(716,665)	-
Dividends from surplus						(6,833,232)	(6,833,232)
Net income						6,799,258	6,799,258
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	716,665	716,665	(750,639)	(33,973)
Balance at end of current fiscal period	251,551,759	(6,458,395)	245,093,364	1,755,357	1,755,357	6,799,258	8,554,615

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	253,681,953	(159,563)	(159,563)	253,522,389
Changes of items during the period				
Provision of reserve for reduction entry	-			-
Dividends from surplus	(6,833,232)			(6,833,232)
Net income	6,799,258			6,799,258
Net changes of items other than shareholders' equity		149,243	149,243	149,243
Total changes of items during the period	(33,973)	149,243	149,243	115,269
Balance at end of current fiscal period	253,647,979	(10,319)	(10,319)	253,637,659

2.4. Statements of Cash Distributions

Item	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
	Amount (Yen)	Amount (Yen)
I. Unappropriated retained earnings	7,549,897,400	6,799,258,381
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	—	33,973,619
III. Distribution amount	6,833,232,000	6,833,232,000
[Distribution amount per unit]	[14,000]	[14,000]
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	716,665,400	—
V. Retained earnings carried forward	—	—
Method for calculating distribution amount	<p>Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the maximum value of the integral multiple of the total number of units issued and outstanding (488,088 units) in an amount that is not in excess of the amount remaining after deducting provision of reserve for reduction entry defined in Article 65-7 of the Act on Special Measures Concerning Taxation from unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,833,232,000 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.</p>	<p>Pursuant to the policy that “the Investment Corporation shall distribute an amount in excess of the amount equivalent to 90% of its distributable earnings as defined in Article 67-15 of the Act on Special Measures Concerning Taxation” but no more than the amount of earnings as specified in Article 32, Item 1 of the Investment Corporation’s articles of incorporation, the Investment Corporation decided the distributions from earnings that it shall pay out shall be the amount that is the sum of the reversal of reserve for reduction entry and unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,833,232,000 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.</p>

2.5. Statements of Cash Flows

(Unit: Thousands of yen)

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Net cash provided by (used in) operating activities		
Income before income taxes	7,550,779	6,784,546
Depreciation and amortization	1,819,933	1,811,785
Amortization of investment corporation bonds issuance costs	5,003	5,030
Interest income	(15)	(15)
Interest expenses	445,547	432,753
(Increase) Decrease in operating accounts receivable	172,053	5,712
(Increase) Decrease in prepaid expenses	(22,370)	16,776
Increase (decrease) in operating accounts payable	(267,338)	(96,707)
Increase (decrease) in accounts payable – other	(6,745)	(12,383)
Increase (decrease) in accrued consumption taxes	22,808	(49,466)
Increase (decrease) in advances received	(87,185)	(14,678)
(Increase) Decrease in long-term prepaid expenses	(47,228)	31,622
Decrease from sales of property, plant and equipment in trust	3,130,260	–
Other, net	71,477	78,054
Subtotal	12,786,980	8,993,030
Interest income received	15	15
Interest expenses paid	(445,419)	(432,867)
Income taxes paid	(724)	(889)
Net cash provided by (used in) operating activities	12,340,850	8,559,288
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(18,985)	(25,452)
Purchase of property, plant and equipment in trust	(1,047,108)	(2,724,657)
Proceeds from tenant security deposits	924,256	1,034,135
Proceeds from tenant security deposits in trust	8,362	66,704
Repayments of tenant security deposits	(1,147,123)	(918,785)
Repayments of tenant security deposits in trust	(20,729)	(78,188)
Net cash provided by (used in) investing activities	(1,301,328)	(2,646,243)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	2,400,000	–
Repayment of short-term loans payable	(3,600,000)	–
Proceeds from long-term loans payable	16,800,000	6,500,000
Repayment of long-term loans payable	(16,700,000)	(7,500,000)
Purchase of own investment units	(2,782,872)	–
Dividends paid	(6,795,425)	(6,833,242)
Net cash provided by (used in) financing activities	(10,678,297)	(7,833,242)
Net increase (decrease) in cash and cash equivalents	361,225	(1,920,198)
Cash and cash equivalents at beginning of period	31,850,409	32,211,634
Cash and cash equivalents at end of period	*1 32,211,634	*1 30,291,436

2.6. Notes to the Going Concern
Not applicable.

2.7. Notes to Significant Accounting Policies

<p>1. Accumulated depreciation method for noncurrent assets</p>	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is adopted. The useful life of primary property, plant and equipment is as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">2~64 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">10~56 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">10~23 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">4~15 years</td> </tr> </table> <p>(2) Intangible assets The straight-line method is adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2~64 years	Structures	10~56 years	Machinery and equipment	10~23 years	Tools, furniture and fixtures	4~15 years
Buildings	2~64 years								
Structures	10~56 years								
Machinery and equipment	10~23 years								
Tools, furniture and fixtures	4~15 years								
<p>2. Accounting policies for deferred assets</p>	<p>Investment corporation bonds issuance costs Amortized using the straight-line method over the period up to redemption.</p>								
<p>3. Accounting standards for recording revenues and expenses</p>	<p>Accounting for fixed property tax, etc.</p> <p>(1) Concerning fixed property tax, city planning tax, depreciated asset tax, etc. for owned real estate or trust beneficiary interest in real estate, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the concerned fiscal period as expenses related to rent business is adopted. Concerning the amount equivalent to fixed property tax, etc. for the initial fiscal year that shall be borne by the Investment Corporation in correlation with acquisitions of real estate or trust beneficiary interest that have real estate as assets in trust, the amount is not expensed but is rather included in the cost of acquisition of the concerned real estate property. The amount equivalent to fixed property tax, etc. that was included in the cost of acquisition of real estate properties is zero in the 31st Fiscal Period and 1,602 thousand yen in the 32nd Fiscal Period.</p> <p>(2) Accounting Standard for Revenue The content of main performance obligations related to revenue arising from contracts with customers of the Investment Corporation and the normal timing for satisfying such performance obligations (the normal timing for recognizing revenue) are as follows:</p> <p>(i) Sales of real estate properties The Investment Corporation recognizes revenue from the sale of real estate properties when the purchaser, as the customer, obtains control of the real estate property by fulfilling the delivery obligations stipulated in the contract for the sale of real estate property.</p> <p>(ii) Utilities income The Investment Corporation recognizes utilities income based on the supply of electricity, water, etc. to the lessee as the customer, in accordance with the terms of the real estate lease contract and related agreements. Of utilities income, in the case that the Investment Corporation determines it is an agent for utilities income, the utilities income is recognized as income at the net amount received as charges for electricity, gas, etc. supplied by other parties less the amount paid to such other parties.</p>								

4. Hedge accounting approaches	<p>(1) Hedge accounting approach Deferral hedge accounting is adopted. Special accounting is adopted for interest rate swaps that meet the requirements for special accounting.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions to hedge risks stipulated in the Investment Corporation's articles of incorporation in accordance with the Investment Corporation's risk management policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.</p>
5. Scope of funds in the statements of cash flows	The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; 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 price fluctuation.
6. Other significant matters forming basis for preparation of financial statements	<p>(1) Accounting method for trust beneficiary interest in real estate, etc. Concerning owned trust beneficiary interest that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all accounts of revenues and expenses incurred from the assets in trust are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the assets in trust recorded in the relevant account item are separately listed on the balance sheets.</p> <ul style="list-style-type: none"> (i) Cash and deposits in trust (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust (iii) Leasehold rights in trust (iv) Lease and guarantee deposits in trust (v) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method and consumption taxes that are not tax-deductible are expensed in the fiscal period under review. The consumption taxes relating to noncurrent assets, etc. that are not tax-deductible are amortized in equal installments over 5 years.</p>

2.8 Notes to Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition, Etc.

The Investment Corporation has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 issued on March 31, 2020), etc. from the beginning of the 32nd Fiscal Period, and decided to recognize revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

In accordance with the transitional treatment outlined in Paragraph 89-3 of Accounting Standard for Revenue Recognition, the note related to the Revenue Recognition for the previous fiscal period is not presented.

The impact of this change on the financial statements of the 32nd Fiscal Period is minimal.

2. Application of Accounting Standard for Fair Value Measurement, Etc.

The Investment Corporation has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 issued on July 4, 2019), etc. from the beginning of the 32nd Fiscal Period, and decided to adopt the new accounting policies set forth by said accounting standard, etc. going forward in accordance with the transitional treatment as stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019).

Furthermore, pursuant to the provisions of Supplementary Provisions Article 2, Paragraph 5 of the Cabinet Office Order to Partially Amend Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Cabinet Office Order No. 61 dated September 24, 2021), descriptions are omitted for the matters listed in Article 8-6-2, Paragraph 1, Item 3 of the revised Regulation on Terminology, Forms, and Preparation Methods of Financial Statements.

The impact of this change on the financial statements of the 32nd Fiscal Period is minimal.

2.9. Notes to Financial Statements

Concerning notes to lease transactions, securities, retirement benefits, tax-effect accounting and asset retirement obligations, disclosure is omitted because there is no substantial need for such disclosure in the financial report (*kessan tanshin*).

[Notes to Balance Sheets]

*1. Advanced depreciation amount for property, plant and equipment acquired by government subsidies, etc.

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Buildings in trust	32,898 thousand yen	32,898 thousand yen

*2. Advanced depreciation amount for property, plant and equipment acquired through exchange

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Buildings in trust	182,563 thousand yen	182,563 thousand yen
Structures in trust	283 thousand yen	283 thousand yen
Land in trust	887,074 thousand yen	887,074 thousand yen
Total	1,069,921 thousand yen	1,069,921 thousand yen

*3. Status of cancellation of own investment units

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Total number of units cancelled	9,781 units	9,781 units
Total amount cancelled	6,458,395 thousand yen	6,458,395 thousand yen

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

	31st Fiscal Period [As of May 31, 2021]	32nd Fiscal Period [As of Nov. 30, 2021]
Buildings in trust	50,000 thousand yen	50,000 thousand yen

[Notes to Statements of Income]

*1. Breakdown of operating income (loss) from property leasing

(Unit: Thousands of yen)

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
A. Property leasing revenue		
Rent revenue – real estate	13,887,151	13,846,420
Other lease business revenue	140,695	35,944
Total property leasing revenue	14,027,847	13,882,364
B. Property leasing expenses		
Consignment expenses	1,036,453	1,049,643
Utilities expenses	774,452	870,406
Taxes and dues	1,145,554	1,147,461
Non-life insurance expenses	19,940	20,338
Repair expenses	583,977	166,756
Depreciation	1,816,503	1,808,363
Other lease business expenses	77,850	83,281
Total property leasing expenses	5,454,733	5,146,252
C. Operating income (loss) from property leasing [A – B]	8,573,113	8,736,111

*2. Breakdown of gain on sales of real estate properties

(Unit: Thousands of yen)

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Daiwa Kyobashi

Proceeds from sales of real estate properties	4,200,000
Cost of sales of real estate properties	3,130,260
Other expenses on sales	42,774
Gain on sales of real estate properties	1,026,965

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

Not applicable.

[Notes to Statements of Unitholders' Equity]

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Total number of investment units authorized and total number of investment units issued and outstanding		
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	488,088 units	488,088 units

[Notes to Statements of Cash Flows]

*1. Reconciliation of balance sheet items to cash and cash equivalents at end of period in the statements of cash flows

(Unit: Thousands of yen)

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Cash and deposits	28,515,172	26,650,594
Cash and deposits in trust	3,696,461	3,640,841
Cash and cash equivalents	32,211,634	30,291,436

[Notes to Financial Instruments]

(1) Matters Concerning Status of Financial Instruments

(a) Policy for financial instruments

The Investment Corporation raises funds through bank borrowings, issuance of investment corporation bonds and issuance of new investment units, etc. for the acquisition and repair of investment properties, the payments of dividends and the reimbursement of bank borrowings. As for debt finance, the Investment Corporation focuses on lengthening maturities, fixing interest rates, and dispersing maturity dates in order to secure financial stability and avoid future fluctuation risk of interest rates.

The Investment Corporation manages surplus funds through deposits and safe and highly liquid money claims and securities (in principle, deposits).

Derivative transactions are limited to hedge operations which hedge against interest rate fluctuation risks attributable to liabilities of the Investment Corporation.

(b) Contents and risk of financial instruments and related risk management

The Investment Corporation uses the proceeds from the financing of debts and investment corporation bonds for the acquisition of investment properties (such as trust beneficiary interest in real estate) and the reimbursement of current debts and bonds. While these debts and bonds are exposed to liquidity risk, the Investment Corporation manages the risk by maintaining the LTV ratio at low levels, dispersing maturity dates, maintaining the ratio of long-term debt to total debt at high levels, and diversifying lenders with particular focus on domestic financial institutions. Bank borrowings etc. with floating interest rates are exposed to interest rate fluctuation risk and the risk is controlled by using derivative instruments (interest rate swap transaction) for some long-term borrowings to avoid interest rate fluctuation risk and to fix interest expense.

The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.

Enforcement and management of derivative transactions are carried out in accordance with the provisions established by the basic policy of risk management.

Tenant leasehold and security deposits and tenant leasehold and security deposits in trust are exposed to liquidity risk upon tenants moving out and the Investment Corporation reduces the risk by pooling funds to a certain degree.

Surplus funds by deposits are exposed to credit risk of counterparties (financial institutions and so on) and are managed by limiting the terms to short durations and establishing credit rating level of counterparties (except for checkable deposit), etc.

(c) Supplementary explanation for fair value of financial instruments

The fair value of financial instruments is based on their market price. The fair value of financial instruments with no available market price is determined by using price reasonably estimated. As various factors are incorporated into these calculations, the resulting value may differ if different assumptions are provided. Furthermore, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(2) Matters Concerning Fair Value, etc. of Financial Instruments

The carrying amounts and fair values and their differences are as follows.

31st Fiscal Period [As of May 31, 2021]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	28,515,172	28,515,172	—
(2) Cash and deposits in trust	3,696,461	3,696,461	—
Total assets	32,211,634	32,211,634	—
(3) Short-term loans payable	2,400,000	2,400,000	—
(4) Current portion of long-term loans payable	21,500,000	21,523,879	23,879
(5) Investment corporation bonds	9,000,000	8,979,070	(20,930)
(6) Long-term loans payable	170,450,000	170,268,022	(181,977)
Total liabilities	203,350,000	203,170,972	(179,027)
Derivative transactions (*)	(232,803)	(232,803)	—

32nd Fiscal Period [As of November 30, 2021]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	26,650,594	26,650,594	—
(2) Cash and deposits in trust	3,640,841	3,640,841	—
Total assets	30,291,436	30,291,436	—
(3) Short-term loans payable	2,400,000	2,400,000	—
(4) Current portion of long-term loans payable	31,600,000	31,600,412	412
(5) Investment corporation bonds	9,000,000	9,024,050	24,050
(6) Long-term loans payable	159,350,000	158,874,541	(475,458)
Total liabilities	202,350,000	201,899,003	(450,996)
Derivative transactions (*)	(15,056)	(15,056)	—

(*) The value of receivables and payables arising from derivatives are indicated at net basis. The amount in parentheses represents the net liability position.

(Note 1) Methods to estimate fair value of financial instruments and matters concerning derivative transactions

Assets

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

As these are settled within a short period of time, the fair value is approximately the same as the book value and thus is stated at that book value.

Liabilities

(3) Short-term loans payable; (4) Current portion of long-term loans payable; (6) Long-term loans payable

As those with floating interest rates reflect market interest rates within a short period of time and the Investment Corporation's credit capability does not differ markedly from the execution, the fair value is approximately the same as the book value and thus is stated at that book value. Those with fixed interest rates, on the other hand, are based on the method of calculating by discounting the sum total amount of principal and interest (*) by the reasonably estimated interest rate in the case that the same type of borrowings is undertaken.

(*) For long-term loans payable that are subject to special accounting for interest rate swaps, the interest is handled together with applicable interest rate swaps. (Please refer to [Notes to Derivative Transactions] below.)

(5) Investment corporation bonds

The fair value of the investment corporation bonds issued by the Investment Corporation is based on the market price.

Derivative transactions

Please refer to [Notes to Derivative Transactions] below.

(Note 2) Tenant leasehold and security deposits (20,272,859 thousand yen in the balance sheet from May 31, 2021, and 20,388,209 thousand yen in the balance sheet from November 30, 2021) and tenant leasehold and security deposits in trust (1,942,181 thousand yen in the balance sheet from May 31, 2021, and 1,930,698 thousand yen in the balance sheet for November 30, 2021) are omitted as they lack materiality.

(Note 3) Redemption schedule for monetary claims due after the settlement of accounts

31st Fiscal Period [As of May 31, 2021]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	28,515,172	—	—	—	—	—
Cash and deposits in trust	3,696,461	—	—	—	—	—
Total	32,211,634	—	—	—	—	—

32nd Fiscal Period [As of November 30, 2021]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	26,650,594	—	—	—	—	—
Cash and deposits in trust	3,640,841	—	—	—	—	—
Total	30,291,436	—	—	—	—	—

(Note 4) Amount of repayment of short-term loans payable, current portion of long-term loans payable, investment corporation bonds, and long-term loans payable scheduled to be due after the settlement of accounts

31st Fiscal Period [As of May 31, 2021]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	2,400,000	—	—	—	—	—
Current portion of long-term loans payable	21,500,000	—	—	—	—	—
Investment corporation bonds	—	—	—	3,800,000	1,500,000	3,700,000
Long-term loans payable	—	30,600,000	25,600,000	27,350,000	20,700,000	66,200,000
Total	23,900,000	30,600,000	25,600,000	31,150,000	22,200,000	69,900,000

32nd Fiscal Period [As of November 30, 2021]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	2,400,000	—	—	—	—	—
Current portion of long-term loans payable	31,600,000	—	—	—	—	—
Investment corporation bonds	—	—	3,800,000	1,500,000	—	3,700,000
Long-term loans payable	—	26,200,000	26,200,000	20,550,000	22,400,000	64,000,000
Total	34,000,000	26,200,000	30,000,000	22,050,000	22,400,000	67,700,000

[Notes to Derivative Transactions]

(1) Transactions for which hedge accounting is not applied

31st Fiscal Period [As of May 31, 2021]

Not applicable.

32nd Fiscal Period [As of November 30, 2021]

Not applicable.

(2) Transactions for which hedge accounting is applied

31st Fiscal Period [As of May 31, 2021]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: Thousands of yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	99,800,000	82,800,000	(232,803)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	20,500,000	20,500,000	(*)	—
Total			120,300,000	103,300,000	(232,803)	—

32nd Fiscal Period [As of November 30, 2021]

About derivative transactions for which hedge accounting is applied, the contract amount, amount equivalent to the principal provided in the contract, etc. as of the settlement of accounts for each hedge accounting approach are as follows.

(Unit: Thousands of yen)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc.		Fair value	Method of calculation of that fair value
				Of which, over 1 year		
Principle accounting method	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	100,300,000	76,500,000	(15,056)	Based on price quoted by partner financial institution
Special accounting for interest rate swaps	Interest rate swap transaction Fixed payable Floating receivable	Long-term loans payable	28,900,000	28,900,000	(*)	—
Total			129,200,000	105,400,000	(15,056)	—

(*) Since the derivative financial instruments qualifying for the special accounting for interest rate swaps are accounted for as one transaction together with their hedged item, long-term loans payable, the fair value of these derivatives is included in that of related long-term loans payable. (Please refer to “Notes to Financial Instruments (2) Matters Concerning Fair Value, etc. of Financial Instruments (Note 1) Liabilities (4) (6).”)

[Notes to Transactions with Related Parties]

(1) Transactions with related parties

① Parent company and major corporate unitholders, etc.

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Not applicable.

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

Not applicable.

② Affiliated companies, etc.

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Not applicable.

32nd Fiscal Period [From June 1, 2021 To: November 30, 2021]

Not applicable.

③ Sister companies, etc.

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Not applicable.

32nd Fiscal Period [From June 1, 2021 To: November 30, 2021]

Not applicable.

④ Officers and major individual unitholders, etc.

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Not applicable.

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

Not applicable.

(2) Information about parent company or any material affiliated company

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

Parent company's information

Daiwa Securities Group Inc. (listed on Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc.)

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

Parent company's information

Daiwa Securities Group Inc. (listed on Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc.)

[Notes to Revenue Recognition]

Breakdown information on revenue from contracts with customers

32nd Fiscal Period [As of November 30, 2021]

(Unit: Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate properties	—	—
Utilities income	975,711	975,711
Other	—	12,906,653
Total	975,711	13,882,364

(Note) Rent revenue, etc. covered by the Accounting Standard for Lease Transactions (ASBJ Statement No.13) is not subject to the Accounting Standard for Revenue Recognition and is thus excluded from revenue from contracts with customers. Furthermore, revenue generated from contracts with major customers comprise of proceeds from the sale of real estate properties and utilities income.

[Notes to Investment and Rental Properties]

The Investment Corporation has rental office buildings, etc. (including land) in Tokyo and other regions. The carrying amount, amount of increase (decrease) during period and fair value for these rental properties are as follows.

(Unit: Thousands of yen)

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Carrying amount		
Balance at beginning of period	454,562,081	450,041,503
Amount of increase (decrease) during period	(4,520,578)	741,299
Balance at end of period	450,041,503	450,782,802
Fair value at end of period	572,160,000	577,590,000

(Note 1) The carrying amount is the amount after accumulated depreciation is deducted from the cost of acquisition.

(Note 2) Of the amount of increase (decrease) for rental properties during the 31st Fiscal Period, the amount of decrease is mainly attributable to the transfer of Daiwa Kyobashi (3,130 million yen) and depreciation (1,816 million yen). For the 32nd Fiscal Period, the amount of increase is mainly attributable to the acquisition of Kandabashi PR-EX (1,970 million yen) and the amount of decrease is mainly attributable to depreciation (1,808 million yen).

(Note 3) The fair value at end of period presents the appraisal value estimated by external real estate appraisers.

The income (loss) for investment and rental properties are as presented in the aforementioned “Notes to Statements of Income.”

[Notes to Segment Information, Etc.]

(1) Segment Information

Segment information has been omitted because the Investment Corporation has no segment except the property leasing business.

(2) Related Information

31st Fiscal Period [From: December 1, 2020 To: May 31, 2021]

① Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

② Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on balance sheets.

③ Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

32nd Fiscal Period [From: June 1, 2021 To: November 30, 2021]

① Information about products and services

Information about products and services has been omitted because net sales to external customers for one segment are in excess of 90% of the operating revenue on statements of income.

② Information about geographical areas

A. Net sales

Information about net sales has been omitted because net sales to external customers in Japan are in excess of 90% of the operating revenue on statements of income.

B. Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on balance sheets.

③ Information about major customers

Information about principal customers has been omitted because each net sales figure to a single external customer accounts for less than 10% of the operating revenue on statements of income.

[Notes to Per Unit Information]

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Net assets per unit	519,419 yen	519,655 yen
Net income per unit	15,412 yen	13,930 yen

(Note 1) Net income per unit is calculated by dividing net income by the average number of investment units during the period. The diluted net income per unit is not stated as there are no diluted investment units.

(Note 2) The basis for calculating the net income per unit is as follows.

	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	32nd Fiscal Period [From: June 1, 2021 To: Nov. 30, 2021]
Net income (Thousands of yen)	7,549,897	6,799,258
Amounts not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	7,549,897	6,799,258
Average number of investment units during the period (Units)	489,860	488,088

[Notes to Significant Subsequent Events]

① Acquisition and Transfer of Assets through Replacement

The Investment Corporation conducted the following acquisition and transfer of trust beneficiary interest in real estate through replacement on December 16, 2021.

Overview of Replacement

Scheduled date of conclusion of replacement agreement	October 20, 2021
Scheduled delivery date	December 16, 2021
The counterparties of the replacement	World Residential Co., Ltd. Nichimo Real Estate Co., Ltd.

Overview of the Acquired Asset

Asset name	Kandasudacho 2-Chome Development Site (land)
Type of asset	Trust beneficiary interest in domestic real estate
Location (lot number)	19-19, and 17 other parcels of land, Kanda Suda-cho 2-chome, Chiyoda-ku, Tokyo
Acquisition price	10,600 million yen (excluding acquisition expenses and consumption tax, etc.)
Seller	World Residential Co., Ltd. and Nichimo Real Estate Co., Ltd.

Overview of the Transferred Asset

Asset name	Daiwa Minami-Aoyama	Daiwa Kojimachi 4-chome
Type of asset	Trust beneficiary interest in domestic real estate	
Sale price (Note)	4,990 million yen	3,200 million yen
Purchaser	World Residential Co., Ltd.	

(Note) The sale price excludes settlement amounts of fixed asset tax and city planning tax, consumption tax, etc.

② Borrowing of Funds

On January 20, 2022, the Investment Corporation decided on borrowing of funds as described below. The funds were allocated to the acquisition of new property indicated in “①. Acquisition and Transfer of Assets through Replacement” above.

Details of Borrowing

Lender	Balance (million yen)	Interest rate	Borrowing date	Repayment method	Maturity
Sumitomo Mitsui Banking Corporation	1,000	3-month Japanese yen TIBOR+0.250% (Note)	January 31, 2022	Bullet payment / Unsecured	January 31, 2025
Sumitomo Mitsui Trust Bank, Ltd.	1,000	3-month Japanese yen TIBOR+0.200% (Note)			September 30, 2024
MUFG Bank, Ltd.	950	3-month Japanese yen TIBOR+0.250% (Note)			January 31, 2025
Shinsei Bank, Ltd.	500				

(Note) Interest payment date shall be the final day of February, May, August and November each year. (If any such date is not a business day, it will be the following business day. If such date falls within the next month, the preceding business day of the month will be the payment day.) Interest rate is calculated based on the 3-month Japanese yen TIBOR which the Japanese Bankers Association announces two business days prior to the first day of the applicable period.

2.10 Increase (Decrease) in Total Number of Investment Units Issued and Outstanding

Since capital increase, etc. was not conducted in the 32nd Fiscal Period, there is no change to unitholders' capital, etc.

The overview of total number of investment units issued and outstanding and capital increase (decrease) in unitholders' capital in the most recent five years up to the end of the 32nd Fiscal Period is as follows.

Date	Description	Total number of investment units issued and outstanding (Units)		Unitholders' capital, net (Millions of yen) (Note 1)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 31, 2018	Cancellation	(5,992)	491,877	(3,675)	247,876	(Note 2)
May 31, 2021	Cancellation	(3,789)	488,088	(2,782)	245,093	(Note 3)

(Note 1) Unitholders' capital, net = Unitholders' capital – Deduction from unitholders' capital

(Note 2) In the period from March 1, 2018, to May 18, 2018, the Investment Corporation acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company. The Investment Corporation cancelled all of the acquired own investment units (5,992 units) on May 31, 2018, based on the resolution at its board of directors' meeting held on May 28, 2018.

(Note 3) In the period from February 24, 2021, to May 14, 2021, the Investment Corporation acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company. The Investment Corporation cancelled all of the acquired own investment units (3,789 units) on May 31, 2021, based on the resolution at its board of directors' meeting held on May 26, 2021.

3. Reference Information

3.1. Investment Status

Type of asset	Use	Region	32nd Fiscal Period (As of November 30, 2021)	
			Total amount owned (Millions of yen) (Note 1)	As a percentage of total assets (%)
Real estate	Office	Five Central Wards of Tokyo (Note 2)	15,351	3.2
Trust beneficiary interest in real estate	Office	Five Central Wards of Tokyo (Note 2)	346,622	71.7
		Greater Tokyo (Note 3)	79,830	16.5
		Major Regional Cities (Note 4)	8,978	1.9
Subtotal			450,782	93.3
Deposits and other assets			32,497	6.7
Total amount of assets (Note 5)			483,279	100.0
			[450,782]	[93.3]

(Note 1) “Total amount owned” is the carrying amount (the book value after depreciation in the case of real estate and trust beneficiary interest in real estate).

(Note 2) “Five Central Wards of Tokyo” are Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards.

(Note 3) “Greater Tokyo” is Tokyo, Kanagawa, Chiba and Saitama Prefectures (excluding the Five Central Wards of Tokyo).

(Note 4) “Major Regional Cities” are the Osaka metropolitan area (Osaka, Kyoto and Hyogo Prefectures), Nagoya metropolitan area (Aichi, Mie and Gifu Prefectures), and ordinance-designated cities and core cities set forth in the Local Autonomy Act.

(Note 5) The figures in parentheses [] under “Total amount of assets” show the portion of the applicable asset that, in effect, corresponds to the holding of real estate properties. The amount of construction in progress (including construction in progress in trust) is not included in the amount of real estate and trust beneficiary interest in real estate.

3.2. Investment Real Estate Properties (As of November 30, 2021)

3.2.1. Price and Investment Ratio of Investment Real Estate Properties

Region	Property name	Type of specified asset	Acquisition price (Millions of yen) (Note 1)	Carrying amount (Millions of yen) (Note 2)	Estimated price at end of period (Millions of yen) (Note 3)	Investment ratio (%) (Note 4)
Five Central Wards of Tokyo	Daiwa Ginza	Real estate	14,100	12,629	17,900	3.0
	Daiwa Ginza Annex		3,050	2,722	3,970	0.7
	Daiwa Shibaura		8,265	8,005	8,430	1.8
	Daiwa Minami-Aoyama		4,550	4,376	4,740	1.0
	Daiwa Sarugakucho		3,190	3,083	4,260	0.7
	Daiwa A Hamamatsucho (Note 5)		2,865	2,689	3,970	0.6
	Daiwa Jingumae		2,800	2,654	3,130	0.6
	Daiwa Shibadaimon		2,578	2,335	4,060	0.6
	Daiwa Misakicho		2,346	2,096	3,120	0.5
	Daiwa Tsukijiekimae		1,560	1,231	2,310	0.3
	Daiwa Tsukiji		1,240	1,098	1,750	0.3
	Daiwa Tsukishima		7,840	6,563	10,800	1.7
	Daiwa Nihonbashi Horidomecho		2,520	2,365	3,030	0.5
	Daiwa Azabudai		1,600	1,466	1,950	0.3
	Daiwa Kojimachi 4-chome		2,910	2,808	2,920	0.6
	Shinjuku Maynds Tower (Note 5)		66,900	63,307	64,300	14.4
	Daiwa SHIBUYA EDGE		5,900	5,555	5,450	1.3
	Daiwa Kodenmacho	2,460	2,315	2,330	0.5	
	Daiwa Nishi-Shimbashi	5,000	4,573	7,370	1.1	
	Daiwa Kayabacho	5,600	5,114	8,280	1.2	
	Daiwa Jinbocho 3-chome	3,550	3,235	5,270	0.8	
	E SPACE TOWER	24,000	23,382	37,800	5.2	
	Daiwa Nihonbashi Hongokucho shinyon curumu	1,721	1,502	2,720	0.4	
	Daiwa Akasaka	9,200	10,055	15,500	2.0	
	Daiwa Shibuya Miyamasuzaka	7,000	7,248	13,300	1.5	
	Daiwa Azabu Terrace	14,000	13,779	18,800	3.0	
	Daiwa Ebisu 4-chome	4,135	4,151	6,440	0.9	
	LAQUAS Higashi Shinjuku	8,450	8,286	11,300	1.8	
	Daiwa Aoyama	9,800	9,965	12,300	2.1	
	Shinsen Place	4,800	4,883	6,800	1.0	
	Daiwa Shibuya Square	16,000	15,774	22,700	3.5	
	Daiwa River Gate	28,000	27,367	34,700	6.0	
	Daiwa Hatchobori ekimae	2,871	2,884	3,300	0.6	
	Daiwa Hatchobori ekimae West	1,647	1,702	1,970	0.4	
	Daiwa Nishi-Shinjuku	13,710	13,925	17,500	3.0	
	Kirin Nihonbashi	8,180	8,290	8,420	1.8	
	Daiwa Higashi-Nihonbashi	6,370	6,240	7,150	1.4	
	Daiwa Daikanyama	2,280	2,355	3,590	0.5	
	Daiwa Shinjuku West	942	989	1,280	0.2	
	Daiwa Kanda Mikuracho	1,592	1,612	1,850	0.3	
	Daiwa Kanda East	4,200	4,202	5,810	0.9	
	Daiwa Kandasudacho	2,295	2,381	2,820	0.5	
	Daiwa Sasazuka Tower	15,500	15,908	16,100	3.3	
	Daiwa Sasazuka	3,000	3,169	3,570	0.6	
	Daiwa Harumi	11,200	11,175	12,700	2.4	
	Daiwa Mita 2-Chome	2,635	1,577	4,150	0.6	
	Nihonbashi Central Square (Note 5)	3,521	3,605	3,820	0.8	
	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 6)	3,775	3,803	4,500	0.8	
	Kandabashi PR-EX	1,970	2,049	2,050	0.4	
	Total for Five Central Wards of Tokyo (50 properties)			373,268	361,974	468,780

Region	Property name	Type of specified asset	Acquisition price (Millions of yen) (Note 1)	Carrying amount (Millions of yen) (Note 2)	Estimated price at end of period (Millions of yen) (Note 3)	Investment ratio (%) (Note 4)
Greater Tokyo	Daiwa Higashi-Ikebukuro	Trust beneficiary interest in real estate	2,958	2,535	4,370	0.6
	Daiwa Shinagawa North		7,710	6,954	6,180	1.7
	Daiwa Kamiooka		2,000	1,788	2,900	0.4
	Daiwa Ogikubo Tower		15,220	16,098	23,200	3.3
	Daiwa Meguro Square		5,600	5,386	7,290	1.2
	Daiwa Ogikubo		3,800	3,975	4,830	0.8
	CONCURRED Yokohama (Note 5)		38,100	37,666	41,200	8.2
	Daiwa Shinagawa Gotenyama		2,500	2,586	2,880	0.5
	Daiwa Nakano-Sakaue		2,750	2,838	2,660	0.6
Total for Greater Tokyo (9 properties)			80,638	79,830	95,510	17.4
Major Regional Cities	Daiwa Kitahama	Trust beneficiary interest in real estate	9,481	8,978	13,300	2.0
Total for Major Regional Cities (1 property)			9,481	8,978	13,300	2.0
Total (60 properties)			463,388	450,782	577,590	100.0

(Note 1) "Acquisition price" is excluding acquisition costs, fixed property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) "Carrying amount" is the book value after depreciation as of November 30, 2021.

(Note 3) "Estimated price at end of period" is the price as of November 30, 2021, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 4) "Investment ratio" is the acquisition price of each property expressed as a percentage of the total amount of acquisition prices, rounded to one decimal place.

(Note 5) For Daiwa A Hamamatsucho, Shinjuku Maynds Tower, Nihonbashi Central Square and CONCURRED Yokohama, the figures are those pertaining to the Investment Corporation's ownership interest.

(Note 6) The Investment Corporation plans to develop an office building on the property, and the developed and completed building is scheduled to be delivered by November 2022.

3.2.2. Summary of Building and Leasing of Investment Real Estate

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa Ginza	SRC B3 / 12F	July 1963	8,114.93	8,106.30	23	99.8	449,452
	Daiwa Ginza Annex	SRC B3 / 8F	Aug. 1972	2,032.11	2,032.11	7	100.0	80,964
	Daiwa Shibaura	SRC B1 / 12F	Oct. 1987	9,619.67	9,578.76	56	99.5	267,971
	Daiwa Minami-Aoyama	S / SRC B2 / 5F	Sept. 1990	2,715.54	2,715.54	5	100.0	132,067
	Daiwa Sarugakuchō (Note 8)	SRC 8F	June 1985	3,657.43	3,657.43	2	100.0	(Not disclosed)
	Daiwa A Hamamatsuchō	SRC B2 / 10F	July 1993	3,663.38	3,663.38	12	100.0	137,378
	Daiwa Jingumae	RC B1 / 4F	Dec. 1997	2,198.61	2,198.61	4	100.0	72,023
	Daiwa Shibadaiimon	SRC / RC B1 / 7F	Nov. 1996	2,386.48	2,386.48	7	100.0	102,313
	Daiwa Misakichō (Note 8)	S 8F	July 1996	2,137.53	2,137.53	1	100.0	(Not disclosed)
	Daiwa Tsukijiekimae	SRC 10F	Jan. 1996	2,659.59	2,659.59	6	100.0	70,915
	Daiwa Tsukiji	SRC B1 / 7F	Jan. 1990	1,487.44	1,487.44	6	100.0	50,018
	Daiwa Tsukishima	S 5F	July 1996	8,425.69	8,425.69	4	100.0	282,380
	Daiwa Nihonbashi Horidomechō	SRC B2 / 7F	Apr. 1993	2,848.91	2,848.91	7	100.0	91,330
	Daiwa Azabudai	SRC B2 / 9F	Apr. 1984	1,697.88	1,697.88	11	100.0	49,264
	Daiwa Kojimachi 4-chōme	SRC B2 / 9F	Oct. 1987	2,695.31	2,695.31	7	100.0	91,185
	Shinjuku Maynds Tower (Note 9)	S / SRC B3 / 34F	Sept. 1995	22,768.41	22,335.67	38	98.0	1,363,175
	Daiwa SHIBUYA EDGE	RC B1 / 9F	Aug. 2006	2,480.65	1,833.79	4	73.9	119,201
	Daiwa Kodenmachō	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	67,951
	Daiwa Nishi-Shimbashi	SRC B1 / 10F	July 1993	4,815.84	4,815.84	11	100.0	182,760
	Daiwa Kayabachō (Note 8)	S / SRC B1 / 8F	Apr. 2010	5,899.11	5,899.11	1	100.0	(Not disclosed)
	Daiwa Jinbochō 3-chōme	S 9F	Feb. 2010	2,889.34	2,889.34	8	100.0	114,585
	E SPACE TOWER	S / SRC B1 / 15F	Oct. 2002	13,960.84	13,960.84	14	100.0	767,203
	Daiwa Nihonbashi Hongokuchō	S 8F	May 2010	2,143.08	2,143.08	6	100.0	75,678
	shinyon curumu	S / RC B2 / 11F	Jan. 2012	6,751.31	6,751.31	17	100.0	377,301
	Daiwa Akasaka	SRC B2 / 7F	Sept. 1990	8,751.27	7,180.28	14	82.0	301,012
	Daiwa Shibuya Miyamasuzaka	S B1 / 12F	Dec. 1988	6,328.28	6,280.84	8	99.2	265,104
	Daiwa Azabu Terrace	S / RC B1 / 6F	Sept. 2009	13,234.39	13,234.39	11	100.0	487,450
	Daiwa Ebisu 4-chōme (Note 8)	SRC B1 / 9F	Dec. 1997	2,951.70	2,951.70	1	100.0	(Not disclosed)
	LAQUAS Higashi Shinjuku	S 10F	Aug. 2010	7,498.33	7,498.33	4	100.0	233,767
	Daiwa Aoyama	S / RC B1 / 7F	Nov. 2001	4,426.10	4,426.10	7	100.0	254,569
Shinsen Place (Note 8)	RC B1 / 9F	Sept. 2001	2,811.35	2,811.35	1	100.0	(Not disclosed)	
Daiwa Shibuya Square	S / SRC B1 / 11F	Feb. 2004	8,566.73	8,300.74	9	96.8	478,581	

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Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa River Gate	S / SRC / RC B2 / 20F	Feb. 1994	32,046.93	29,685.48	93	92.6	881,896
	Daiwa Hatchobori ekimae	S / SRC B1 / 10F	Feb. 2006	2,622.42	2,622.42	10	100.0	83,174
	Daiwa Hatchobori ekimae West	SRC B1 / 9F	Feb. 1996	1,734.68	1,734.68	9	100.0	50,501
	Daiwa Nishi-Shinjuku	SRC / RC / S B2 / 11F	Aug. 1991	6,967.61	6,967.61	7	100.0	398,118
	Kirin Nihonbashi (Note 8)	S / SRC 7F	Feb. 1999	5,630.17	5,630.17	1	100.0	(Not disclosed)
	Daiwa Higashi-Nihonbashi	S 7F	Mar. 2008	5,015.88	5,015.88	5	100.0	180,820
	Daiwa Daikanyama (Note 8)	S 6F	Mar. 2001	1,642.83	1,642.83	1	100.0	(Not disclosed)
	Daiwa Shinjuku West	RC 4F	Mar. 1989	1,118.74	1,118.74	9	100.0	38,235
	Daiwa Kanda Mikuracho	SRC / S B1 / 7F	Jan. 1991	1,719.51	1,719.51	7	100.0	53,894
	Daiwa Kanda East	S 9F	Feb. 2005	3,980.56	3,980.56	5	100.0	132,073
	Daiwa Kandasudacho	S / RC B1 / 10F	Aug. 1990	2,211.64	2,211.64	7	100.0	68,534
	Daiwa Sasazuka Tower	SRC / RC / S B2 / 18F	Feb. 1993	16,158.16	16,158.16	7	100.0	455,098
	Daiwa Sasazuka	SRC / S B1 / 8F	Dec. 1991	3,828.95	3,828.95	9	100.0	91,751
	Daiwa Harumi	S B1 / 12F	Jan. 2008	11,227.10	11,227.10	7	100.0	344,542
	Daiwa Mita 2-Chome (Note 8)	S 8F	Mar. 2017	2,101.61	2,101.61	1	100.0	(Not disclosed)
	Nihonbashi Central Square (Note 10)	S 8F	Jan. 2010	1,837.05	1,837.05	10	100.0	91,679
	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 11)	—	—	—	—	—	—	—
	Kandabashi PR-EX	S B1 / 10F	Aug. 2009	1,224.00	970.60	10	79.2	12,818
Total for Five Central Wards of Tokyo (50 properties)				276,064.38	270,435.97	518	97.9	10,909,694
Greater Tokyo	Daiwa Higashi-Ikebukuro	SRC / S B1 / 9F	June 1993	4,462.28	4,462.28	9	100.0	140,560
	Daiwa Shinagawa North	SRC B1 / 11F	July 1991	6,546.03	6,235.34	14	95.2	172,104
	Daiwa Kamiooka	S / SRC B3 / 7F	May 2011	2,630.30	2,630.30	9	100.0	93,200
	Daiwa Ogikubo Tower (Note 12)	S / SRC B2 / 18F	June 1993	17,778.14	16,747.26	9	94.2	616,652
	Daiwa Meguro Square	S / SRC B2 / 14F	July 2009	3,519.50	3,313.71	15	94.1	168,815
	Daiwa Ogikubo	SRC B1 / 7F	Nov. 1990	3,849.63	3,849.63	11	100.0	125,091
	CONCURRED Yokohama (Note 13)	S / SRC B1 / 20F	Feb. 2008	28,052.98	27,618.80	36	98.4	1,054,418
	Daiwa Shinagawa Gotenyama	SRC / S 8F	July 1992	2,396.96	2,396.96	7	100.0	79,896
	Daiwa Nakano-Sakaue	SRC B1 / 8F	Jan. 1995	2,716.92	2,716.92	6	100.0	79,199
Total for Greater Tokyo (9 properties)				71,952.74	69,971.20	116	97.2	2,529,938
Major Regional Cities	Daiwa Kitahama	S / SRC B1 / 16F	Feb. 2008	13,517.62	13,517.62	7	100.0	406,787

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m ²) (Note 3)	Leased floor area (m ²) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Total for Major Regional Cities (1 property)				13,517.62	13,517.62	7	100.0	406,787
Total (60 properties)				361,534.74	353,924.79	641	97.8	13,846,420

(Note 1) “Structure and number of floors” are the entries in the real estate registry of the building of the applicable investment real estate property. “S” refers to steel-framed structure, “RC” refers to reinforced concrete structure, “SRC” refers to steel-framed reinforced concrete structure, “B” refers to floors below ground and “F” refers to floors above ground.

(Note 2) “Construction completion” is the entry in the real estate registry of the building of the applicable investment real estate property.

(Note 3) “Leasable floor area” represents the floor area of the building of the applicable property that is leasable, not including the leasable area of the land (including level parking space), and is the floor area indicated in the lease contract, etc. as of November 30, 2021.

(Note 4) “Leased floor area” is the sum total of the floor area that is actually leased based on lease agreements, etc. executed with end tenants as of November 30, 2021.

(Note 5) “Total number of tenants” is the number of end tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.

(Note 6) “Occupancy rate” is the figure arrived at when leased floor area is divided by leasable floor area, rounded down to one decimal place.

(Note 7) “Rent revenue during current period” is rent income, common area charges income, parking lot income and other income generated from the applicable investment real estate property (excluding other lease business revenue) during the 32nd Fiscal Period, rounded down to the nearest thousand yen.

(Note 8) Not shown for such reasons as consent was not obtained from major tenants to disclose the rent revenue during current period for the properties.

(Note 9) The real estate in trust pertaining to trust beneficiary interest held by the Investment Corporation is the co-ownership interest corresponding to three-sevenths of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to three-sevenths of the entire building.

(Note 10) The real estate in trust pertaining to trust beneficiary interest held by the Investment Corporation is the compartmentalized ownership building. Of the rent revenue, the Investment Corporation’s ownership ratio of revenue from the master lease business (rent income, etc.) is 183,715/301,220, based on the agreement, etc. among the compartmentalized co-owners of the property. Leasable floor area and leased floor area are figures corresponding to 183,715/301,220 of the area subject to the business while total number of tenants and occupancy rate are figures for the entirety of the area subject to the business.

(Note 11) The Investment Corporation plans to develop an office building on the property.

(Note 12) The buildings consist of three registrations. Of these, the details of the major building are shown here.

(Note 13) The real estate in trust pertaining to trust beneficiary interest held by the Investment Corporation is the quasi co-ownership interest corresponding to 75% of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to 75% of the entire building.

3.2.3. Capital Expenditures for Assets Under Management

A. Scheduled Capital Expenditures

The following are the principal capital expenditures arising from renovation construction work, etc. currently planned for existing portfolio properties. Please note that the expected construction amount includes portions that are expensed as a separate account item of accounting costs.

Name of real estate properties (Location)	Purpose	Scheduled implementation period	Expected construction amount (Millions of yen)		
			Total amount	Amount paid during current period	Total amount already paid
Daiwa Ginza (Chuo-ku, Tokyo)	Upgrading of air-conditioning facilities	From: Dec. 2021 To: May 2022	245	—	—
Daiwa Nakano-Sakaue (Nakano-ku, Tokyo)	Upgrading of air-conditioning facilities	From: Dec. 2021 To: May 2022	100	—	—
Daiwa River Gate (Chuo-ku, Tokyo)	Renovation of power receiving and transforming facility	From: Dec. 2021 To: May 2022	64	—	—
Daiwa River Gate (Chuo-ku, Tokyo)	Conversion to LED lighting at exclusive areas	From: Dec. 2021 To: May 2022	37	—	—
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation of air-conditioning facilities	From: Dec. 2021 To: May 2022	36	—	—

B. Capital Expenditures During the 32nd Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 32nd Fiscal Period for existing portfolio properties. Capital expenditures for the 32nd Fiscal Period amounted to 498 million yen and, when combined with the 166 million yen in repair expenses charged to the 32nd Fiscal Period expenses, totals 664 million yen in construction work implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (Millions of yen)
Daiwa Kayabacho (Chuo-ku, Tokyo)	Addition of humidifiers	From: June 2021 To: Sept. 2021	45
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation of air-conditioning facilities	From: Aug. 2021 To: Nov. 2021	32
Daiwa Ginza (Chuo-ku, Tokyo)	Upgrading of private power generation facilities	From: Oct. 2021 To: Oct. 2021	22
Other			398
Total			498

C. Reserve Amount for Long-Term Repair Plans (Reserve for Repairs)

The Investment Corporation sets aside the following reserve for repairs from cash flows during the fiscal period for the payment of future major repairs.

(Unit: Millions of yen)

Fiscal period	28th Fiscal Period	29th Fiscal Period	30th Fiscal Period	31st Fiscal Period	32nd Fiscal Period
	[From: June 1, 2019 To: Nov. 30, 2019]	[From: Dec. 1, 2019 To: May 31, 2020]	[From: June 1, 2020 To: Nov. 30, 2020]	[From: Dec. 1, 2020 To: May 31, 2021]	[From: June 1, 2021 To: Nov. 30, 2021]
Balance of reserve at beginning of current period	2,089	2,150	2,150	2,190	2,190
Amount of reserve in current period	61	—	40	—	—
Reversal of reserve in current period	—	—	—	—	965
Amount carried forward to next period	2,150	2,150	2,190	2,190	1,225

3.2.4. Summary of Estimated Price at End of Period (As of November 30, 2021)

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Ginza	17,900	18,100	3.3	17,600	3.1	3.5
Daiwa Ginza Annex	3,970	4,050	3.3	3,880	3.1	3.5
Daiwa Shibaura	8,430	8,370	3.9	8,450	3.7	4.1
Daiwa Minami-Aoyama	4,740	4,800	3.7	4,680	3.5	3.9
Daiwa Sarugakucho	4,260	4,320	4.2	4,190	4.0	4.4
Daiwa A Hamamatsucho (Note 2)	3,970	4,070	3.6	3,930	3.4	3.8
Daiwa Jingumae	3,130	3,200	3.6	3,060	3.4	3.8
Daiwa Shibadaimon	4,060	4,120	3.5	4,040	3.3	3.7
Daiwa Misakicho	3,120	3,170	3.8	3,100	3.6	4.0
Daiwa Tsukijiekimae (Note 3)	2,310	2,320	4.1	2,300	4.1	4.3
Daiwa Tsukiji	1,750	1,750	3.9	1,750	3.9	4.1
Daiwa Tsukishima	10,800	10,900	4.0	10,700	3.7	4.2
Daiwa Nihonbashi Horidomecho	3,030	3,050	3.8	3,010	3.6	4.0
Daiwa Azabudai	1,950	1,980	3.8	1,920	3.6	4.0
Daiwa Kojimachi 4-chome	2,920	2,960	3.5	2,870	3.3	3.7
Shinjuku Maynds Tower (Note 4)	64,300	152,000	3.1	147,000	2.9	3.3
Daiwa SHIBUYA EDGE	5,450	5,580	3.5	5,310	3.3	3.7
Daiwa Kodenmachi	2,330	2,370	4.0	2,290	3.8	4.2
Daiwa Nishi-Shimbashi	7,370	7,520	3.4	7,300	3.2	3.6
Daiwa Kayabacho	8,280	8,420	3.3	8,220	3.1	3.5
Daiwa Jinbocho 3-chome	5,270	5,380	3.3	5,220	3.1	3.5
E SPACE TOWER	37,800	38,700	2.9	36,900	2.7	3.1
Daiwa Nihonbashi Hongokucho	2,720	2,740	3.9	2,710	3.7	4.1
shinyon curumu	16,500	16,800	3.2	16,400	3.0	3.4
Daiwa Akasaka	15,500	15,900	3.2	15,300	3.0	3.4
Daiwa Shibuya Miyamasuzaka	13,300	13,600	3.2	13,000	3.0	3.4
Daiwa Azabu Terrace	18,800	19,200	3.4	18,400	3.2	3.6
Daiwa Ebisu 4-chome	6,440	6,450	3.6	6,440	3.7	3.8
LAQUAS Higashi Shinjuku	11,300	11,700	3.3	11,100	3.1	3.5
Daiwa Aoyama	12,300	12,600	3.2	12,200	3.0	3.4
Shinsen Place	6,800	6,970	3.3	6,730	3.2	3.5
Daiwa Shibuya Square	22,700	23,000	3.2	22,400	3.0	3.4
Daiwa River Gate	34,700	34,900	3.6	34,400	3.3	3.7
Daiwa Hatchobori ekimae	3,300	3,390	3.4	3,260	3.2	3.6
Daiwa Hatchobori ekimae West	1,970	2,030	3.5	1,950	3.3	3.7
Daiwa Nishi-Shinjuku	17,500	17,800	3.3	17,300	3.1	3.5
Kirin Nihonbashi	8,420	8,480	3.7	8,350	3.4	3.8

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Higashi-Nihonbashi	7,150	7,300	3.8	7,090	3.6	4.0
Daiwa Daikanyama (Note 5)	3,590	3,630	3.2	3,570	3.2	3.4
Daiwa Shinjuku West	1,280	1,290	3.8	1,270	3.6	4.0
Daiwa Kanda Mikuracho	1,850	1,840	3.8	1,850	3.8	4.0
Daiwa Kanda East	5,810	5,930	3.3	5,690	3.1	3.5
Daiwa Kandasudacho	2,820	2,880	3.6	2,790	3.6	3.8
Daiwa Sasazuka Tower	16,100	16,500	3.8	15,900	3.6	4.0
Daiwa Sasazuka	3,570	3,680	4.0	3,520	3.8	4.2
Daiwa Harumi	12,700	12,800	3.6	12,600	3.6	3.8
Daiwa Mita 2-Chome	4,150	4,220	3.6	4,070	3.4	3.8
Nihonbashi Central Square (Note 6)	3,820	3,900	3.4	3,730	3.2	3.6
Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 7)	4,500	—	—	—	—	—
Kandabashi PR-EX	2,050	2,130	3.4	2,010	3.2	3.6
Daiwa Higashi-Ikebukuro	4,370	4,430	4.0	4,340	3.8	4.2
Daiwa Shinagawa North	6,180	6,290	4.1	6,060	3.9	4.3
Daiwa Kamiooka	2,900	2,930	4.5	2,890	4.3	4.7
Daiwa Ogikubo Tower	23,200	23,500	3.6	23,100	3.4	3.8
Daiwa Meguro Square	7,290	7,460	3.5	7,210	3.3	3.7
Daiwa Ogikubo	4,830	4,910	3.9	4,790	3.7	4.1
CONCURRED Yokohama (Note 8)	41,200	42,300	4.2	40,700	4.0	4.4
Daiwa Shinagawa Gotenyama	2,880	2,930	3.9	2,860	3.7	4.1
Daiwa Nakano-Sakaue	2,660	2,760	4.0	2,610	3.7	4.2
Daiwa Kitahama	13,300	13,500	3.7	13,200	3.5	3.9
Total	577,590	669,800	—	649,510	—	—

(Note 1) “Estimated price at end of period” is the price as of November 30, 2021, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

(Note 2) For Daiwa A Hamamatsucho, the prices are those pertaining to the Investment Corporation’s ownership interest.

(Note 3) Discount rate for Daiwa Tsukijiekimae is the figure after the third fiscal year (4.0% up to the second fiscal year).

(Note 4) For Shinjuku Maynds Tower, the estimated price at end of period is the price pertaining to the Investment Corporation’s ownership interest, and the price indicated by the direct capitalization method and price indicated by the DCF method are the prices pertaining to the entire property.

(Note 5) Discount rate for Daiwa Daikanyama is the figure after the 11th fiscal year (3.3% up to the 10th fiscal year).

(Note 6) For Nihonbashi Central Square, the prices are those pertaining to the Investment Corporation’s ownership interest.

(Note 7) For Nihonbashi-Bakurocho 1-Chome Development Site (land), the estimated price at end of period is the income approach price indicated by the direct capitalization method (development leasing-type).

(Note 8) For CONCURRED Yokohama, the prices are those pertaining to the Investment Corporation’s ownership interest.

3.2.5. Status of Income (Loss), Etc. of Individual Properties

The following table lists the status of income (loss), etc. of each property for the 32nd Fiscal Period (from June 1, 2021, to November 30, 2021). Income (loss) information is presented in accordance with “2. Financial Statements; 2.7. Notes to Significant Accounting Policies” outlined earlier.

Region		Five Central Wards of Tokyo				
Property name		Daiwa Ginza	Daiwa Ginza Annex	Daiwa Shibaura	Daiwa Minami- Aoyama	Daiwa Sarugakucho (Note 3)
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (Millions of yen)	14,100	3,050	8,265	4,550	3,190
	Investment ratio (%)	3.0	0.7	1.8	1.0	0.7
	Carrying amount (Millions of yen)	12,629	2,722	8,005	4,376	3,083
	Estimated price at end of period (Millions of yen)	17,900	3,970	8,430	4,740	4,260
Leasing information	Total number of tenants (Note 1)	23	7	56	5	2
	Leasable floor area (m ²)	8,114.93	2,032.11	9,619.67	2,715.54	3,657.43
	Leased floor area (m ²)	8,106.30	2,032.11	9,578.76	2,715.54	3,657.43
	Occupancy rate (%)					
	End of Nov. 2019	99.4	100.0	99.5	100.0	100.0
	End of May 2020	99.4	100.0	97.9	100.0	100.0
	End of Nov. 2020	99.7	93.2	98.3	100.0	100.0
	End of May 2021	99.7	100.0	98.7	100.0	100.0
End of Nov. 2021	99.8	100.0	99.5	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	449,452	80,964	269,392	132,067	(Not disclosed)
	Rent revenue – real estate	449,452	80,964	267,971	132,067	(Not disclosed)
	Other lease business revenue	—	—	1,421	—	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	156,205	37,372	100,477	39,877	(Not disclosed)
	Consignment expenses	19,637	11,585	19,233	5,701	(Not disclosed)
	Utilities expenses	18,881	4,472	12,852	5,314	(Not disclosed)
	Taxes and dues	33,896	11,231	20,778	12,951	(Not disclosed)
	Non-life insurance expenses	538	125	484	186	(Not disclosed)
	Repair expenses	1,209	792	9,629	1,093	(Not disclosed)
	Depreciation (C)	65,552	8,853	37,500	14,631	(Not disclosed)
	Other lease business expenses	16,489	310	—	—	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	293,246	43,592	168,914	92,189	(Not disclosed)
	NOI (E) [(D) + (C)] (Thousands of yen)	358,799	52,446	206,414	106,821	99,044
Capital expenditures (F) (Thousands of yen)	22,780	1,624	3,959	977	564	
NCF [(E) – (F)] (Thousands of yen)	336,019	50,822	202,455	105,844	98,479	
Reference information	Expense rate (%) [(B) ÷ (A)]	34.75	46.16	37.30	30.19	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	67,778	22,317	41,022	25,594	14,071
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	400,440	80,790	302,630	184,613	96,757

Region		Five Central Wards of Tokyo				
Property name		Daiwa A Hamamatsucho	Daiwa Jingumae	Daiwa Shibadaimon	Daiwa Misakicho (Note 3)	Daiwa Tsukijiekimae
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Jan. 2006
Price information	Acquisition price (Millions of yen)	2,865	2,800	2,578	2,346	1,560
	Investment ratio (%)	0.6	0.6	0.6	0.5	0.3
	Carrying amount (Millions of yen)	2,689	2,654	2,335	2,096	1,231
	Estimated price at end of period (Millions of yen)	3,970	3,130	4,060	3,120	2,310
Leasing information	Total number of tenants (Note 1)	12	4	7	1	6
	Leasable floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,659.59
	Leased floor area (m ²)	3,663.38	2,198.61	2,386.48	2,137.53	2,659.59
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	78.5	100.0	100.0	100.0
	End of Nov. 2020	100.0	78.5	100.0	100.0	100.0
	End of May 2021	100.0	100.0	100.0	100.0	100.0
End of Nov. 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	137,378	72,023	102,313	(Not disclosed)	70,915
	Rent revenue – real estate	137,378	72,023	102,313	(Not disclosed)	70,915
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (Thousands of yen)	74,002	23,239	28,845	(Not disclosed)	27,047
	Consignment expenses	10,252	4,106	6,706	(Not disclosed)	3,841
	Utilities expenses	6,518	2,803	4,675	(Not disclosed)	3,528
	Taxes and dues	9,072	6,896	6,628	(Not disclosed)	5,265
	Non-life insurance expenses	230	102	149	(Not disclosed)	121
	Repair expenses	3,765	261	209	(Not disclosed)	134
	Depreciation (C)	14,762	9,063	10,476	(Not disclosed)	14,138
	Other lease business expenses	29,400	7	–	(Not disclosed)	18
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	63,375	48,784	73,467	(Not disclosed)	43,867
	NOI (E) [(D) + (C)] (Thousands of yen)	78,138	57,847	83,943	66,398	58,006
Capital expenditures (F) (Thousands of yen)	3,261	1,441	5,214	1,353	748	
NCF [(E) – (F)] (Thousands of yen)	74,876	56,405	78,729	65,045	57,257	
Reference information	Expense rate (%) [(B) ÷ (A)]	53.87	32.27	28.19	(Not disclosed)	38.14
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	17,988	13,792	12,920	10,641	10,498
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	103,380	99,700	87,656	114,585	79,450

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukiji	Daiwa Tsukishima	Daiwa Nihonbashi Horidomecho	Daiwa Azabudai	Daiwa Kojimachi 4-chome
Acquisition date		Jan. 2006	Mar. 2006	May 2006	May 2006	Oct. 2006
Price information	Acquisition price (Millions of yen)	1,240	7,840	2,520	1,600	2,910
	Investment ratio (%)	0.3	1.7	0.5	0.3	0.6
	Carrying amount (Millions of yen)	1,098	6,563	2,365	1,466	2,808
	Estimated price at end of period (Millions of yen)	1,750	10,800	3,030	1,950	2,920
Leasing information	Total number of tenants (Note 1)	6	4	7	11	7
	Leasable floor area (m ²)	1,487.44	8,425.69	2,848.91	1,697.88	2,695.31
	Leased floor area (m ²)	1,487.44	8,425.69	2,848.91	1,697.88	2,695.31
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
	End of May 2021	100.0	100.0	100.0	100.0	100.0
End of Nov. 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	52,162	282,380	91,330	49,264	91,185
	Rent revenue – real estate	50,018	282,380	91,330	49,264	91,185
	Other lease business revenue	2,143	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	18,503	97,596	35,096	20,334	43,270
	Consignment expenses	3,520	12,550	4,919	5,161	5,341
	Utilities expenses	1,982	9,336	3,845	2,142	5,230
	Taxes and dues	4,096	14,929	7,012	5,060	16,386
	Non-life insurance expenses	76	357	160	90	174
	Repair expenses	783	2,800	3,590	243	923
	Depreciation (C)	8,044	57,620	15,567	7,636	15,213
	Other lease business expenses	–	–	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	33,658	184,784	56,233	28,929	47,915
	NOI (E) [(D) + (C)] (Thousands of yen)	41,703	242,404	71,801	36,566	63,128
Capital expenditures (F) (Thousands of yen)	2,692	10,339	–	–	450	
NCF [(E) – (F)] (Thousands of yen)	39,011	232,065	71,801	36,566	62,678	
Reference information	Expense rate (%) [(B) ÷ (A)]	35.47	34.56	38.43	41.28	47.45
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	8,133	29,859	13,816	10,099	32,527
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	97,348	136,680	147,575	110,990	142,915

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Region		Five Central Wards of Tokyo				
Property name		Shinjuku Maynds Tower	Daiwa SHIBUYA EDGE	Daiwa Kodenmacho	Daiwa Nishi-Shimbashi	Daiwa Kayabacho (Note 3)
Acquisition date		July 2007 and Nov. 2007	July 2007	Aug. 2007	Aug. 2010	Mar. 2011
Price information	Acquisition price (Millions of yen)	66,900	5,900	2,460	5,000	5,600
	Investment ratio (%)	14.4	1.3	0.5	1.1	1.2
	Carrying amount (Millions of yen)	63,307	5,555	2,315	4,573	5,114
	Estimated price at end of period (Millions of yen)	64,300	5,450	2,330	7,370	8,280
Leasing information	Total number of tenants (Note 1)	38	4	8	11	1
	Leasable floor area (m ²)	22,768.41	2,480.65	2,379.31	4,815.84	5,899.11
	Leased floor area (m ²)	22,335.67	1,833.79	2,379.31	4,815.84	5,899.11
	Occupancy rate (%)					
	End of Nov. 2019	95.1	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
	End of May 2021	99.6	100.0	100.0	100.0	100.0
End of Nov. 2021	98.0	73.9	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	1,363,175	119,201	67,951	182,760	(Not disclosed)
	Rent revenue – real estate	1,363,175	119,201	67,951	182,760	(Not disclosed)
	Other lease business revenue	–	–	–	–	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	563,976	31,579	23,452	81,136	(Not disclosed)
	Consignment expenses	93,416	6,833	5,274	16,880	(Not disclosed)
	Utilities expenses	121,643	4,990	4,350	8,587	(Not disclosed)
	Taxes and dues	134,680	8,118	3,829	16,241	(Not disclosed)
	Non-life insurance expenses	2,329	130	116	297	(Not disclosed)
	Repair expenses	10,956	1,637	939	1,805	(Not disclosed)
	Depreciation (C)	199,993	9,867	8,120	37,317	(Not disclosed)
	Other lease business expenses	955	–	822	6	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	799,199	87,621	44,499	101,624	(Not disclosed)
	NOI (E) [(D) + (C)] (Thousands of yen)	999,193	97,489	52,619	138,941	147,698
Capital expenditures (F) (Thousands of yen)	46,312	1,079	1,336	1,601	45,685	
NCF [(E) – (F)] (Thousands of yen)	952,880	96,410	51,283	137,340	102,013	
Reference information	Expense rate (%) [(B) ÷ (A)]	41.37	26.49	34.51	44.40	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	266,565	16,236	7,658	32,230	25,515
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	5,834,950	45,350	84,051	178,710	138,850

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Jinbocho 3-chome	E SPACE TOWER	Daiwa Nihonbashi Hongokucho	shinyon curumu	Daiwa Akasaka
Acquisition date		Mar. 2011	July 2011	May 2012	Dec. 2012 and Apr. 2013	Aug. 2013
Price information	Acquisition price (Millions of yen)	3,550	24,000	1,721	9,650	9,200
	Investment ratio (%)	0.8	5.2	0.4	2.1	2.0
	Carrying amount (Millions of yen)	3,235	23,382	1,502	9,474	10,055
	Estimated price at end of period (Millions of yen)	5,270	37,800	2,720	16,500	15,500
Leasing information	Total number of tenants (Note 1)	8	14	6	17	14
	Leasable floor area (m ²)	2,889.34	13,960.84	2,143.08	6,751.31	8,751.27
	Leased floor area (m ²)	2,889.34	13,960.84	2,143.08	6,751.31	7,180.28
	Occupancy rate (%)					
	End of Nov. 2019	100.0	97.0	93.9	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	92.8	100.0	96.7	100.0
	End of May 2021	88.1	100.0	100.0	93.3	96.7
End of Nov. 2021	100.0	100.0	100.0	100.0	82.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	114,585	767,203	75,678	377,301	301,012
	Rent revenue – real estate	114,585	767,203	75,678	377,301	301,012
	Other lease business revenue	–	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	47,995	244,338	24,972	123,246	153,740
	Consignment expenses	10,534	61,199	3,490	27,691	32,846
	Utilities expenses	6,475	41,618	2,540	17,124	15,907
	Taxes and dues	9,921	62,049	4,549	37,898	35,353
	Non-life insurance expenses	154	798	94	408	525
	Repair expenses	1,026	5,482	870	1,958	8,704
	Depreciation (C)	19,883	73,117	13,426	38,165	60,402
	Other lease business expenses	–	72	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	66,590	522,865	50,706	254,055	147,272
	NOI (E) [(D) + (C)] (Thousands of yen)	86,474	595,983	64,132	292,220	207,675
Capital expenditures (F) (Thousands of yen)	120	34,468	360	3,275	35,658	
NCF [(E) – (F)] (Thousands of yen)	86,354	561,514	63,772	288,945	172,016	
Reference information	Expense rate (%) [(B) ÷ (A)]	41.89	31.85	33.00	32.67	51.07
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	19,809	124,052	9,087	75,768	70,633
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	98,780	696,050	50,940	166,089	327,392

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Shibuya Miyamasuzaka	Daiwa Azabu Terrace	Daiwa Ebisu 4-chome (Note 3)	LAQUAS Higashi Shinjuku	Daiwa Aoyama
Acquisition date		Sept. 2013	July 2014	Dec. 2014	Dec. 2014	Mar. 2015
Price information	Acquisition price (Millions of yen)	7,000	14,000	4,135	8,450	9,800
	Investment ratio (%)	1.5	3.0	0.9	1.8	2.1
	Carrying amount (Millions of yen)	7,248	13,779	4,151	8,286	9,965
	Estimated price at end of period (Millions of yen)	13,300	18,800	6,440	11,300	12,300
Leasing information	Total number of tenants (Note 1)	8	11	1	4	7
	Leasable floor area (m ²)	6,328.28	13,234.39	2,951.70	7,498.33	4,426.10
	Leased floor area (m ²)	6,280.84	13,234.39	2,951.70	7,498.33	4,426.10
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	85.9
End of May 2021	88.1	100.0	100.0	100.0	100.0	
End of Nov. 2021	99.2	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	265,104	487,450	(Not disclosed)	233,767	254,569
	Rent revenue – real estate	265,104	487,450	(Not disclosed)	233,767	254,569
	Other lease business revenue	–	–	(Not disclosed)	–	–
	Total property leasing expenses (B) (Thousands of yen)	83,917	157,522	(Not disclosed)	82,920	53,291
	Consignment expenses	20,199	30,042	(Not disclosed)	11,343	12,664
	Utilities expenses	9,932	36,304	(Not disclosed)	13,544	5,470
	Taxes and dues	23,377	33,702	(Not disclosed)	21,115	15,234
	Non-life insurance expenses	383	742	(Not disclosed)	375	192
	Repair expenses	2,433	2,700	(Not disclosed)	2,434	535
	Depreciation (C)	27,425	54,029	(Not disclosed)	33,949	19,194
	Other lease business expenses	165	–	(Not disclosed)	158	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	181,186	329,927	(Not disclosed)	150,846	201,277
NOI (E) [(D) + (C)] (Thousands of yen)	208,612	383,956	140,681	184,795	220,471	
Capital expenditures (F) (Thousands of yen)	4,066	–	250	3,133	416	
NCF [(E) – (F)] (Thousands of yen)	204,545	383,956	140,431	181,662	220,055	
Reference information	Expense rate (%) [(B) ÷ (A)]	31.65	32.32	(Not disclosed)	35.47	20.93
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	46,705	67,093	19,334	41,980	30,469
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	457,625	491,112	98,692	162,700	175,290

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Region		Five Central Wards of Tokyo				
Property name		Shinsen Place (Note 3)	Daiwa Shibuya Square	Daiwa River Gate	Daiwa Hatchobori ekimae	Daiwa Hatchobori ekimae West
Acquisition date		Mar. 2015	May 2015	June 2015	Sept. 2015	Sept. 2015
Price information	Acquisition price (Millions of yen)	4,800	16,000	28,000	2,871	1,647
	Investment ratio (%)	1.0	3.5	6.0	0.6	0.4
	Carrying amount (Millions of yen)	4,883	15,774	27,367	2,884	1,702
	Estimated price at end of period (Millions of yen)	6,800	22,700	34,700	3,300	1,970
Leasing information	Total number of tenants (Note 1)	1	9	93	10	9
	Leasable floor area (m ²)	2,811.35	8,566.73	32,046.93	2,622.42	1,734.68
	Leased floor area (m ²)	2,811.35	8,300.74	29,685.48	2,622.42	1,734.68
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	98.9	100.0	100.0
	End of May 2020	100.0	100.0	99.4	100.0	100.0
	End of Nov. 2020	100.0	100.0	96.4	100.0	95.8
	End of May 2021	100.0	100.0	83.4	100.0	100.0
End of Nov. 2021	100.0	96.8	92.6	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	(Not disclosed)	478,581	886,598	83,174	50,501
	Rent revenue – real estate	(Not disclosed)	478,581	881,896	83,174	50,501
	Other lease business revenue	(Not disclosed)	–	4,701	–	–
	Total property leasing expenses (B) (Thousands of yen)	(Not disclosed)	99,710	492,928	36,814	16,759
	Consignment expenses	(Not disclosed)	22,887	139,714	8,969	4,403
	Utilities expenses	(Not disclosed)	20,449	100,915	5,705	2,283
	Taxes and dues	(Not disclosed)	28,731	102,325	9,270	4,260
	Non-life insurance expenses	(Not disclosed)	467	2,112	159	82
	Repair expenses	(Not disclosed)	824	9,244	1,741	724
	Depreciation (C)	(Not disclosed)	26,350	138,614	10,967	5,004
	Other lease business expenses	(Not disclosed)	–	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	(Not disclosed)	378,870	393,670	46,359	33,742
	NOI (E) [(D) + (C)] (Thousands of yen)	124,759	405,220	532,285	57,327	38,746
Capital expenditures (F) (Thousands of yen)	851	2,140	18,762	10,575	5,038	
NCF [(E) – (F)] (Thousands of yen)	123,908	403,080	513,523	46,752	33,708	
Reference information	Expense rate (%) [(B) ÷ (A)]	(Not disclosed)	20.83	55.60	44.26	33.19
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	17,188	56,961	200,111	18,352	8,457
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	178,610	234,380	2,001,250	159,500	91,420

Region		Five Central Wards of Tokyo				
Property name		Daiwa Nishi-Shinjuku	Kirin Nihonbashi (Note 3)	Daiwa Higashi- Nihonbashi	Daiwa Daikanyama (Note 3)	Daiwa Shinjuku West
Acquisition date		Mar. 2016	May 2016	June 2016	June 2016	July 2016
Price information	Acquisition price (Millions of yen)	13,710	8,180	6,370	2,280	942
	Investment ratio (%)	3.0	1.8	1.4	0.5	0.2
	Carrying amount (Millions of yen)	13,925	8,290	6,240	2,355	989
	Estimated price at end of period (Millions of yen)	17,500	8,420	7,150	3,590	1,280
Leasing information	Total number of tenants (Note 1)	7	1	5	1	9
	Leasable floor area (m ²)	6,967.61	5,630.17	5,015.88	1,642.83	1,118.74
	Leased floor area (m ²)	6,967.61	5,630.17	5,015.88	1,642.83	1,118.74
	Occupancy rate (%)					
	End of Nov. 2019	90.5	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
	End of May 2021	100.0	100.0	100.0	100.0	100.0
End of Nov. 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	398,118	(Not disclosed)	180,820	(Not disclosed)	38,235
	Rent revenue – real estate	398,118	(Not disclosed)	180,820	(Not disclosed)	38,235
	Other lease business revenue	–	(Not disclosed)	–	(Not disclosed)	–
	Total property leasing expenses (B) (Thousands of yen)	91,848	(Not disclosed)	57,342	(Not disclosed)	13,796
	Consignment expenses	15,210	(Not disclosed)	7,247	(Not disclosed)	3,305
	Utilities expenses	15,246	(Not disclosed)	9,017	(Not disclosed)	2,369
	Taxes and dues	38,904	(Not disclosed)	11,672	(Not disclosed)	3,128
	Non-life insurance expenses	383	(Not disclosed)	249	(Not disclosed)	50
	Repair expenses	1,467	(Not disclosed)	1,124	(Not disclosed)	2,682
	Depreciation (C)	20,634	(Not disclosed)	28,001	(Not disclosed)	2,259
	Other lease business expenses	–	(Not disclosed)	30	(Not disclosed)	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	306,269	(Not disclosed)	123,478	(Not disclosed)	24,438
	NOI (E) [(D) + (C)] (Thousands of yen)	326,904	161,295	151,479	66,702	26,698
Capital expenditures (F) (Thousands of yen)	27,405	–	6,713	–	5,469	
NCF [(E) – (F)] (Thousands of yen)	299,499	161,295	144,765	66,702	21,228	
Reference information	Expense rate (%) [(B) ÷ (A)]	23.07	(Not disclosed)	31.71	(Not disclosed)	36.08
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	77,393	22,088	23,149	11,029	6,254
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	252,590	116,090	157,360	60,548	59,380

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Region		Five Central Wards of Tokyo				
Property name		Daiwa Kanda Mikuracho	Daiwa Kanda East	Daiwa Kandasudacho	Daiwa Sasazuka Tower	Daiwa Sasazuka
Acquisition date		Dec. 2016	Jan. 2018	June 2018 and Nov. 2018	Oct. 2018	Dec. 2018
Price information	Acquisition price (Millions of yen)	1,592	4,200	2,295	15,500	3,000
	Investment ratio (%)	0.3	0.9	0.5	3.3	0.6
	Carrying amount (Millions of yen)	1,612	4,202	2,381	15,908	3,169
	Estimated price at end of period (Millions of yen)	1,850	5,810	2,820	16,100	3,570
Leasing information	Total number of tenants (Note 1)	7	5	7	7	9
	Leasable floor area (m ²)	1,719.51	3,980.56	2,211.64	16,158.16	3,828.95
	Leased floor area (m ²)	1,719.51	3,980.56	2,211.64	16,158.16	3,828.95
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	100.0	92.7
	End of May 2020	100.0	100.0	100.0	100.0	95.1
	End of Nov. 2020	100.0	100.0	97.6	100.0	100.0
End of May 2021	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	53,894	132,073	68,534	455,098	91,751
	Rent revenue – real estate	53,894	132,073	68,534	455,098	91,751
	Other lease business revenue	—	—	—	—	—
	Total property leasing expenses (B) (Thousands of yen)	15,420	55,076	27,308	224,257	42,684
	Consignment expenses	4,114	16,922	10,167	51,156	7,808
	Utilities expenses	2,227	7,452	3,467	50,496	8,901
	Taxes and dues	3,492	10,389	4,525	54,699	8,975
	Non-life insurance expenses	68	182	86	955	175
	Repair expenses	167	1,452	3,068	10,407	3,924
	Depreciation (C)	5,350	18,676	5,982	56,542	12,899
	Other lease business expenses	—	—	11	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	38,474	76,996	41,226	230,841	49,066
NOI (E) [(D) + (C)] (Thousands of yen)	43,824	95,673	47,208	287,383	61,965	
Capital expenditures (F) (Thousands of yen)	5,156	3,700	17,136	42,540	12,359	
NCF [(E) – (F)] (Thousands of yen)	38,668	91,973	30,071	244,843	49,606	
Reference information	Expense rate (%) [(B) ÷ (A)]	28.61	41.70	39.85	49.28	46.52
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	6,943	20,507	8,949	109,343	17,823
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	74,026	133,611	76,730	718,270	129,490

Region		Five Central Wards of Tokyo				
Property name		Daiwa Harumi	Daiwa Mita 2-Chome (Note 3)	Nihonbashi Central Square	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 4)	Kandabashi PR-EX
Acquisition date		Feb. 2019	July 2019	May 2020	Nov. 2020	Sept. 2021
Price information	Acquisition price (Millions of yen)	11,200	2,635	3,521	3,775	1,970
	Investment ratio (%)	2.4	0.6	0.8	0.8	0.4
	Carrying amount (Millions of yen)	11,175	1,577	3,605	3,803	2,049
	Estimated price at end of period (Millions of yen)	12,700	4,150	3,820	4,500	2,050
Leasing information	Total number of tenants (Note 1)	7	1	10	—	10
	Leasable floor area (m ²)	11,227.10	2,101.61	1,837.05	—	1,224.00
	Leased floor area (m ²)	11,227.10	2,101.61	1,837.05	—	970.60
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	—	—	—
	End of May 2020	100.0	100.0	100.0	—	—
	End of Nov. 2020	100.0	100.0	100.0	—	—
End of May 2021	100.0	100.0	100.0	—	—	
End of Nov. 2021	100.0	100.0	100.0	—	79.2	
Income (loss) information	Number of days of asset management	183	183	183	183	63
	Total property leasing revenue (A) (Thousands of yen)	344,542	(Not disclosed)	91,679	—	17,208
	Rent revenue – real estate	344,542	(Not disclosed)	91,679	—	12,818
	Other lease business revenue	—	(Not disclosed)	—	—	4,389
	Total property leasing expenses (B) (Thousands of yen)	137,199	(Not disclosed)	24,669	—	7,675
	Consignment expenses	31,327	(Not disclosed)	5,759	—	1,413
	Utilities expenses	21,063	(Not disclosed)	3,857	—	320
	Taxes and dues	27,292	(Not disclosed)	5,743	—	11
	Non-life insurance expenses	543	(Not disclosed)	93	—	17
	Repair expenses	543	(Not disclosed)	771	—	3,910
	Depreciation (C)	35,891	(Not disclosed)	8,425	—	1,967
	Other lease business expenses	20,538	(Not disclosed)	18	—	36
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	207,342	(Not disclosed)	67,009	—	9,532
NOI (E) [(D) + (C)] (Thousands of yen)	243,233	79,969	75,434	—	11,499	
Capital expenditures (F) (Thousands of yen)	3,569	639	—	—	150	
NCF [(E) – (F)] (Thousands of yen)	239,663	79,329	75,434	—	11,349	
Reference information	Expense rate (%) [(B) ÷ (A)]	39.82	(Not disclosed)	26.91	—	44.60
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	54,160	17,836	11,438	—	—
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	253,020	5,360	134,280	—	34,848

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Region		Greater Tokyo				
Property name		Daiwa Higashi-Ikebukuro	Daiwa Shinagawa North	Daiwa Kamiooka	Daiwa Ogikubo Tower	Daiwa Meguro Square
Acquisition date		Oct. 2005	July 2007	Mar. 2013	May 2014	May 2015
Price information	Acquisition price (Millions of yen)	2,958	7,710	2,000	15,220	5,600
	Investment ratio (%)	0.6	1.7	0.4	3.3	1.2
	Carrying amount (Millions of yen)	2,535	6,954	1,788	16,098	5,386
	Estimated price at end of period (Millions of yen)	4,370	6,180	2,900	23,200	7,290
Leasing information	Total number of tenants (Note 1)	9	14	9	9	15
	Leasable floor area (m ²)	4,462.28	6,546.03	2,630.30	17,778.14	3,519.50
	Leased floor area (m ²)	4,462.28	6,235.34	2,630.30	16,747.26	3,313.71
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
	End of May 2021	100.0	95.2	100.0	94.2	100.0
End of Nov. 2021	100.0	95.2	100.0	94.2	94.1	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	140,560	172,104	93,200	616,652	168,815
	Rent revenue – real estate	140,560	172,104	93,200	616,652	168,815
	Other lease business revenue	–	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	56,847	87,814	38,201	285,186	59,277
	Consignment expenses	11,046	19,457	5,629	54,026	12,461
	Utilities expenses	9,354	10,684	6,690	53,614	7,696
	Taxes and dues	8,328	18,815	6,338	43,725	13,780
	Non-life insurance expenses	279	413	145	1,056	209
	Repair expenses	2,633	1,671	1,220	1,273	1,472
	Depreciation (C)	25,205	36,762	18,178	131,370	23,657
	Other lease business expenses	–	9	–	120	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	83,713	84,289	54,998	331,465	109,537
	NOI (E) [(D) + (C)] (Thousands of yen)	108,918	121,052	73,176	462,835	133,194
Capital expenditures (F) (Thousands of yen)	9,170	1,773	443	16,520	539	
NCF [(E) – (F)] (Thousands of yen)	99,747	119,279	72,733	446,315	132,655	
Reference information	Expense rate (%) [(B) ÷ (A)]	40.44	51.02	40.99	46.25	35.11
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	16,589	36,969	12,676	87,079	27,276
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	294,300	441,710	63,700	575,795	122,800

Region		Greater Tokyo				Major Regional Cities
Property name		Daiwa Ogikubo	CONCURRED Yokohama	Daiwa Shinagawa Gotenyama	Daiwa Nakano-Sakaue	Daiwa Kitahama
Acquisition date		July 2016	Jan. 2018	Sept. 2018	Dec. 2019	Aug. 2014
Price information	Acquisition price (Millions of yen)	3,800	38,100	2,500	2,750	9,481
	Investment ratio (%)	0.8	8.2	0.5	0.6	2.0
	Carrying amount (Millions of yen)	3,975	37,666	2,586	2,838	8,978
	Estimated price at end of period (Millions of yen)	4,830	41,200	2,880	2,660	13,300
Leasing information	Total number of tenants (Note 1)	11	36	7	6	7
	Leasable floor area (m ²)	3,849.63	28,052.98	2,396.96	2,716.92	13,517.62
	Leased floor area (m ²)	3,849.63	27,618.80	2,396.96	2,716.92	13,517.62
	Occupancy rate (%)					
	End of Nov. 2019	100.0	100.0	100.0	—	100.0
	End of May 2020	100.0	98.4	100.0	100.0	100.0
	End of Nov. 2020	100.0	99.7	100.0	100.0	100.0
End of May 2021	100.0	99.0	100.0	100.0	100.0	
End of Nov. 2021	100.0	98.4	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	125,091	1,054,418	79,896	102,487	406,787
	Rent revenue – real estate	125,091	1,054,418	79,896	79,199	406,787
	Other lease business revenue	—	—	—	23,288	—
	Total property leasing expenses (B) (Thousands of yen)	43,479	340,725	20,769	30,047	155,756
	Consignment expenses	14,454	56,506	4,845	7,142	26,977
	Utilities expenses	4,961	75,760	3,430	5,830	34,657
	Taxes and dues	8,204	57,798	5,528	7,072	34,459
	Non-life insurance expenses	174	788	109	148	730
	Repair expenses	4,176	33,077	1,771	1,099	1,589
	Depreciation (C)	11,507	116,794	5,083	8,738	57,245
	Other lease business expenses	—	—	—	16	96
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	81,611	713,693	59,126	72,440	251,030
NOI (E) [(D) + (C)] (Thousands of yen)	93,118	830,488	64,210	81,178	308,276	
Capital expenditures (F) (Thousands of yen)	21,390	20,792	22,499	2,048	7,480	
NCF [(E) – (F)] (Thousands of yen)	71,727	809,695	41,710	79,130	300,796	
Reference information	Expense rate (%) [(B) ÷ (A)]	34.76	32.31	26.00	29.32	38.29
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	16,327	115,596	11,012	13,874	68,918
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	121,620	718,980	102,564	193,251	275,080

(Note 1) Total number of tenants is the number of end tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.

(Note 2) Estimated long-term repair expenses are the total amount of repair expenses and renewal expenses estimated to arise over the 12-year period from the first year to the twelfth year as stated in the building investigation diagnosis report.

(Note 3) Not disclosed for such reasons as consent was not obtained from major tenants to disclose the rent revenue, etc. for the property.

(Note 4) For Nihonbashi-Bakurocho 1-Chome Development Site (land), the plan is to develop an office building on the property.