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REIT Financial Report for the 38th Fiscal Period

January 22, 2025

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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 38th Fiscal Period

38th Fiscal Period: Fiscal period ended November 2024 (from June 1, 2024 to November 30, 2024)

(1) Management Status

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

	Operating revenue		Operating income		Ordinary income		Net income	
38th Period	¥15,215 million	(12.1%)	¥7,973 million	16.0%	¥7,164 million	15.3%	¥7,163 million	15.3%
37th Period	¥13,570 million	(0.6%)	¥6,871 million	1.8%	¥6,215 million	1.0%	¥6,214 million	0.4%

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
38th Period	¥7,545	2.9%	1.5%	47.1%
37th Period	¥6,496	2.5%	1.3%	45.8%

(Note 1) Net income per unit is calculated using the following average number of investment units during the period.
 38th Fiscal Period: 949,417 units; 37th Fiscal Period: 956,516 units

(Note 2) The Investment Corporation conducted a 2-for-1 investment unit split with May 31, 2024, as the record date and June 1, 2024, as the effective date. Net income per unit is calculated based on the assumption that said investment unit split was conducted at the beginning of the 37th Fiscal Period.

(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
38th Period	¥6,920	¥6,549 million	¥-	¥- million	91.4%	2.7%
37th Period	¥13,700	¥6,552 million	¥-	¥- million	105.4%	2.6%

(Note) Distribution amount per unit for the 38th Fiscal Period is calculated by dividing the entire amount remaining after deducting provision of reserve for reduction entry (¥614 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. Furthermore, as dividend payout for the 38th Fiscal Period is affected by the acquisition and cancellation of own investment units during the fiscal period under review, payout is calculated by using the formula below, rounded to one decimal place.

Dividend payout = Total distribution amount (excluding distribution amount in excess of earnings) ÷ Net income x 100
 Distribution amount per unit for the 37th Fiscal Period is calculated by dividing ¥6,552 million, the total distribution amount considering the reversal of part of internal reserves of ¥337 million (¥337 million of reserve for reduction entry) 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.

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
38th Period	¥491,237 million	¥244,968 million	49.9%	¥258,831
37th Period	¥488,526 million	¥247,342 million	50.6%	¥258,587

(Note) The Investment Corporation conducted a 2-for-1 investment unit split with May 31, 2024, as the record date and June 1, 2024, as the effective date. Net assets per unit are calculated based on the assumption that said investment unit split was conducted at the beginning of the 37th Fiscal Period.

(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
38th Period	¥10,844 million	(¥1,785 million)	(¥4,580 million)	¥33,305 million
37th Period	¥8,201 million	(¥9,127 million)	¥47 million	¥28,826 million

2. Management Status Forecasts for the 39th Fiscal Period and Management Status Forecasts for the 40th Fiscal Period

39th Fiscal Period: Fiscal period ending May 2025 (from December 1, 2024 to May 31, 2025)

40th Fiscal Period: Fiscal period ending November 2025 (from June 1, 2025 to November 30, 2025)

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

	Operating revenue		Operating income		Ordinary income		Net income	
39th Period	¥15,097 million	(0.8%)	¥7,850 million	(1.5%)	¥6,886 million	(3.9%)	¥6,885 million	(3.9%)
40th Period	¥15,007 million	(0.6%)	¥7,596 million	(3.2%)	¥6,550 million	(4.9%)	¥6,549 million	(4.9%)

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit
39th Period	¥6,920	¥-
40th Period	¥6,920	¥-

(Reference) Estimated net income per unit for the 39th Fiscal Period: ¥7,275; 40th Fiscal Period: ¥6,920

(Note) The distribution amount per unit for the 39th Fiscal Period is calculated based on the assumption that the amount after deducting the amount of provision of reserve for reduction entry (¥336 million) from unappropriated retained earnings will be distributed. Provision of reserve for reduction entry may change depending on management status.

○Table of Contents

1. Management Status	2
1.1. Management Status.....	2
1.1.1. Overview of the Fiscal Period Under Review	2
1.1.2. Outlook for the Next Fiscal Period	6
1.2. Investment Risks.....	10
2. Financial Statements	11
2.1. Balance Sheets.....	11
2.2. Statements of Income	13
2.3. Statements of Unitholders' Equity.....	14
2.4. Statements of Cash Distributions.....	16
2.5. Statements of Cash Flows.....	17
2.6. Notes to the Going Concern	18
2.7. Notes to Significant Accounting Policies	18
2.8. Notes to Financial Statements.....	20
2.9. Increase (Decrease) in Total Number of Investment Units Issued and Outstanding	29
3. Reference Information.....	30
3.1. Investment Status.....	30
3.2. Investment Real Estate Properties (As of November 30, 2024)	31
3.2.1. Price and Investment Ratio of Investment Real Estate Properties	31
3.2.2. Summary of Building and Leasing of Investment Real Estate	33
3.2.3. Capital Expenditures for Assets Under Management	36
3.2.4. Summary of Estimated Price at End of Period (As of November 30, 2024)	37
3.2.5. Status of Income (Loss), Etc. of Individual Properties	39

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 470,653 million yen as of the last day of November 2024.

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 grew and the real GDP growth rate (Second Preliminary Estimates) for July to September 2024 sat at an annual rate of +1.2%, registering positive growth for two consecutive quarters. While a restrained demand for services was observed due to concerns about a large-scale earthquake disaster, continued recovery of consumer spending against the backdrop of improved income conditions due to large wage increases from the spring wage negotiations and increased summer bonuses contributed to overall positive growth.

In the office building leasing market in central Tokyo, the average vacancy rate fell to about the 4% range in August 2024, last observed in January 2021, and was 4.16% as of the end of November 2024 (Miki Shoji’s average vacancy rate for the five central wards of Tokyo). Corporate demand for office space continues to be on the rise such as floor expansion within the same building due to business expansion and relocation for improving office environment to secure human resources. Rent levels have also entered a recovery phase due to a declining vacancy rate.

On the other hand, in the office building transaction market, the property acquisition appetite among domestic and overseas investors is expected to remain strong despite no major changes in the financing environment following the Bank of Japan’s monetary policy change. Nevertheless, future developments warrant close monitoring.

b. Management Performance

During the fiscal period under review, 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, with respect to the Kandasudacho 2-Chome Development Project, for which land for development was acquired in December 2021, the Investment Corporation completed the development project in June 2024 and acquired the completed building, Daiwa Akihabara. As for Daiwa Tsukishima, it was decided that divestment of the property would occur over three fiscal periods (the 38th Fiscal Period, the 39th Fiscal Period (ending May 2025), and the 40th Fiscal Period (ending November 2025)), and a divestment of 40% quasi co-ownership interest pertaining to trust beneficiary interest was conducted in November 2024. As a result, the Investment Corporation’s assets under management as of the end of the 38th Fiscal Period (November 30, 2024) totaled 59 properties, the sum total of acquisition prices of which amounted to 470,653 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 38th Fiscal Period (November 30, 2024) was 97.7%.

C. Overview of Capital Procurement

a. Procurement of Capital for Acquisition of New Properties, Repayment of Borrowings, and Redemption of Investment Corporation Bonds

In the 38th Fiscal Period, the Investment Corporation conducted the following borrowing activities and issuance of investment corporation bonds to fund the acquisition of new properties, repayment of borrowings, and redemption of investment corporation bonds.

- (i) The Investment Corporation took out loans totaling 4,500 million yen on July 31, 2024, from Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, and SBI Shinsei Bank, Limited to fund the acquisition of Daiwa Akihabara which was newly acquired on June 28, 2024.

- (ii) The Investment Corporation implemented the issuance of the Ninth Series Unsecured Investment Corporation Bonds (2,200 million yen) and Tenth Series Unsecured Investment Corporation Bonds (1,600 million yen) on August 19, 2024, to fund the redemption of the Fourth Series Unsecured Investment Corporation Bonds (2,100 million yen) and Fifth Series Unsecured Investment Corporation Bonds (1,700 million yen) due for redemption on September 12, 2024.
- (iii) The Investment Corporation took out loans totaling 6,000 million yen from Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Aozora Bank, Ltd, and Daishi Hokuetsu Bank, Ltd. on August 30, 2024, and allocated them as described below.
- Funds for the prepayment of loans totaling 5,500 million yen from Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. due for repayment on the same day.
 - Funds for the acquisition of Daiwa Akihabara newly acquired on June 28, 2024.
- (iv) The Investment Corporation took out a loan of 1,000 million yen from Sumitomo Mitsui Trust Bank, Limited on September 30, 2024, to fund the repayment of the same amount borrowed from the same bank due for repayment on the same day.
- (v) The Investment Corporation took out loans totaling 8,300 million yen from Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., and SBI Shinsei Bank, Limited on November 29, 2024, to fund repayment of the same amount borrowed from the same three banks due for repayment on the same day.
- 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 38th Fiscal Period (November 30, 2024) stood at 219,400 million yen in total (long-term loans payable: 210,400 million yen; investment corporation bonds: 9,000 million yen). The balance of the current portion of long-term loans payable stood at 23,000 million yen, and that of current portion of investment corporation bonds stood at 1,500 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 38th Fiscal Period stands at 4.4 years.

List of Borrowings in the 38th Fiscal Period

Lender	Loan amount (Millions of yen)	Drawdown date	Repayment date	Loan period (Years)
Sumitomo Mitsui Banking Corporation	1,600	July 31, 2024	January 31, 2033	8.5
Sumitomo Mitsui Trust Bank, Limited	1,450	July 31, 2024	July 30, 2032	8.0
SBI Shinsei Bank, Limited	1,000	July 31, 2024	July 30, 2032	8.0
SBI Shinsei Bank, Limited	450	July 31, 2024	May 31, 2029	4.8
Sumitomo Mitsui Banking Corporation	1,500	August 30, 2024	August 31, 2032	8.0
Aozora Bank, Ltd	1,000	August 30, 2024	February 27, 2032	7.5
MUFG Bank, Ltd.	2,500	August 30, 2024	August 31, 2029	5.0
Daishi Hokuetsu Bank, Ltd.	500	August 30, 2024	August 31, 2029	5.0
Daishi Hokuetsu Bank, Ltd.	500	August 30, 2024	August 31, 2029	5.0
Sumitomo Mitsui Trust Bank, Limited	1,000	September 30, 2024	September 30, 2032	8.0
Development Bank of Japan Inc.	2,000	November 29, 2024	November 30, 2032	8.0
SBI Shinsei Bank, Limited	2,000	November 29, 2024	November 30, 2032	8.0
Sumitomo Mitsui Trust Bank, Limited	1,300	November 29, 2024	November 30, 2032	8.0
Sumitomo Mitsui Trust Bank, Limited	2,000	November 29, 2024	November 29, 2030	6.0
Development Bank of Japan Inc.	1,000	November 29, 2024	November 29, 2030	6.0

Details of the Ninth and Tenth Series Unsecured Investment Corporation Bonds

Bond Name	Total Amount Issued (Millions of yen)	Issuance Date	Redemption Date	Interest Rate (%)
Ninth Series Unsecured Investment Corporation Bond	2,200	August 19, 2024	August 17, 2029	0.826
Tenth Series Unsecured Investment Corporation Bond	1,600	August 19, 2024	August 18, 2034	1.473

Balance of Borrowings from Each Financial Institution (As of November 30, 2024)

Lender	End of the 38th Fiscal Period (Millions of yen)	Share (%) (Note)
Sumitomo Mitsui Banking Corporation	45,600	21.67
Sumitomo Mitsui Trust Bank, Limited	26,950	12.81
Development Bank of Japan Inc.	21,750	10.34
Mizuho Bank, Ltd.	19,400	9.22
MUFG Bank, Ltd.	18,950	9.01
SBI Shinsei Bank, Limited	15,950	7.58
Resona Bank, Limited	12,500	5.94
Mizuho Trust & Banking Co., Ltd.	9,500	4.52
The Bank of Fukuoka, Ltd.	6,500	3.09
Kansai Mirai Bank, Limited	5,000	2.38
The Nishi-Nippon City Bank Ltd.	3,000	1.43
The 77 Bank, Ltd.	3,000	1.43
The Norinchukin Bank	3,000	1.43
Mitsubishi UFJ Trust and Banking Corporation (Trust account)	3,000	1.43
The Gunma Bank, Ltd.	2,500	1.19
The Musashino Bank, Ltd.	2,000	0.95
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	0.95
The Yamaguchi Bank, Ltd.	2,000	0.95
Nippon Life Insurance Company	1,300	0.62
The Hyakugo Bank, Ltd.	1,000	0.48
The Yamanashi Chuo Bank, Ltd.	1,000	0.48
Momiji Bank, Ltd.	1,000	0.48
The Yamagata Bank, Ltd.	1,000	0.48
Daishi Hokuetsu Bank, Ltd.	1,000	0.48
Aozora Bank, Ltd	1,000	0.48
Taiyo Life Insurance Company	300	0.14
Fukoku Mutual Life Insurance Company	200	0.10
Total	210,400	100.00

(Note) Share is rounded to two decimal places.

c. Rating Information

(As of November 30, 2024)

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 for investment corporation bonds on May 31, 2024, as described below. The total issuable amount as of the date of this document is 96,200 million yen.

Investment corporation bonds (excluding short-term investment corporation bonds)	
Planned issue amount	100,000 million yen
Planned issue period	From June 10, 2024 to June 9, 2026
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 Investment Corporation recognizes that emphasizing ESG in asset management would contribute to the enhancement of corporate value over the medium to long term. With this in mind, the Investment Corporation takes into account the changes in various sustainability issues and the ever diversifying needs of stakeholders as it pursues sustainability initiatives 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 the use of rainwater and reclaimed water and replacement with high-performance water-saving equipment for saving water, as well as other effective utilization of limited resources. In addition, as of November 30, 2024, the total number of properties owned by the Investment Corporation that have obtained environmental certification (Note 1) is 36 properties and the percentage of such properties within the entire portfolio (based on total floor area of the portfolio properties) is 67.5%. Furthermore, in accordance with the Investment Corporation's ESG policy, Daiwa Akihabara was examined from the design stage and adopted a design with excellent energy-saving performance, with primary energy consumption less than 60% of that of conventional buildings, thereby reducing the burden on tenant utility costs, and as a result, the building obtained the Investment Corporation's first "ZEB Oriented" certification (Note 2).

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. Initiatives are also taken to support pediatric medical care through the installation of donation vending machines at portfolio properties, donations to non-profit organizations and other organizations engaged in child abuse prevention activities, and to support people with disabilities through art displayed at the management companies.

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. In addition, we successfully achieved goals and were recognized as a company which meets a certain standard as a business for supporting childcare as defined in the "General Business Owner Action Plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children," in June 2024. We received "Kurumin Certification" by the Minister of the Ministry of Health, Labour and Welfare.

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 13 consecutive years in 2024. 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 the "4 Star." Also, in the 2024 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 highest rating of "A" on the five-tiered evaluation scale for four consecutive years.

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

(Note 2) ZEB (Net Zero Energy Building) is a building that aims to reduce energy consumption in the building to zero while achieving a comfortable indoor environment. The BELS rating system is based on four levels: ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented.

E. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 38th Fiscal Period of 15,215 million yen in operating revenue, 7,973 million yen in operating income, 7,164 million yen in ordinary income and 7,163 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 retain 614,429,128 yen as internal reserve for reduction entry with the application of the system of "Special Provisions for Taxation in Cases of Replacement of Specified Assets" and distribute the entire amount after deducting provision of reserve for reduction entry from unappropriated retained earnings, and declared a distribution amount per unit of 6,920 yen.

1.1.2. Outlook for the Next Fiscal Period

A. Investment Environment

The Japanese economy going forward is expected to see a continued moderate recovery, supported by movements such as improvement in income conditions, as well as increased demand from inbound tourism. On the other hand, attention should continue to be paid to downside risks of overseas economies, such as monetary policy trends among central banks around the world and the impact of incoming President Trump's government policies, while the impact of rising prices, situations in the Middle East and Ukraine, fluctuation in the financial and capital markets and other factors should be monitored.

In the central Tokyo office building leasing market, corporate demand for office space continues to be on the rise such as floor expansion within the same building due to business expansion and relocation for improving office environment to secure human resources. Rent levels have also entered a recovery phase due to a declining vacancy rate. However, the impact of a new supply of large-scale office buildings in central Tokyo expected in 2025 continues to warrant close monitoring.

In the office building transaction market, the property acquisition appetite among domestic and overseas investors is expected to remain strong against the backdrop of expectation for improvement of wages despite no major changes in the financing environment following the Bank of Japan's monetary policy change. However, we will need to monitor how the market develops alongside changes in the socioeconomic situation as well as domestic and overseas fiscal policies.

B. Future Management Policy and Tasks

a. Strategy for Managing Existing Properties

As to macro trends for the office market, although there has been an emergence of positive corporate demand for relocation and the recovery trend has become clear, areas which have location issues are failing to show significant improvement, and companies are becoming increasingly selective about office space. Although the Investment Corporation has been steadily acquiring solid new demand mainly from small and medium-sized companies, it is striving to maintain and raise occupancy rates by assessing the market environment in each area. Given that office needs are likely to change by company as work-style and workplace diversify, 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 the Asset Manager's 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 Sponsor Group and utilizing the Group's extensive network of clients, partners, etc.

During the 38th Fiscal Period, with respect to the Kandasudacho 2-Chome Development Project, for which land for development was acquired in December 2021, the Investment Corporation completed the development project and acquired the completed building, Daiwa Akihabara.

Moreover, to acquire properties in favorable locations and in relatively new buildings and to improve medium- to long-term profitability, the Investment Corporation is engaged in efforts to acquire land in central Tokyo, develop new office buildings, and acquire properties in accordance with the above investment strategy.

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

Not applicable.

(Reference Information)

Divestment of assets

The Investment Corporation concluded a sale agreement for the following trust beneficiary interest in real estate on July 19, 2024.

Overview of Asset to Be Divested

Asset name	Daiwa Tsukishima		
Type of asset	Trust beneficiary interest in domestic real estate		
Scheduled sale price (Note 1)	9,800 million yen (excluding settlement of fixed property tax, city planning tax, consumption tax, etc.)		
	(1) 3,920 million yen (40% quasi co-ownership interest)	(2) 2,940 million yen (30% quasi co-ownership interest)	(3) 2,940 million yen (30% quasi co-ownership interest)
Date of conclusion of sale agreement	July 19, 2024		
Scheduled delivery date (Note 2)	(1) November 29, 2024	(2) May 30, 2025	(3) November 28, 2025
Purchaser	Daiwa Securities Realty Co., Ltd.		

(Note 1) As a settlement, the Investment Corporation plans to pay the purchaser the cost of soil contamination investigation and remediation. In addition, based on factors such as the status of future discussions with tenants, as the seller, the Investment Corporation may be responsible for bearing the costs of dealing with tenants. The soil contamination investigation and remediation costs are related to the soil contamination investigation mandated by the Tokyo Metropolitan Environmental Security Ordinance in the event of land alteration, such as grading and excavation, as stipulated in the Investment Corporation's securities report (*yuka shoken hokokusho*) filed on August 21, 2024.

(Note 2) (i) was divested as of November 29, 2024.

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 39th Fiscal Period (fiscal period ending May 2025 (from December 1, 2024 to May 31, 2025)). For the assumptions underlying the management status forecasts, please refer to the "Assumptions for the Management Status Forecasts for the 39th Fiscal Period and 40th Fiscal Period" on page 9.

39th Fiscal Period (fiscal period ending May 2025 (from December 1, 2024 to May 31, 2025))

Operating revenue	15,097 million yen
Operating income	7,850 million yen
Ordinary income	6,886 million yen
Net income	6,885 million yen
Distribution amount per unit	6,920 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 39th Fiscal Period and 40th Fiscal Period” will remain unchanged, the Investment Corporation forecasts the following management status for the 40th Fiscal Period (fiscal period ending November 2025 (from June 1, 2025 to November 30, 2025)).

40th Fiscal Period (fiscal period ending November 2025 (from June 1, 2025 to November 30, 2025))

Operating revenue	15,007 million yen
Operating income	7,596 million yen
Ordinary income	6,550 million yen
Net income	6,549 million yen
Distribution amount per unit	6,920 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 39th Fiscal Period and 40th Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> • 39th Fiscal Period: As for the above 59 properties owned as of November 30, 2024, the divestment of quasi co-ownership interest (30%) in Daiwa Tsukishima (scheduled for May 30, 2025) is assumed. • 40th Fiscal Period: As for the above 59 properties, the divestment of remaining quasi co-ownership interest (30%) in Daiwa Tsukishima (divestment completion scheduled for November 28, 2025) is assumed and will reduce the number of properties held to 58. • 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 properties from the divestment of quasi co-ownership interest (30%) in Daiwa Tsukishima is expected to be 926 million yen in the 39th Fiscal Period. • Gain on sale of real estate properties from the divestment of quasi co-ownership interest (30%) in Daiwa Tsukishima is expected to be 400 million yen in the 40th 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 periods 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 8,359 million yen in the 39th Fiscal Period and 8,632 million yen in the 40th Fiscal Period. • Consignment expenses are expected to be 1,061 million yen in the 39th Fiscal Period and 997 million yen in the 40th Fiscal Period. • Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 1,249 million yen in the 39th Fiscal Period and 1,315 million yen in the 40th 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 1,877 million yen in the 39th Fiscal Period and 1,876 million yen in the 40th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> • Non-operating expenses in the 39th Fiscal Period are expected to be 963million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 951 million yen. • Non-operating expenses in the 40th Fiscal Period are expected to be 1,046 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 1,034 million yen.
Interest-bearing liabilities	<ul style="list-style-type: none"> • The total amount of interest-bearing liabilities is assumed to be 219,450 million yen at the end of the 39th Fiscal Period and 219,450 million yen at the end of the 40th Fiscal Period. • In the 39th Fiscal Period, it is assumed that new borrowings of 50 million yen will be conducted and allocated to funds used for the acquisition of the “Kandasudacho 2-chome Development Project” building (Daiwa Akihabara) announced on October 20, 2021, and it is assumed that the entire amount of borrowings due for repayment on January 31, 2025 (2,450 million yen), February 28, 2025 (1,500 million yen), and May 30, 2025 (12,050 million yen), will be refinanced. • For the 40th Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on August 29, 2025 (1,500 million yen) and November 28, 2025 (5,500 million yen), and the Seventh Series Unsecured Investment Corporation Bonds (1,500 million yen) due for redemption on September 11, 2025, will be 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 946,439 units as of November 30, 2024. • It is assumed that there are no changes to the number of investment units other than stated above until the end of the 40th 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. • For the 39th Fiscal Period, it is assumed that part of the gain on the divestment of the quasi co-ownership interest (30%) in Daiwa Tsukishima that is expected to arise in the 39th Fiscal Period will be retained as internal reserves with the application of the system of “Special Provisions for Taxation in Cases of Replacement of Specified Assets.” As such, the assumption is that the amount remaining after deducting provision of reserve for reduction entry (336 million yen) from unappropriated retained earnings will be distributed. Provision of reserve for reduction entry may change depending on 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, the rules of Tokyo Stock Exchange, Inc. and the regulations of 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 21, 2024).

2. Financial Statements

2.1. Balance Sheets

(Unit: Thousands of yen)

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
Assets		
Current assets		
Cash and deposits	24,965,028	29,401,527
Cash and deposits in trust	3,861,736	3,904,100
Operating accounts receivable	112,837	110,605
Consumption taxes receivable	38,028	131,361
Prepaid expenses	405,450	427,352
Other	79,395	121,999
Total current assets	29,462,477	34,096,946
Noncurrent assets		
Property, plant and equipment		
Buildings	3,649,472	3,649,692
Accumulated depreciation	(2,983,208)	(3,027,683)
Buildings, net	666,263	622,008
Structures	14,344	14,344
Accumulated depreciation	(10,941)	(11,364)
Structures, net	3,403	2,980
Tools, furniture and fixtures	22,546	23,002
Accumulated depreciation	(20,429)	(20,993)
Tools, furniture and fixtures, net	2,116	2,008
Land	12,302,226	12,302,226
Construction in progress	-	220
Buildings in trust	114,192,800	118,223,414
Accumulated depreciation	(37,471,541)	(38,382,744)
Buildings in trust, net	*1, *2 76,721,259	*1, *2 79,840,670
Structures in trust	793,682	840,234
Accumulated depreciation	(280,167)	(283,251)
Structures in trust, net	*2 513,514	*2 556,983
Machinery and equipment in trust	1,106,380	1,283,992
Accumulated depreciation	(652,321)	(697,663)
Machinery and equipment in trust, net	454,059	586,328
Tools, furniture and fixtures in trust	491,798	533,200
Accumulated depreciation	(301,614)	(321,321)
Tools, furniture and fixtures in trust, net	190,183	211,878
Land in trust	*2 359,705,136	*2 358,005,190
Construction in progress in trust	3,568,041	42,111
Total property, plant and equipment	454,126,205	452,172,607
Intangible assets		
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust	306,884	306,884
Other	14,219	15,458
Total intangible assets	2,719,379	2,720,618

(Unit: Thousands of yen)

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
Investments and other assets		
Leasehold and guarantee deposits in trust	113,684	113,684
Long-term prepaid expenses	1,359,733	1,372,952
Derivatives	605,649	593,220
Other	115,107	119,132
Total investments and other assets	2,194,175	2,198,989
Total noncurrent assets	459,039,760	457,092,215
Deferred assets		
Investment corporation bonds issuance costs	24,260	48,589
Total deferred assets	24,260	48,589
Total assets	488,526,498	491,237,752
Liabilities		
Current liabilities		
Operating accounts payable	1,458,941	916,094
Current portion of investment corporation bonds	3,800,000	1,500,000
Current portion of long-term loans payable	30,800,000	23,000,000
Accounts payable – other	552,096	665,839
Income taxes payable	880	854
Accrued consumption taxes	139,720	110,136
Advances received	2,287,235	2,314,452
Other	834,330	629,523
Total current liabilities	39,873,204	29,136,900
Noncurrent liabilities		
Investment corporation bonds	5,200,000	7,500,000
Long-term loans payable	174,600,000	187,400,000
Tenant leasehold and security deposits	19,273,804	20,034,995
Tenant leasehold and security deposits in trust	2,024,486	1,994,603
Deferred tax liabilities	196,447	202,752
Derivatives liabilities	15,681	-
Total noncurrent liabilities	201,310,419	217,132,351
Total liabilities	241,183,624	246,269,252
Net Assets		
Unitholders' equity		
Unitholders' capital	251,551,759	251,551,759
Deduction from unitholders' capital	*4 (13,457,770)	*4 (16,457,533)
Unitholders' capital, net	238,093,989	235,094,225
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	2,606,668	2,268,733
Total voluntary retained earnings	2,606,668	2,268,733
Unappropriated retained earnings (undisposed loss)	6,214,200	7,163,787
Total surplus	8,820,868	9,432,520
Total unitholders' equity	246,914,857	244,526,746
Valuation and translation adjustments		
Deferred gains or losses on hedges	428,016	441,753
Total valuation and translation adjustments	428,016	441,753
Total net assets	*5 247,342,874	*5 244,968,500
Total liabilities and net assets	488,526,498	491,237,752

2.2. Statements of Income

(Unit: Thousands of yen)

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]		38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]	
Operating revenue				
Rent revenue – real estate	*1	13,562,061	*1	13,993,119
Other lease business revenue	*1	8,481	*1	18,474
Gain on sale of real estate properties		-	*2	1,204,303
Total operating revenue		13,570,542		15,215,897
Operating expenses				
Expenses related to rent business	*1	5,348,011	*1	5,802,404
Asset management fees		1,119,555		1,180,393
Asset custody fees		24,164		24,465
Administrative service fees		72,649		80,881
Trust fees		17,821		18,321
Directors' compensation		7,200		7,200
Other operating expenses		109,544		128,897
Total operating expenses		6,698,948		7,242,565
Operating income		6,871,594		7,973,332
Non-operating income				
Interest income		40		471
Reversal of distribution payable		514		681
Insurance income		3,156		5,074
Miscellaneous income		0		43
Total non-operating income		3,711		6,270
Non-operating expenses				
Interest expenses		454,546		610,166
Interest expenses on investment corporation bonds		26,328		32,512
Borrowing expenses		167,302		154,927
Other		12,046		17,326
Total non-operating expenses		660,223		814,933
Ordinary income		6,215,082		7,164,668
Income before income taxes		6,215,082		7,164,668
Income taxes – current		881		881
Total income taxes		881		881
Net income		6,214,200		7,163,787
Retained earnings brought forward		-		-
Unappropriated retained earnings (undisposed loss)		6,214,200		7,163,787

2.3. Statements of Unitholders' Equity

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

(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	(13,457,770)	238,093,989	2,966,633	2,966,633	6,192,169	9,158,802
Changes of items during the period							
Reversal of reserve for reduction entry				(359,965)	(359,965)	359,965	-
Dividends from surplus						(6,552,134)	(6,552,134)
Net income						6,214,200	6,214,200
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	-	-	(359,965)	(359,965)	22,030	(337,934)
Balance at end of current fiscal period	251,551,759	(13,457,770)	238,093,989	2,606,668	2,606,668	6,214,200	8,820,868

	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	247,252,791	270,361	270,361	247,523,153
Changes of items during the period				
Reversal of reserve for reduction entry	-			-
Dividends from surplus	(6,552,134)			(6,552,134)
Net income	6,214,200			6,214,200
Net changes of items other than unitholders' equity		157,655	157,655	157,655
Total changes of items during the period	(337,934)	157,655	157,655	(180,279)
Balance at end of current fiscal period	246,914,857	428,016	428,016	247,342,874

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

(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	(13,457,770)	238,093,989	2,606,668	2,606,668	6,214,200	8,820,868
Changes of items during the period							
Reversal of reserve for reduction entry				(337,934)	(337,934)	337,934	-
Dividends from surplus						(6,552,134)	(6,552,134)
Net income						7,163,787	7,163,787
Acquisition of own investment units							
Cancellation of own investment units		(2,999,763)	(2,999,763)				
Net changes of items other than unitholders' equity							
Total changes of items during the period	-	(2,999,763)	(2,999,763)	(337,934)	(337,934)	949,586	611,652
Balance at end of current fiscal period	251,551,759	(16,457,533)	235,094,225	2,268,733	2,268,733	7,163,787	9,432,520

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Treasury investment units	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current fiscal period	-	246,914,857	428,016	428,016	247,342,874
Changes of items during the period					
Reversal of reserve for reduction entry		-			-
Dividends from surplus		(6,552,134)			(6,552,134)
Net income		7,163,787			7,163,787
Acquisition of own investment units	(2,999,763)	(2,999,763)			(2,999,763)
Cancellation of own investment units	2,999,763	-			-
Net changes of items other than unitholders' equity			13,737	13,737	13,737
Total changes of items during the period	-	(2,388,111)	13,737	13,737	(2,374,374)
Balance at end of current fiscal period	-	244,526,746	441,753	441,753	244,968,500

2.4. Statements of Cash Distributions

Item	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
	Amount (Yen)	Amount (Yen)
I. Unappropriated retained earnings	6,214,200,337	7,163,787,008
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	337,934,263	—
III. Distribution amount	6,552,134,600	6,549,357,880
[Distribution amount per unit]	(13,700)	(6,920)
IV. Voluntary retained earnings		
Provision of reserve for reduction entry	—	614,429,128
V. Retained earnings carried forward	—	—
Method for calculating distribution amount	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 after adding reversal of reserve for reduction entry to unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,552,134,600 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.	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 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 6,549,357,880 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.

2.5. Statements of Cash Flows

(Unit: Thousands of yen)

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Cash flows from operating activities		
Income before income taxes	6,215,082	7,164,668
Depreciation	1,825,232	1,924,770
Amortization of investment corporation bonds issuance costs	5,030	5,310
Interest income	(40)	(471)
Interest expenses	480,874	642,678
(Increase) Decrease in operating accounts receivable	(16,843)	2,232
(Increase) Decrease in consumption taxes receivable	(38,028)	(93,333)
(Increase) Decrease in prepaid expenses	(14,585)	(21,901)
Increase (decrease) in operating accounts payable	301,524	(560,827)
Increase (decrease) in accounts payable – other	(22,481)	113,943
Increase (decrease) in accrued consumption taxes	(137,409)	(29,584)
Increase (decrease) in advances received	(20,295)	27,217
(Increase) Decrease in long-term prepaid expenses	(33,222)	(13,218)
Decrease from sale of property, plant and equipment in trust	-	2,502,161
Other	138,263	(187,285)
Subtotal	8,683,100	11,476,361
Interest income received	40	471
Interest expenses paid	(480,674)	(631,877)
Income taxes paid	(881)	(907)
Net cash provided by (used in) operating activities	8,201,585	10,844,048
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,717)	(3,941)
Purchase of property, plant and equipment in trust	(8,860,776)	(2,508,985)
Purchase of intangible assets	-	(3,530)
Proceeds from tenant security deposits	1,076,093	949,978
Proceeds from tenant security deposits in trust	254,352	11,625
Repayments of tenant security deposits	(1,590,900)	(188,787)
Repayments of tenant security deposits in trust	(592)	(41,508)
Net cash provided by (used in) investing activities	(9,127,542)	(1,785,148)
Cash flows from financing activities		
Proceeds from short-term loans payable	1,000,000	-
Repayments of short-term loans payable	(1,500,000)	-
Proceeds from long-term loans payable	19,500,000	19,800,000
Repayments of long-term loans payable	(12,400,000)	(14,800,000)
Proceeds from issuance of investment corporation bonds	-	3,770,360
Redemption of investment corporation bonds	-	(3,800,000)
Purchase of own investment units	-	(2,999,763)
Dividends paid	(6,552,649)	(6,550,633)
Net cash provided by (used in) financing activities	47,350	(4,580,036)
Net increase (decrease) in cash and cash equivalents	(878,606)	4,478,863
Cash and cash equivalents at beginning of period	29,705,371	28,826,765
Cash and cash equivalents at end of period	*1 28,826,765	*1 33,305,628

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: 20px;"> <tr> <td>Buildings</td> <td style="text-align: right;">5~64 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;">3~15 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	5~64 years	Structures	10~56 years	Machinery and equipment	10~23 years	Tools, furniture and fixtures	3~15 years
Buildings	5~64 years								
Structures	10~56 years								
Machinery and equipment	10~23 years								
Tools, furniture and fixtures	3~15 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>(1) Accounting for fixed property tax, etc. 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, etc. is 8,171 in the 37th Fiscal Period and 9,964 thousand yen in the 38th Fiscal Period.</p> <p>(2) Accounting Standard for Revenue The content of main performance obligations related to revenue 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) Sale 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>								

<p>4. Hedge accounting approach</p>	<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 transaction 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>
<p>5. Scope of funds in the statements of cash flows</p>	<p>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.</p>
<p>6. Other significant matters forming basis for preparation of financial statements</p>	<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) Leasehold and guarantee deposits in trust (v) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes 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 Financial Statements
(Omission of Disclosure)

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.

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
Buildings in trust	77,363 thousand yen	77,363 thousand yen

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

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
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. Agreement on the Establishment of Commitment Line

The Investment Corporation has concluded an agreement with a correspondent bank concerning the establishment of commitment line.

There was no balance of borrowings based on the agreement as of the end of the current period.

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
Total amount of commitment line	5,500,000 thousand yen	5,500,000 thousand yen
Balance of borrowings	– thousand yen	– thousand yen
Difference	5,500,000 thousand yen	5,500,000 thousand yen

*4. Status of cancellation of own investment units

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
Total number of units cancelled	19,611 units	29,688 units
Total amount cancelled	13,457,770 thousand yen	16,457,533 thousand yen

(Note) The number of units cancelled during the 38th Fiscal Period was 10,077 units, and the total amount cancelled was 2,999,763 thousand yen.

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

	37th Fiscal Period [As of May 31, 2024]	38th Fiscal Period [As of November 30, 2024]
	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)

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
A. Property leasing revenue		
Rent revenue – real estate	13,562,061	13,993,119
Other lease business revenue	8,481	18,474
Total property leasing revenue	13,570,542	14,011,593
B. Property leasing expenses		
Consignment expenses	1,061,359	1,044,734
Utilities expenses	1,000,803	1,168,620
Taxes and dues	1,205,932	1,250,987
Non-life insurance expenses	25,400	26,554
Repair expenses	155,778	309,018
Depreciation	1,823,065	1,922,479
Other lease business expenses	75,670	80,009
Total property leasing expenses	5,348,011	5,802,404
C. Operating income (loss) from property leasing [A – B]	8,222,531	8,209,189

*2. Breakdown of gain on sale of real estate properties. (Unit: Thousands of yen)

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

Not applicable.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

Daiwa Tsukishima (40% quasi co-ownership interest)		
Proceeds from sale of real estate properties		3,920,000
Cost of sale of real estate properties		2,502,161
Other sale costs		213,534
Gain on sale of real estate properties		1,204,303

[Notes to Statements of Unitholders' Equity]

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
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	4,000,000 units
Total number of investment units issued and outstanding	478,258 units	946,439 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)

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Cash and deposits	24,965,028	29,401,527
Cash and deposits in trust	3,861,736	3,904,100
Cash and cash equivalents	28,826,765	33,305,628

[Notes to Financial Instruments]

(1) Matters Concerning Status of Financial Instruments

① 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, dispersing maturity dates and utilizing commitment line 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.

② 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.

③ Supplementary explanation for fair value of financial instruments

As various factors are incorporated into the calculation of fair value of financial instruments, 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. As “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are settled within a short period of time, the fair value is approximately the same as the book value, and thus such notes have been omitted.

37th Fiscal Period [As of May 31, 2024]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	3,800,000	3,800,610	610
(2) Current portion of long-term loans payable	30,800,000	30,779,533	(20,466)
(3) Investment corporation bonds	5,200,000	5,014,400	(185,600)
(4) Long-term loans payable	174,600,000	173,269,744	(1,330,255)
Total liabilities	214,400,000	212,864,288	(1,535,711)
Derivative transactions (*)	624,476	624,476	–

38th Fiscal Period [As of November 30, 2024]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Current portion of investment corporation bonds	1,500,000	1,492,950	(7,050)
(2) Current portion of long-term loans payable	23,000,000	22,983,295	(16,704)
(3) Investment corporation bonds	7,500,000	7,277,530	(222,470)
(4) Long-term loans payable	187,400,000	186,081,592	(1,318,407)
Total liabilities	219,400,000	217,835,368	(1,564,631)
Derivative transactions (*)	644,519	644,519	–

(*) The value of receivables and payables arising from derivative transactions 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

Liabilities

(1) Current portion of investment corporation bonds; (3) Investment corporation bonds

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

(2) Current portion of long-term loans payable; (4) 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.

(*) Long-term loans payable that are subject to special accounting for interest rate swaps are based on the sum total amount of principal and interest at the rate of the applicable interest rate swaps. (Please refer to [Notes to Derivative Transactions] below.)

Derivative transactions

Please refer to [Notes to Derivative Transactions] below.

(Note 2) Tenant leasehold and security deposits (19,273,804 thousand yen in the balance sheet for May 31, 2024, and 20,034,995 thousand yen in the balance sheet for November 30, 2024) and tenant leasehold and security deposits in trust (2,024,486 thousand yen in the balance sheet for May 31, 2024, and 1,994,603 thousand yen in the balance sheet for November 30, 2024) are omitted as they lack materiality.

(Note 3) Amount of redemption of current portion of investment corporation bonds, redemption/repayment of current portion of long-term loans payable, investment corporation bonds, and long-term loans payable scheduled to be due after the settlement of accounts

37th Fiscal Period [As of May 31, 2024]

(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
Current portion of investment corporation bonds	3,800,000	–	–	–	–	–
Current portion of long-term loans payable	30,800,000	–	–	–	–	–
Investment corporation bonds	–	1,500,000	–	–	–	3,700,000
Long-term loans payable	–	20,700,000	20,200,000	31,600,000	20,200,000	81,900,000
Total	34,600,000	22,200,000	20,200,000	31,600,000	20,200,000	85,600,000

38th Fiscal Period [As of November 30, 2024]

(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
Current portion of investment corporation bonds	1,500,000	–	–	–	–	–
Current portion of long-term loans payable	23,000,000	–	–	–	–	–
Investment corporation bonds	–	–	–	–	2,200,000	5,300,000
Long-term loans payable	–	22,400,000	27,600,000	26,200,000	29,050,000	82,150,000
Total	24,500,000	22,400,000	27,600,000	26,200,000	31,250,000	87,450,000

[Notes to Derivative Transactions]

(1) Transactions for which hedge accounting is not applied

37th Fiscal Period [As of May 31, 2024]

Not applicable.

38th Fiscal Period [As of November 30, 2024]

Not applicable.

(2) Transactions for which hedge accounting is applied

37th Fiscal Period [As of May 31, 2024]

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	57,500,000	37,700,000	624,476	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	28,000,000	28,000,000	(*)	—
Total			85,500,000	65,700,000	624,476	—

38th Fiscal Period [As of November 30, 2024]

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	46,700,000	31,200,000	644,519	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	28,000,000	28,000,000	(*)	—
Total			74,700,000	59,200,000	644,519	—

(*) 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 (2) (4).”)

[Notes to Transactions with Related Parties]

(1) Transactions with related parties

① Parent company and major corporate unitholders, etc.

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

Not applicable.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

Not applicable.

② Affiliated companies, etc.

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

Not applicable.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

Not applicable.

③ Sister companies, etc.

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

Not applicable.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

Not applicable.

- ④ Officers and major individual unitholders, etc.
37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]
Not applicable.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]
Not applicable.

- (2) Information about parent company or any material affiliated company
37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]
Parent company's information
Daiwa Securities Group Inc. (listed on Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc.)

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]
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

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

(Unit: Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate properties	–	–
Utilities income	892,940	892,940
Other	–	12,677,602
Total	892,940	13,570,542

(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 are sales of real estate properties and utility charge revenues.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

(Unit: Thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Sale of real estate properties (Note 2)	3,920,000	1,204,303
Utilities income	1,068,716	1,068,716
Other	–	12,942,876
Total	4,988,716	15,215,897

(Note 1) 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 are sales of real estate properties and utility charge revenues.

(Note 2) As for the sale of real estate properties, the amount is after cost of sale of real estate properties and other sale cost are deducted from gain on sale of real estate properties, as this is recorded as gain (loss) on sale of real estate properties on statements of income in accordance with Article 48, paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006).

[Notes to Investment and Rental Properties]

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

(Unit: Thousands of yen)

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Carrying amount		
Balance at beginning of period	447,535,958	453,263,324
Amount of increase (decrease) during period	5,727,365	1,572,111
Balance at end of period	453,263,324	454,835,435
Fair value at end of period	594,750,000	598,630,000

(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) of investment and rental properties during the 37th Fiscal Period, the amount of increase is mainly attributable to the acquisition of S-GATE FIT Nihonbashi Bakurocho (6,300 million yen), while the decrease is mainly attributable to depreciation (1,823 million yen). The amount of increase during the 38th Fiscal Period is mainly attributable to the acquisition of Daiwa Akihabara (4,903 million yen), while the decrease is mainly attributable to the divestment (40% quasi co-ownership interest) in Daiwa Tsukishima (2,502 million yen) and depreciation (1,922 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

37th Fiscal Period [From: December 1, 2023 To: May 31, 2024]

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 major 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.

38th Fiscal Period [From: June 1, 2024 To: November 30, 2024]

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 major 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]

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Net assets per unit	258,587 yen	258,831 yen
Net income per unit	6,496 yen	7,545 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 Investment Corporation conducted a 2-for-1 investment unit split with May 31, 2024 as the record date and June 1, 2024 as the effective date. Net assets per unit and net income per unit are calculated based on the assumption that the said investment unit split was conducted at the beginning of the 37th Fiscal Period.

(Note 3) The basis for calculating the net income per unit is as follows.

	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Net income (Thousands of yen)	6,214,200	7,163,787
Amounts not attributable to common unitholders (Thousands of yen)	–	–
Net income attributable to common investment units (Thousands of yen)	6,214,200	7,163,787
Average number of investment units during the period (Units)	956,516	949,417

[Notes to Significant Subsequent Events]

Not applicable.

[Additional Information]

Divestment of assets

The Investment Corporation concluded a sale agreement for the following trust beneficiary interest in real estate on July 19, 2024.

Overview of Asset to Be Divested

Asset name	Daiwa Tsukishima		
Type of asset	Trust beneficiary interest in domestic real estate		
Scheduled sale price (Note 1)	9,800 million yen (excluding settlement of fixed property tax, city planning tax, consumption tax, etc.)		
	(1) 3,920 million yen (40% quasi co-ownership interest)	(2) 2,940 million yen (30% quasi co-ownership interest)	(3) 2,940 million yen (30% quasi co-ownership interest)
Date of conclusion of sale agreement	July 19, 2024		
Scheduled delivery date (Note 2)	(1) November 29, 2024	(2) May 30, 2025	(3) November 28, 2025
Purchaser	Daiwa Securities Realty Co., Ltd.		

(Note 1) As a settlement, the Investment Corporation plans to pay the purchaser the cost of soil contamination investigation and remediation. In addition, based on factors such as the status of future discussions with tenants, as the seller, the Investment Corporation may be responsible for bearing the costs of dealing with tenants. The soil contamination investigation and remediation costs are related to the soil contamination investigation mandated by the Tokyo Metropolitan Environmental Security Ordinance in the event of land alteration, such as grading and excavation, as stipulated in the Investment Corporation's securities report (*yuka shoken hokokusho*) submitted on August 21, 2024.

(Note 2) (i) was divested as of November 29, 2024.

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

The overview of total number of investment units issued and outstanding and capital increase (decrease) in unitholders' capital, net in the most recent five years up to the end of the 38th 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, 2021	Cancellation	(3,789)	488,088	(2,782)	245,093	(Note 2)
May 31, 2022	Cancellation	(5,559)	482,529	(3,999)	241,093	(Note 3)
November 30, 2022	Cancellation	(4,271)	478,258	(2,999)	238,093	(Note 4)
June 1, 2024	Split	478,258	956,516	–	238,093	(Note 5)
November 29, 2024	Cancellation	(10,077)	946,439	(2,999)	235,094	(Note 6)

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

(Note 2) 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.

(Note 3) In the period from February 25, 2022, to March 31, 2022, 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 (5,559 units) on May 31, 2022, based on the resolution at its board of directors' meeting held on May 23, 2022.

(Note 4) In the period from August 25, 2022, to September 28, 2022, 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 (4,271 units) on November 30, 2022, based on the resolution at its board of directors' meeting held on November 25, 2022.

(Note 5) With May 31, 2024, as the record date and June 1, 2024, as the effective date, the Investment Corporation conducted a 2-for-1 split of its investment units held by unitholders listed or recorded in the final unitholder registry as of the record date.

(Note 6) In the period from July 22, 2024, to September 3, 2024, 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 (10,077 units) on November 29, 2024, based on the resolution at its board of directors' meeting held on November 22, 2024.

3. Reference Information

3.1. Investment Status

Type of asset	Use	Region	38th Fiscal Period (As of November 30, 2024)	
			Total amount owned (Millions of yen) (Note 1)	As a percentage of total assets (%) (Note 2)
Real estate	Office	Five Central Wards of Tokyo (Note 3)	15,327	3.1
Trust beneficiary interest in real estate	Office	Five Central Wards of Tokyo (Note 3)	352,291	71.7
		Greater Tokyo (Note 4)	78,465	16.0
		Major Regional Cities (Note 5)	8,751	1.8
Subtotal			454,835	92.6
Deposits and other assets			36,402	7.4
Total amount of assets (Note 6)			491,237	100.0
			(454,835)	(92.6)

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

(Note 2) "As a percentage of total assets" is rounded to one decimal place.

(Note 3) "Five Central Wards of Tokyo" are Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards.

(Note 4) "Greater Tokyo" is Tokyo, Kanagawa, Chiba and Saitama prefectures (excluding the Five Central Wards of Tokyo).

(Note 5) "Major Regional Cities" are the Osaka metropolitan area (Osaka, Kyoto and Hyogo prefectures), the Nagoya metropolitan area (Aichi, Mie and Gifu prefectures), and ordinance-designated cities and core cities set forth in the Local Autonomy Act.

(Note 6) 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, 2024)

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	12,588	15,100	3.0
	Daiwa Ginza Annex		3,050	2,739	3,180	0.6
	Daiwa Shibaura		8,265	7,915	9,160	1.8
	Daiwa Sarugakucho		3,190	2,999	4,120	0.7
	Daiwa A Hamamatsucho (Note 5)		2,865	2,625	3,990	0.6
	Daiwa Jingumae		2,800	2,614	3,240	0.6
	Daiwa Shibadaimon		2,578	2,294	4,220	0.5
	Daiwa Misakicho		2,346	2,063	3,200	0.5
	Daiwa Tsukijiekimae		1,560	1,207	2,400	0.3
	Daiwa Tsukiji		1,240	1,126	1,690	0.3
	Daiwa Tsukishima (Note 6)		4,704	3,753	5,820	1.0
	Daiwa Nihonbashi Horidomecho		2,520	2,301	3,130	0.5
	Daiwa Azabudai		1,600	1,460	1,890	0.3
	Shinjuku Maynds Tower (Note 5)		66,900	62,393	66,900	14.2
	Daiwa Kodenmacho		2,460	2,367	2,310	0.5
	Daiwa Nishi-Shimbashi		5,000	4,424	7,640	1.1
	Daiwa Kayabacho		5,600	4,973	8,790	1.2
	Daiwa Jinbocho 3-chome		3,550	3,129	5,560	0.8
	E SPACE TOWER		24,000	23,160	38,900	5.1
	Daiwa Nihonbashi Hongokucho	1,721	1,430	2,880	0.4	
	shinyon curumu	9,650	9,328	17,600	2.1	
	Daiwa Akasaka	9,200	9,791	16,600	2.0	
	Daiwa Shibuya Miyamasuzaka	7,000	7,103	13,100	1.5	
	Daiwa Azabu Terrace	14,000	13,559	18,500	3.0	
	Daiwa Ebisu 4-chome	4,135	4,123	6,800	0.9	
	LAQUAS Higashi Shinjuku	8,450	8,159	11,600	1.8	
	Daiwa Aoyama	9,800	9,867	12,900	2.1	
	Daiwa Shibuya Shinsen	4,800	4,936	6,740	1.0	
	Daiwa Shibuya Square	16,000	15,861	23,200	3.4	
	Daiwa River Gate	28,000	27,292	36,000	5.9	
	Daiwa Hatchobori ekimae	2,871	2,855	3,510	0.6	
	Daiwa Hatchobori ekimae West	1,647	1,685	2,100	0.3	
	Daiwa Nishi-Shinjuku	13,710	13,904	17,100	2.9	
	Kirin Nihonbashi	8,180	8,205	8,400	1.7	
	Daiwa Higashi-Nihonbashi	6,370	6,118	7,550	1.4	
	Daiwa Daikanyama	2,280	2,329	3,760	0.5	
	Daiwa Shinjuku West	942	975	1,350	0.2	
	Daiwa Kanda Mikuracho	1,592	1,596	1,940	0.3	
	Daiwa Kanda East	4,200	4,306	5,940	0.9	
	Daiwa Kandasudacho	2,295	2,406	3,090	0.5	
	Daiwa Sasazuka Tower	15,500	16,036	15,200	3.3	
	Daiwa Sasazuka	3,000	3,255	3,510	0.6	
	Daiwa Harumi	11,200	11,040	12,000	2.4	
	Daiwa Mita 2-Chome	2,635	1,543	4,160	0.6	
	Nihonbashi Central Square (Note 5)	3,521	3,557	3,950	0.7	
	Daiwa Nihonbashi Bakurocho	5,733	5,669	7,020	1.2	
	Daiwa Kandabashi	1,970	2,038	2,170	0.4	
	Daiwa Akihabara	15,503	15,935	20,800	3.3	
	Daiwa Nihonbashi Bakurocho II (Note 5, 7)	6,300	6,566	6,820	1.3	
Total for Five Central Wards of Tokyo (49 properties)			380,534	367,618	487,530	80.9

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	2,449	4,380	0.6
	Daiwa Shinagawa North		7,710	6,802	6,250	1.6
	Daiwa Kamiooka		2,000	1,701	2,920	0.4
	Daiwa Ogikubo Tower		15,220	15,529	23,200	3.2
	Daiwa Meguro Square		5,600	5,286	7,300	1.2
	Daiwa Ogikubo		3,800	3,964	5,110	0.8
	CONCURRED Yokohama (Note 5)		38,100	37,203	41,900	8.1
	Daiwa Shinagawa Gotenyama		2,500	2,609	2,880	0.5
	Daiwa Nakano-Sakaue		2,750	2,918	2,260	0.6
Total for Greater Tokyo (9 properties)			80,638	78,465	96,200	17.1
Major Regional Cities	Daiwa Kitahama	Trust beneficiary interest in real estate	9,481	8,751	14,900	2.0
Total for Major Regional Cities (1 property)			9,481	8,751	14,900	2.0
Total (59 properties)			470,653	454,835	598,630	100.0

(Note 1) "Acquisition price" excludes acquisition costs, fixed property tax, city planning tax, consumption tax and local consumption tax. For Daiwa Nihonbashi Bakurocho and Daiwa Akihabara, the acquisition price of the land for the property plus the building construction costs is shown.

(Note 2) "Carrying amount" is the book value after depreciation on the balance sheets as of November 30, 2024.

(Note 3) "Estimated price at end of period" is the price as of November 30, 2024, 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, Daiwa Nihonbashi Bakurocho II, and CONCURRED Yokohama, the figures are those pertaining to the Investment Corporation's ownership interest.

(Note 6) The Investment Corporation divested 40% quasi co-ownership interest in Daiwa Tsukishima on November 29, 2024, and maintains 60% quasi co-ownership interest corresponding to real estate in trust pertaining to trust beneficiary interest. As such, the figures for Daiwa Tsukishima are those pertaining to the Investment Corporation's ownership interest. The same applies hereinafter.

(Note 7) As for names of properties, "S-GATE FIT Nihonbashi Bakurocho" was changed to "Daiwa Nihonbashi Bakurocho II." The same applies hereinafter.

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	8,117.07	8,053.89	21	99.2	442,606
	Daiwa Ginza Annex	SRC B3/8F	Aug. 1972	2,032.11	2,032.11	7	100.0	86,423
	Daiwa Shibaura	SRC B1/12F	Oct. 1987	9,619.67	8,688.11	56	90.3	222,366
	Daiwa Sarugakucho (Note 8)	SRC 8F	June 1985	3,657.43	3,657.43	2	100.0	(Not disclosed)
	Daiwa A Hamamatsucho	SRC B2/10F	July 1993	3,663.38	3,360.88	11	91.7	134,214
	Daiwa Jingumae	RC B1/4F	Dec. 1997	2,198.61	2,198.61	4	100.0	85,667
	Daiwa Shibadaimon	SRC/RC B1/7F	Nov. 1996	2,386.48	2,224.61	7	93.2	105,069
	Daiwa Misakicho (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	9	100.0	71,398
	Daiwa Tsukiji	SRC B1/7F	Jan. 1990	1,487.44	1,487.44	7	100.0	43,155
	Daiwa Tsukishima (Note 9)	S 5F	July 1996	5,055.41	2,055.13	3	40.6	105,917
	Daiwa Nihonbashi Horidomecho	SRC B2/7F	Apr. 1993	2,848.91	2,848.91	6	100.0	90,005
	Daiwa Azabudai	SRC B2/9F	Apr. 1984	1,697.88	1,502.27	11	88.4	49,811
	Shinjuku Maynds Tower (Note 10)	S/SRC B3/34F	Sept. 1995	22,790.70	22,617.39	43	99.2	1,326,138
	Daiwa Kodenmacho	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	67,179
	Daiwa Nishi-Shimbashi	SRC B1/10F	July 1993	4,816.37	4,816.37	10	100.0	173,045
	Daiwa Kayabacho (Note 8)	S/SRC B1/8F	Apr. 2010	5,899.11	5,899.11	1	100.0	(Not disclosed)
	Daiwa Jinbocho 3-chome	S 9F	Feb. 2010	2,889.34	2,889.34	8	100.0	124,283
	E SPACE TOWER	S/SRC B1/15F	Oct. 2002	13,960.84	13,960.84	15	100.0	838,393
	Daiwa Nihonbashi Hongokucho	S 8F	May 2010	2,143.08	2,143.08	6	100.0	78,093
	shinyon curumu	S/RC B2/11F	Jan. 2012	6,751.31	6,751.31	16	100.0	411,076
	Daiwa Akasaka	SRC B2/7F	Sept. 1990	8,752.21	8,752.21	17	100.0	379,568
	Daiwa Shibuya Miyamasuzaka (Note 11)	S B1/12F	Dec. 1988	6,328.28	6,328.28	10	100.0	336,222
	Daiwa Azabu Terrace	S/RC B1/6F	Sept. 2009	13,240.61	13,240.61	13	100.0	465,077
	Daiwa Ebisu 4-chome (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	239,743
	Daiwa Aoyama	S/RC B1/7F	Nov. 2001	4,426.10	4,426.10	7	100.0	258,240
	Daiwa Shibuya Shinsen	RC B1/9F	Sept. 2001	2,674.97	2,674.97	5	100.0	121,668
	Daiwa Shibuya Square	S/SRC B1/11F	Feb. 2004	8,566.73	8,566.73	10	100.0	455,543
	Daiwa River Gate	S/SRC/RC B2/20F	Feb. 1994	32,045.98	29,850.98	95	93.1	999,795
	Daiwa Hatchobori ekimae	S/SRC B1/10F	Feb. 2006	2,622.42	2,622.42	10	100.0	92,189
	Daiwa Hatchobori ekimae West	SRC B1/9F	Feb. 1996	1,746.21	1,746.21	9	100.0	50,457
Daiwa Nishi-Shinjuku	SRC/RC/S B2/11F	Aug. 1991	6,965.73	6,965.73	6	100.0	363,407	
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	182,942	

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 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	36,815
	Daiwa Kanda Mikuracho	SRC/S B1/7F	Jan. 1991	1,719.51	1,719.51	7	100.0	47,539
	Daiwa Kanda East	S 9F	Feb. 2005	3,980.56	3,980.56	5	100.0	147,792
	Daiwa Kandasudacho	S/RC B1/10F	Aug. 1990	2,211.60	1,971.59	8	89.1	76,144
	Daiwa Sasazuka Tower	SRC/RC/S B2/18F	Feb. 1993	16,152.35	15,438.82	10	95.5	351,991
	Daiwa Sasazuka	SRC/S B1/8F	Dec. 1991	3,828.95	3,828.95	9	100.0	104,098
	Daiwa Harumi	S B1/12F	Jan. 2008	11,227.13	10,910.80	11	97.1	306,960
	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 12)	S 8F	Jan. 2010	1,837.05	1,837.05	9	100.0	93,423
	Daiwa Nihonbashi Bakurocho	S 10F	Nov. 2022	3,677.63	3,677.63	5	100.0	161,471
	Daiwa Kandabashi	S B1/10F	Aug. 2009	1,224.00	1,224.00	12	100.0	44,034
	Daiwa Akihabara	RC/SRC/S B1/12F	June 2024	9,385.73	9,385.73	9	100.0	66,035
	Daiwa Nihonbashi Bakurocho II	S/RC B1/11F	Apr. 2023	3,757.52	3,757.52	6	100.0	136,548
Total for Five Central Wards of Tokyo (49 properties)				281,522.10	273,228.92	547	97.0	10,892,774
Greater Tokyo	Daiwa Higashi-Ikebukuro	SRC/S B1/9F	June 1993	4,462.28	4,462.28	7	100.0	139,633
	Daiwa Shinagawa North	SRC B1/11F	July 1991	6,546.03	6,546.03	13	100.0	212,484
	Daiwa Kamiooka	S/SRC B3/7F	May 2011	2,630.30	2,630.30	9	100.0	94,526
	Daiwa Ogikubo Tower (Note 13)	S/SRC B2/18F	June 1993	17,778.14	17,778.14	10	100.0	707,010
	Daiwa Meguro Square	S/SRC B2/14F	July 2009	3,519.50	3,519.50	18	100.0	166,533
	Daiwa Ogikubo	SRC B1/7F	Nov. 1990	3,849.63	3,849.63	12	100.0	127,369
	CONCURRED Yokohama (Note 14)	S/SRC B1/20F	Feb. 2008	28,052.98	28,052.98	38	100.0	1,104,089
	Daiwa Shinagawa Gotenyama	SRC/S 8F	July 1992	2,396.96	2,396.96	6	100.0	79,292
	Daiwa Nakano-Sakaue	SRC B1/8F	Jan. 1995	2,716.92	2,716.92	6	100.0	66,603
Total for Greater Tokyo (9 properties)				71,952.74	71,952.74	119	100.0	2,697,543
Major Regional Cities	Daiwa Kitahama	S/SRC B1/16F	Feb. 2008	13,517.62	13,517.62	8	100.0	402,801
Total for Major Regional Cities (1 property)				13,517.62	13,517.62	8	100.0	402,801
Total (59 properties)				366,992.46	358,699.28	674	97.7	13,993,119

(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, 2024.

(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, 2024.

(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 38th Fiscal Period, rounded down to the nearest thousand yen. Furthermore, the figures for “rent revenue during current period” are those based on “leasable floor area” and “leased floor area.”
- (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 quasi co-ownership interest corresponding to 60% of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to 60% of the entire building.
- (Note 10) The real estate in trust pertaining to trust beneficiary interest held by the Investment Corporation is the quasi 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 11) As the property has received compensation for the loss of rent from the redevelopment association since May 2024, the figures including the portion subject to compensation are indicated for “Leased floor area,” “Total number of tenants” and “Occupancy rate.” The same applies hereinafter.
- (Note 12) 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 13) The buildings consist of three registrations. Of these, the details of the major building are shown here.
- (Note 14) 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	Estimated construction cost (Millions of yen)		
			Total amount	Amount paid during current period	Total amount already paid
Daiwa River Gate (Chuo-ku, Tokyo)	Upgrading of AHU motors	From: Dec. 2024 To: May 2025	163	–	–
Daiwa Shinagawa North (Shinagawa-ku, Tokyo)	Renovation of elevators	From: Dec. 2024 To: May 2025	134	–	–
Daiwa River Gate (Chuo-ku, Tokyo)	Renovation of elevators	From: Dec. 2024 To: May 2025	117	–	–
Daiwa Hatchobori ekimae (Chuo-ku, Tokyo)	Upgrading of packaged-air conditioning equipment	From: Dec. 2024 To: May 2025	101	–	–
Daiwa Meguro Square (Meguro-ku, Tokyo)	Repair of exterior walls	From: Dec. 2024 To: May 2025	79	–	–

B. Capital Expenditures During the 38th Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 38th Fiscal Period for existing portfolio properties. Capital expenditures for the 38th Fiscal Period amounted to 980 million yen and, when combined with the 309 million yen in repair expenses charged to the 38th Fiscal Period expenses, totals 1,289 million yen in construction work implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (Millions of yen)
Daiwa Akihabara (Chiyoda-ku, Tokyo)	Tenant move-in construction	From: Aug. 2024 To: Oct. 2024	65
Daiwa Akihabara (Chiyoda-ku, Tokyo)	Tenant move-in construction	From: Aug. 2024 To: Nov. 2024	61
Daiwa River Gate (Chuo-ku, Tokyo)	Renovation of elevators	From: June 2024 To: Aug. 2024	49
Other			804
Total			980

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	34th Fiscal Period [From: June 1, 2022 To: Nov. 30, 2022]	35th Fiscal Period [From: Dec. 1, 2022 To: May 31, 2023]	36th Fiscal Period [From: June 1, 2023 To: Nov. 30, 2023]	37th Fiscal Period [From: Dec. 1, 2023 To: May 31, 2024]	38th Fiscal Period [From: June 1, 2024 To: Nov. 30, 2024]
Balance of reserve at beginning of current period	1,619	1,402	1,623	1,919	1,666
Amount of reserve in current period	98	1,377	1,336	781	1,055
Reversal of reserve in current period	316	1,156	1,041	1,035	1,433
Amount carried forward to next period	1,402	1,623	1,919	1,666	1,288

3.2.4. Summary of Estimated Price at End of Period (As of November30, 2024)

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	15,100	15,000	3.6	15,200	3.1	3.8
Daiwa Ginza Annex	3,180	3,200	3.6	3,160	3.1	3.8
Daiwa Shibaura	9,160	9,170	3.7	9,150	3.5	3.9
Daiwa Sarugakucho	4,120	4,190	4.1	4,050	3.9	4.3
Daiwa A Hamamatsucho (Note 2)	3,990	4,080	3.5	3,950	3.3	3.7
Daiwa Jingumae	3,240	3,290	3.5	3,190	3.3	3.7
Daiwa Shibadaimon	4,220	4,290	3.3	4,190	3.1	3.5
Daiwa Misakicho	3,200	3,260	3.6	3,180	3.4	3.8
Daiwa Tsukijiekimae (Note 3)	2,400	2,420	3.9	2,390	3.9	4.1
Daiwa Tsukiji	1,690	1,710	3.7	1,680	3.7	3.9
Daiwa Tsukishima (Note 2)	5,820	5,950	3.8	5,770	3.5	4.0
Daiwa Nihonbashi Horidomecho	3,130	3,170	3.8	3,080	3.6	4.0
Daiwa Azabudai	1,890	1,920	3.8	1,860	3.6	4.0
Shinjuku Maynds Tower (Note 4)	66,900	162,000	2.9	154,000	2.7	3.1
Daiwa Kodenmacho	2,310	2,360	3.9	2,260	3.7	4.1
Daiwa Nishi-Shimbashi	7,640	7,770	3.3	7,580	3.1	3.5
Daiwa Kayabacho	8,790	8,960	3.1	8,710	2.9	3.3
Daiwa Jinbocho 3-chome	5,560	5,710	3.1	5,500	2.9	3.3
E SPACE TOWER	38,900	39,400	2.8	38,400	2.6	2.9
Daiwa Nihonbashi Hongokucho	2,880	2,910	3.7	2,860	3.5	3.9
shinyon curumu	17,600	17,900	3.0	17,500	2.8	3.2
Daiwa Akasaka	16,600	16,900	3.0	16,400	2.8	3.2
Daiwa Shibuya Miyamasuzaka	13,100	13,300	3.1	12,900	2.9	3.2
Daiwa Azabu Terrace	18,500	18,700	3.3	18,200	3.1	3.4
Daiwa Ebisu 4-chome	6,800	6,830	3.4	6,790	3.5	3.6
LAQUAS Higashi Shinjuku	11,600	12,100	3.1	11,400	2.9	3.3
Daiwa Aoyama	12,900	13,200	3.0	12,700	2.8	3.2
Daiwa Shibuya Shinsen	6,740	6,940	3.1	6,660	2.9	3.3
Daiwa Shibuya Square	23,200	23,200	3.1	23,200	2.9	3.2
Daiwa River Gate	36,000	36,300	3.4	35,700	3.2	3.5
Daiwa Hatchobori ekimae	3,510	3,590	3.2	3,480	3.0	3.4
Daiwa Hatchobori ekimae West	2,100	2,150	3.3	2,080	3.1	3.5
Daiwa Nishi-Shinjuku	17,100	17,500	3.1	16,900	2.9	3.3
Kirin Nihonbashi	8,400	8,480	3.5	8,310	3.3	3.6
Daiwa Higashi-Nihonbashi	7,550	7,700	3.6	7,480	3.4	3.8
Daiwa Daikanyama (Note 5)	3,760	3,800	3.0	3,740	3.0	3.2

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 Shinjuku West	1,350	1,360	3.6	1,340	3.4	3.8
Daiwa Kanda Mikuracho	1,940	1,950	3.6	1,930	3.6	3.8
Daiwa Kanda East	5,940	5,990	3.2	5,880	3.0	3.3
Daiwa Kandasudacho	3,090	3,060	3.4	3,100	3.4	3.6
Daiwa Sasazuka Tower	15,200	15,300	3.7	15,100	3.5	3.9
Daiwa Sasazuka	3,510	3,580	3.8	3,480	3.6	4.0
Daiwa Harumi	12,000	12,100	3.5	11,800	3.5	3.7
Daiwa Mita 2-Chome	4,160	4,200	3.5	4,120	3.3	3.6
Nihonbashi Central Square (Note 2)	3,950	4,100	3.3	3,880	3.1	3.5
Daiwa Nihonbashi Bakurocho	7,020	7,170	3.4	6,860	3.2	3.6
Daiwa Kandabashi	2,170	2,240	3.2	2,140	3.0	3.4
Daiwa Akihabara	20,800	21,200	3.3	20,300	3.1	3.5
Daiwa Nihonbashi Bakurocho II (Note 2)	6,820	6,860	3.4	6,770	3.1	3.5
Daiwa Higashi-Ikebukuro	4,380	4,440	3.9	4,360	3.7	4.1
Daiwa Shinagawa North	6,250	6,400	4.0	6,100	3.8	4.2
Daiwa Kamiooka	2,920	2,950	4.3	2,910	4.1	4.5
Daiwa Ogikubo Tower	23,200	23,500	3.5	23,100	3.3	3.7
Daiwa Meguro Square	7,300	7,510	3.3	7,210	3.1	3.5
Daiwa Ogikubo	5,110	5,160	3.7	5,090	3.5	3.9
CONCURRED Yokohama (Note 2)	41,900	43,000	4.0	41,400	3.8	4.2
Daiwa Shinagawa Gotenyama	2,880	2,900	3.8	2,870	3.6	4.0
Daiwa Nakano-Sakaue	2,260	2,290	3.9	2,250	3.6	4.1
Daiwa Kitahama	14,900	15,300	3.5	14,700	3.3	3.7
Total	598,630	701,910	—	680,290	—	—

(Note 1) “Estimated price at end of period” is the price as of November 30, 2024, 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, Daiwa Tsukishima, Nihonbashi Central Square, Daiwa Nihonbashi Bakurocho II, and CONCURRED Yokohama, 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 (3.8% for the first 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 for the eleventh fiscal year (3.1% up to the tenth fiscal year).

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 38th Fiscal Period (from June 1, 2024 to November 30, 2024). 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 Sarugakucho (Note 3)	Daiwa A Hamamatsucho
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	3,190	2,865
	Investment ratio (%)	3.0	0.6	1.8	0.7	0.6
	Carrying amount (Millions of yen)	12,588	2,739	7,915	2,999	2,625
	Estimated price at end of period (Millions of yen)	15,100	3,180	9,160	4,120	3,990
Leasing information	Total number of tenants (Note 1)	21	7	56	2	11
	Leasable floor area (m ²)	8,117.07	2,032.11	9,619.67	3,657.43	3,663.38
	Leased floor area (m ²)	8,053.89	2,032.11	8,688.11	3,657.43	3,360.88
	Occupancy rate (%)					
	End of Nov. 2022	99.2	100.0	89.8	100.0	100.0
	End of May 2023	99.2	100.0	89.8	100.0	100.0
	End of Nov. 2023	99.2	87.9	98.7	100.0	100.0
End of May 2024	99.2	100.0	90.3	100.0	100.0	
End of Nov. 2024	99.2	100.0	90.3	100.0	91.7	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	442,606	86,423	224,567	(Not disclosed)	136,483
	Rent revenue – real estate	442,606	86,423	222,366	(Not disclosed)	134,214
	Other lease business revenue	–	–	2,200	(Not disclosed)	2,268
	Total property leasing expenses (B) (Thousands of yen)	124,325	26,662	67,165	(Not disclosed)	62,718
	Consignment expenses	29,087	5,822	17,738	(Not disclosed)	11,246
	Utilities expenses	29,494	6,150	15,235	(Not disclosed)	9,289
	Taxes and dues	41,357	13,832	23,627	(Not disclosed)	10,201
	Non-life insurance expenses	671	155	616	(Not disclosed)	293
	Repair expenses	2,304	701	9,947	(Not disclosed)	2,286
	Other lease business expenses	21,409	–	–	(Not disclosed)	29,400
	NOI (C) [(A) – (B)] (Thousands of yen)	318,281	59,761	157,402	95,689	73,764
	Depreciation (D) (Thousands of yen)	37,418	8,043	38,824	15,743	14,092
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	280,862	51,718	118,577	(Not disclosed)	59,672	
Capital expenditures (F) (Thousands of yen)	676	–	35,377	4,164	2,085	
NCF [(C) – (F)] (Thousands of yen)	317,605	59,761	122,024	91,525	71,678	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	36.54	40.16	47.20	(Not disclosed)	56.28
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	82,696	27,518	46,723	16,377	20,285
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	808,290	252,350	184,960	191,126	103,380

Region		Five Central Wards of Tokyo				
Property name		Daiwa Jingumae	Daiwa Shibadaimon	Daiwa Misakicho (Note 3)	Daiwa Tsukijiekimae	Daiwa Tsukiji
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Jan. 2006	Jan. 2006
Price information	Acquisition price (Millions of yen)	2,800	2,578	2,346	1,560	1,240
	Investment ratio (%)	0.6	0.5	0.5	0.3	0.3
	Carrying amount (Millions of yen)	2,614	2,294	2,063	1,207	1,126
	Estimated price at end of period (Millions of yen)	3,240	4,220	3,200	2,400	1,690
Leasing information	Total number of tenants (Note 1)	4	7	1	9	7
	Leasable floor area (m ²)	2,198.61	2,386.48	2,137.53	2,659.59	1,487.44
	Leased floor area (m ²)	2,198.61	2,224.61	2,137.53	2,659.59	1,487.44
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	100.0	100.0	100.0
	End of May 2023	100.0	100.0	100.0	89.6	100.0
	End of Nov. 2023	100.0	100.0	100.0	89.6	100.0
	End of May 2024	100.0	100.0	100.0	100.0	100.0
End of Nov. 2024	100.0	93.2	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)	85,667	105,069	(Not disclosed)	71,398	43,155
	Rent revenue – real estate	85,667	105,069	(Not disclosed)	71,398	43,155
	Other lease business revenue	–	–	(Not disclosed)	–	–
	Total property leasing expenses (B) (Thousands of yen)	24,052	22,484	(Not disclosed)	15,519	11,445
	Consignment expenses	4,144	6,830	(Not disclosed)	3,844	3,799
	Utilities expenses	4,064	7,421	(Not disclosed)	4,981	2,611
	Taxes and dues	8,069	7,693	(Not disclosed)	5,819	4,716
	Non-life insurance expenses	132	191	(Not disclosed)	161	98
	Repair expenses	7,633	347	(Not disclosed)	695	220
	Other lease business expenses	7	–	(Not disclosed)	18	–
	NOI (C) [(A) – (B)] (Thousands of yen)	61,614	82,585	63,753	55,879	31,709
	Depreciation (D) (Thousands of yen)	9,177	10,921	13,981	15,415	8,602
	Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	52,437	71,664	(Not disclosed)	40,463	23,107
Capital expenditures (F) (Thousands of yen)	4,204	2,685	3,235	9,910	270	
NCF [(C) – (F)] (Thousands of yen)	57,410	79,900	60,517	45,969	31,439	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	38.79	31.79	(Not disclosed)	43.33	46.46
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	16,138	15,049	12,276	11,606	9,374
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	99,700	87,656	114,585	79,450	97,348

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukishima (Note 4)	Daiwa Nihonbashi Horidomecho	Daiwa Azabudai	Shinjuku Maynds Tower	Daiwa Kodenmacho
Acquisition date		Mar. 2006	May 2006	May 2006	July 2007 and Nov. 2007	Aug. 2007
Price information	Acquisition price (Millions of yen)	4,704	2,520	1,600	66,900	2,460
	Investment ratio (%)	1.0	0.5	0.3	14.2	0.5
	Carrying amount (Millions of yen)	3,753	2,301	1,460	62,393	2,367
	Estimated price at end of period (Millions of yen)	5,820	3,130	1,890	66,900	2,310
Leasing information	Total number of tenants (Note 1)	3	6	11	43	8
	Leasable floor area (m ²)	5,055.41	2,848.91	1,697.88	22,790.70	2,379.31
	Leased floor area (m ²)	2,055.13	2,848.91	1,502.27	22,617.39	2,379.31
	Occupancy rate (%)					
	End of Nov. 2022	78.5	100.0	100.0	93.4	100.0
	End of May 2023	78.5	100.0	100.0	95.1	100.0
	End of Nov. 2023	78.5	100.0	88.4	97.6	100.0
End of May 2024	40.6	100.0	88.4	95.4	100.0	
End of Nov. 2024	40.6	100.0	88.4	99.2	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	105,917	90,005	49,811	1,326,138	67,179
	Rent revenue – real estate	105,917	90,005	49,811	1,326,138	67,179
	Other lease business revenue	–	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	42,142	22,088	15,287	376,952	19,867
	Consignment expenses	9,722	5,788	4,103	82,026	5,684
	Utilities expenses	8,553	6,209	2,327	130,917	5,300
	Taxes and dues	21,781	7,817	5,821	149,158	4,326
	Non-life insurance expenses	460	205	119	3,029	148
	Repair expenses	1,624	2,067	2,914	11,056	3,585
	Other lease business expenses	–	–	–	765	822
	NOI (C) [(A) – (B)] (Thousands of yen)	63,775	67,917	34,524	949,186	47,311
Depreciation (D) (Thousands of yen)	56,307	14,476	8,767	193,511	10,584	
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	7,467	53,440	25,756	755,674	36,727	
Capital expenditures (F) (Thousands of yen)	9,739	14,868	8,252	53,352	43,827	
NCF [(C) – (F)] (Thousands of yen)	54,035	53,048	26,271	895,834	3,484	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	92.95	40.63	48.29	43.02	45.33
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	32,806	15,452	11,623	295,540	8,652
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	136,680	147,575	110,990	5,811,680	147,478

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Nishi-Shimbashi	Daiwa Kayabacho (Note 3)	Daiwa Jinbocho 3-chome	E SPACE TOWER	Daiwa Nihonbashi Hongokucho
Acquisition date		Aug. 2010	Mar. 2011	Mar. 2011	July 2011	May 2012
Price information	Acquisition price (Millions of yen)	5,000	5,600	3,550	24,000	1,721
	Investment ratio (%)	1.1	1.2	0.8	5.1	0.4
	Carrying amount (Millions of yen)	4,424	4,973	3,129	23,160	1,430
	Estimated price at end of period (Millions of yen)	7,640	8,790	5,560	38,900	2,880
Leasing information	Total number of tenants (Note 1)	10	1	8	15	6
	Leasable floor area (m ²)	4,816.37	5,899.11	2,889.34	13,960.84	2,143.08
	Leased floor area (m ²)	4,816.37	5,899.11	2,889.34	13,960.84	2,143.08
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	100.0	100.0	100.0
	End of May 2023	100.0	100.0	100.0	96.3	86.5
	End of Nov. 2023	100.0	100.0	100.0	100.0	86.5
	End of May 2024	100.0	100.0	100.0	100.0	100.0
End of Nov. 2024	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)	173,045	(Not disclosed)	124,283	838,393	78,093
	Rent revenue – real estate	173,045	(Not disclosed)	124,283	838,393	78,093
	Other lease business revenue	–	(Not disclosed)	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	91,716	(Not disclosed)	28,777	183,548	14,063
	Consignment expenses	15,098	(Not disclosed)	7,390	48,118	3,478
	Utilities expenses	11,952	(Not disclosed)	9,676	59,783	4,159
	Taxes and dues	18,413	(Not disclosed)	10,760	72,161	4,995
	Non-life insurance expenses	433	(Not disclosed)	203	1,029	125
	Repair expenses	45,812	(Not disclosed)	746	2,383	1,304
	Other lease business expenses	6	(Not disclosed)	–	72	–
	NOI (C) [(A) – (B)] (Thousands of yen)	81,328	146,058	95,505	654,844	64,030
	Depreciation (D) (Thousands of yen)	40,372	31,112	20,349	76,424	13,748
	Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	40,956	(Not disclosed)	75,156	578,419	50,282
Capital expenditures (F) (Thousands of yen)	9,983	4,811	213	20,706	158	
NCF [(C) – (F)] (Thousands of yen)	71,345	141,247	95,292	634,138	63,872	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	76.33	(Not disclosed)	39.53	31.01	35.61
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	36,573	28,183	21,487	144,285	9,978
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	178,710	138,850	98,780	696,050	75,395

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		shinyon curumu	Daiwa Akasaka	Daiwa Shibuya Miyamasuzaka	Daiwa Azabu Terrace	Daiwa Ebisu 4-chome (Note 3)
Acquisition date		Dec. 2012 and Apr. 2013	Aug. 2013	Sept. 2013	July 2014	Dec. 2014
Price information	Acquisition price (Millions of yen)	9,650	9,200	7,000	14,000	4,135
	Investment ratio (%)	2.1	2.0	1.5	3.0	0.9
	Carrying amount (Millions of yen)	9,328	9,791	7,103	13,559	4,123
	Estimated price at end of period (Millions of yen)	17,600	16,600	13,100	18,500	6,800
Leasing information	Total number of tenants (Note 1)	16	17	10	13	1
	Leasable floor area (m ²)	6,751.31	8,752.21	6,328.28	13,240.61	2,951.70
	Leased floor area (m ²)	6,751.31	8,752.21	6,328.28	13,240.61	2,951.70
	Occupancy rate (%)					
	End of Nov. 2022	100.0	95.5	100.0	84.2	100.0
	End of May 2023	99.7	100.0	100.0	87.5	100.0
	End of Nov. 2023	99.7	100.0	100.0	94.3	100.0
	End of May 2024	100.0	100.0	100.0	100.0	100.0
End of Nov. 2024	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)	411,076	379,568	336,222	465,077	(Not disclosed)
	Rent revenue – real estate	411,076	379,568	336,222	465,077	(Not disclosed)
	Other lease business revenue	–	–	–	–	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	96,405	104,839	63,595	124,747	(Not disclosed)
	Consignment expenses	25,041	30,686	21,014	30,170	(Not disclosed)
	Utilities expenses	27,323	30,029	17,066	51,929	(Not disclosed)
	Taxes and dues	41,579	39,856	22,862	38,253	(Not disclosed)
	Non-life insurance expenses	519	670	495	973	(Not disclosed)
	Repair expenses	1,940	3,596	2,133	3,321	(Not disclosed)
	Other lease business expenses	–	–	24	99	(Not disclosed)
	NOI (C) [(A) – (B)] (Thousands of yen)	314,670	274,729	272,627	340,330	139,188
	Depreciation (D) (Thousands of yen)	41,377	63,211	26,145	57,500	17,648
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	273,292	211,517	246,481	282,829	(Not disclosed)	
Capital expenditures (F) (Thousands of yen)	3,977	12,895	350	11,060	6,464	
NCF [(C) – (F)] (Thousands of yen)	310,693	261,834	272,277	329,270	132,723	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	33.52	44.27	26.69	39.19	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	83,130	79,644	45,671	76,195	22,289
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	301,626	277,846	591,581	566,043	98,160

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		LAQUAS Higashi Shinjuku	Daiwa Aoyama	Daiwa Shibuya Shinsen	Daiwa Shibuya Square	Daiwa River Gate
Acquisition date		Dec. 2014	Mar. 2015	Mar. 2015	May 2015	June 2015
Price information	Acquisition price (Millions of yen)	8,450	9,800	4,800	16,000	28,000
	Investment ratio (%)	1.8	2.1	1.0	3.4	5.9
	Carrying amount (Millions of yen)	8,159	9,867	4,936	15,861	27,292
	Estimated price at end of period (Millions of yen)	11,600	12,900	6,740	23,200	36,000
Leasing information	Total number of tenants (Note 1)	4	7	5	10	95
	Leasable floor area (m ²)	7,498.33	4,426.10	2,674.97	8,566.73	32,045.98
	Leased floor area (m ²)	7,498.33	4,426.10	2,674.97	8,566.73	29,850.98
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	67.5	100.0	99.7
	End of May 2023	100.0	100.0	100.0	100.0	99.0
	End of Nov. 2023	100.0	100.0	100.0	100.0	91.4
End of May 2024	100.0	100.0	100.0	100.0	93.2	
End of Nov. 2024	100.0	100.0	100.0	100.0	93.1	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	239,743	258,240	121,668	455,543	1,004,080
	Rent revenue – real estate	239,743	258,240	121,668	455,543	999,795
	Other lease business revenue	–	–	–	–	4,284
	Total property leasing expenses (B) (Thousands of yen)	60,128	43,468	27,940	72,736	320,990
	Consignment expenses	10,779	13,410	10,550	18,661	78,332
	Utilities expenses	20,107	9,167	6,483	19,689	104,080
	Taxes and dues	23,527	18,737	9,497	33,136	104,367
	Non-life insurance expenses	474	236	185	584	2,824
	Repair expenses	5,081	1,916	1,224	665	31,385
	Other lease business expenses	158	–	–	–	–
	NOI (C) [(A) – (B)] (Thousands of yen)	179,615	214,772	93,727	382,806	683,089
	Depreciation (D) (Thousands of yen)	36,611	19,326	18,027	33,094	156,156
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	143,003	195,445	75,699	349,712	526,933	
Capital expenditures (F) (Thousands of yen)	19,869	3,458	3,538	2,352	88,523	
NCF [(C) – (F)] (Thousands of yen)	159,746	211,314	90,188	380,454	594,566	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	40.35	24.32	37.78	23.23	47.52
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	46,933	37,474	18,794	65,957	204,283
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	286,340	172,960	169,120	368,060	2,001,250

Region		Five Central Wards of Tokyo				
Property name		Daiwa Hatchobori ekimae	Daiwa Hatchobori ekimae West	Daiwa Nishi-Shinjuku	Kirin Nihonbashi (Note 3)	Daiwa Higashi-Nihonbashi
Acquisition date		Sept. 2015	Sept. 2015	Mar. 2016	May 2016	June 2016
Price information	Acquisition price (Millions of yen)	2,871	1,647	13,710	8,180	6,370
	Investment ratio (%)	0.6	0.3	2.9	1.7	1.4
	Carrying amount (Millions of yen)	2,855	1,685	13,904	8,205	6,118
	Estimated price at end of period (Millions of yen)	3,510	2,100	17,100	8,400	7,550
Leasing information	Total number of tenants (Note 1)	10	9	6	1	5
	Leasable floor area (m ²)	2,622.42	1,746.21	6,965.73	5,630.17	5,015.88
	Leased floor area (m ²)	2,622.42	1,746.21	6,965.73	5,630.17	5,015.88
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	100.0	100.0	100.0
	End of May 2023	100.0	100.0	93.7	100.0	100.0
	End of Nov. 2023	88.7	99.3	93.7	100.0	100.0
	End of May 2024	100.0	100.0	93.7	100.0	100.0
End of Nov. 2024	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)	92,189	50,457	363,407	(Not disclosed)	182,942
	Rent revenue – real estate	92,189	50,457	363,407	(Not disclosed)	182,942
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (Thousands of yen)	28,613	12,547	94,311	(Not disclosed)	35,217
	Consignment expenses	8,148	4,523	20,048	(Not disclosed)	8,955
	Utilities expenses	8,109	2,930	21,363	(Not disclosed)	12,655
	Taxes and dues	10,249	4,919	46,707	(Not disclosed)	12,895
	Non-life insurance expenses	203	105	489	(Not disclosed)	325
	Repair expenses	1,902	70	5,702	(Not disclosed)	351
	Other lease business expenses	–	–	–	(Not disclosed)	35
	NOI (C) [(A) – (B)] (Thousands of yen)	63,576	37,910	269,096	157,574	147,725
	Depreciation (D) (Thousands of yen)	10,139	5,654	24,237	23,343	22,925
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	53,437	32,255	244,859	(Not disclosed)	124,799	
Capital expenditures (F) (Thousands of yen)	1,751	122	51,230	511	5,033	
NCF [(C) – (F)] (Thousands of yen)	61,824	37,788	217,866	157,062	142,691	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	42.04	36.07	32.62	(Not disclosed)	31.78
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	20,310	9,774	93,121	24,606	25,593
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	159,500	91,420	252,590	116,090	157,360

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Daikanyama (Note 3)	Daiwa Shinjuku West	Daiwa Kanda Mikuracho	Daiwa Kanda East	Daiwa Kandasudacho
Acquisition date		June 2016	July 2016	Dec. 2016	Jan. 2018	June 2018 and Nov. 2018
Price information	Acquisition price (Millions of yen)	2,280	942	1,592	4,200	2,295
	Investment ratio (%)	0.5	0.2	0.3	0.9	0.5
	Carrying amount (Millions of yen)	2,329	975	1,596	4,306	2,406
	Estimated price at end of period (Millions of yen)	3,760	1,350	1,940	5,940	3,090
Leasing information	Total number of tenants (Note 1)	1	9	7	5	8
	Leasable floor area (m ²)	1,642.83	1,118.74	1,719.51	3,980.56	2,211.60
	Leased floor area (m ²)	1,642.83	1,118.74	1,719.51	3,980.56	1,971.59
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	84.7	100.0	100.0
	End of May 2023	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2023	100.0	100.0	100.0	100.0	100.0
End of May 2024	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2024	100.0	100.0	100.0	100.0	89.1	
Income (loss) information	Number of days of asset management	183	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	(Not disclosed)	36,815	47,539	147,792	76,144
	Rent revenue – real estate	(Not disclosed)	36,815	47,539	147,792	76,144
	Other lease business revenue	(Not disclosed)	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	(Not disclosed)	11,582	12,162	32,540	51,145
	Consignment expenses	(Not disclosed)	3,889	4,651	10,100	5,518
	Utilities expenses	(Not disclosed)	3,332	3,310	9,641	4,247
	Taxes and dues	(Not disclosed)	3,605	4,011	11,300	5,024
	Non-life insurance expenses	(Not disclosed)	68	88	233	116
	Repair expenses	(Not disclosed)	686	100	1,264	36,227
	Other lease business expenses	(Not disclosed)	–	–	–	11
	NOI (C) [(A) – (B)] (Thousands of yen)	63,473	25,232	35,377	115,252	24,998
	Depreciation (D) (Thousands of yen)	5,332	2,430	6,054	22,838	8,026
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	(Not disclosed)	22,801	29,323	92,413	16,972	
Capital expenditures (F) (Thousands of yen)	–	130	613	25,628	19,437	
NCF [(C) – (F)] (Thousands of yen)	63,473	25,102	34,764	89,623	5,561	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	(Not disclosed)	38.06	38.32	37.47	77.71
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	13,375	7,208	7,980	22,329	9,947
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	60,548	59,380	82,871	166,634	93,890

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				
Property name		Daiwa Sasazuka Tower	Daiwa Sasazuka	Daiwa Harumi	Daiwa Mita 2-Chome (Note 3)	Nihonbashi Central Square
Acquisition date		Oct. 2018	Dec. 2018	Feb. 2019	July 2019	May 2020
Price information	Acquisition price (Millions of yen)	15,500	3,000	11,200	2,635	3,521
	Investment ratio (%)	3.3	0.6	2.4	0.6	0.7
	Carrying amount (Millions of yen)	16,036	3,255	11,040	1,543	3,557
	Estimated price at end of period (Millions of yen)	15,200	3,510	12,000	4,160	3,950
Leasing information	Total number of tenants (Note 1)	10	9	11	1	9
	Leasable floor area (m ²)	16,152.35	3,828.95	11,227.13	2,101.61	1,837.05
	Leased floor area (m ²)	15,438.82	3,828.95	10,910.80	2,101.61	1,837.05
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	100.0	100.0	85.6
	End of May 2023	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2023	100.0	100.0	100.0	100.0	78.5
	End of May 2024	100.0	100.0	94.3	100.0	100.0
End of Nov. 2024	95.5	100.0	97.1	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)	351,991	104,098	306,960	(Not disclosed)	93,423
	Rent revenue – real estate	351,991	104,098	306,960	(Not disclosed)	93,423
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (Thousands of yen)	204,874	45,223	122,479	(Not disclosed)	19,057
	Consignment expenses	56,010	8,009	34,760	(Not disclosed)	5,357
	Utilities expenses	72,679	10,732	34,395	(Not disclosed)	5,882
	Taxes and dues	57,027	9,596	30,404	(Not disclosed)	6,406
	Non-life insurance expenses	1,251	231	713	(Not disclosed)	117
	Repair expenses	17,905	16,654	1,668	(Not disclosed)	1,276
	Other lease business expenses	–	–	20,538	(Not disclosed)	18
	NOI (C) [(A) – (B)] (Thousands of yen)	147,116	58,874	184,480	77,362	74,366
	Depreciation (D) (Thousands of yen)	50,079	15,232	38,836	6,209	8,478
	Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	97,037	43,642	145,644	(Not disclosed)	65,887
Capital expenditures (F) (Thousands of yen)	128,107	21,311	8,019	–	472	
NCF [(C) – (F)] (Thousands of yen)	19,009	37,563	176,461	77,362	73,893	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	72.43	58.08	52.55	(Not disclosed)	29.47
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	113,984	19,118	60,449	20,046	12,764
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	915,030	175,850	367,160	96,170	134,280

Daiwa Office Investment Corporation (8976) Financial Report for the 38th Fiscal Period

Region		Five Central Wards of Tokyo				Greater Tokyo
Property name		Daiwa Nihonbashi Bakurocho	Daiwa Kandabashi	Daiwa Akihabara (Note 5)	Daiwa Nihonbashi Bakurocho II	Daiwa Higashi-Ikebukuro
Acquisition date		Land: Nov. 2020 Building: Nov. 2022	Sept. 2021	Land: Dec. 2021 Building: June 2024	Mar. 2024	Oct. 2005
Price information	Acquisition price (Millions of yen)	5,733	1,970	15,503	6,300	2,958
	Investment ratio (%)	1.2	0.4	3.3	1.3	0.6
	Carrying amount (Millions of yen)	5,669	2,038	15,935	6,566	2,449
	Estimated price at end of period (Millions of yen)	7,020	2,170	20,800	6,820	4,380
Leasing information	Total number of tenants (Note 1)	5	12	9	6	7
	Leasable floor area (m ²)	3,677.63	1,224.00	9,385.73	3,757.52	4,462.28
	Leased floor area (m ²)	3,677.63	1,224.00	9,385.73	3,757.52	4,462.28
	Occupancy rate (%)					
	End of Nov. 2022	87.4	100.0	–	–	89.7
	End of May 2023	98.0	100.0	–	–	100.0
	End of Nov. 2023	100.0	100.0	–	–	100.0
End of May 2024	100.0	94.7	–	100.0	100.0	
End of Nov. 2024	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)	161,471	44,403	66,035	136,548	139,633
	Rent revenue – real estate	161,471	44,034	66,035	136,548	139,633
	Other lease business revenue	–	368	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	36,595	10,494	90,757	19,630	39,734
	Consignment expenses	12,326	3,674	74,766	9,447	14,257
	Utilities expenses	11,087	2,631	10,049	7,997	12,982
	Taxes and dues	12,929	3,405	319	13	8,672
	Non-life insurance expenses	231	65	497	243	358
	Repair expenses	–	609	5,123	1,927	3,462
	Other lease business expenses	19	108	–	–	–
	NOI (C) [(A) – (B)] (Thousands of yen)	124,876	33,908	(24,721)	116,918	99,899
Depreciation (D) (Thousands of yen)	27,666	4,574	75,394	20,601	20,835	
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	97,210	29,334	(100,115)	96,317	79,063	
Capital expenditures (F) (Thousands of yen)	–	1,341	126,376	1,358	21,637	
NCF [(C) – (F)] (Thousands of yen)	124,876	32,567	(151,097)	115,560	78,261	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	39.80	33.94	251.61	29.46	43.38
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	25,765	6,811	19,582	–	17,289
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	8,590	34,848	16,380	64,955	294,300

Region		Greater Tokyo				
Property name		Daiwa Shinagawa North	Daiwa Kamiooka	Daiwa Ogikubo Tower	Daiwa Meguro Square	Daiwa Ogikubo
Acquisition date		July 2007	Mar. 2013	May 2014	May 2015	July 2016
Price information	Acquisition price (Millions of yen)	7,710	2,000	15,220	5,600	3,800
	Investment ratio (%)	1.6	0.4	3.2	1.2	0.8
	Carrying amount (Millions of yen)	6,802	1,701	15,529	5,286	3,964
	Estimated price at end of period (Millions of yen)	6,250	2,920	23,200	7,300	5,110
Leasing information	Total number of tenants (Note 1)	13	9	10	18	12
	Leasable floor area (m ²)	6,546.03	2,630.30	17,778.14	3,519.50	3,849.63
	Leased floor area (m ²)	6,546.03	2,630.30	17,778.14	3,519.50	3,849.63
	Occupancy rate (%)					
	End of Nov. 2022	100.0	100.0	100.0	100.0	100.0
	End of May 2023	100.0	100.0	100.0	96.7	100.0
	End of Nov. 2023	100.0	100.0	100.0	100.0	100.0
End of May 2024	100.0	100.0	100.0	100.0	100.0	
End of Nov. 2024	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)	212,484	94,526	707,010	166,533	127,369
	Rent revenue – real estate	212,484	94,526	707,010	166,533	127,369
	Other lease business revenue	–	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	73,081	23,750	184,259	39,252	32,507
	Consignment expenses	17,352	5,753	56,136	9,250	13,930
	Utilities expenses	19,677	9,694	76,321	10,155	7,788
	Taxes and dues	20,546	6,841	45,230	15,400	9,237
	Non-life insurance expenses	529	197	1,382	264	233
	Repair expenses	14,976	1,264	5,007	4,181	1,316
	Other lease business expenses	–	–	180	–	–
	NOI (C) [(A) – (B)] (Thousands of yen)	139,402	70,775	522,751	127,281	94,861
	Depreciation (D) (Thousands of yen)	33,117	18,914	134,058	24,438	12,843
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	106,285	51,861	388,692	102,842	82,017	
Capital expenditures (F) (Thousands of yen)	26,170	8,448	19,237	34,425	45,540	
NCF [(C) – (F)] (Thousands of yen)	113,232	62,327	503,513	92,855	49,321	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	49.98	45.14	45.02	38.24	35.61
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	40,707	13,682	89,775	30,562	18,375
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	441,710	110,832	1,241,391	223,894	121,620

Region		Greater Tokyo			Major Regional Cities
Property name		CONCURRED Yokohama	Daiwa Shinagawa Gotenyama	Daiwa Nakano- Sakaue	Daiwa Kitahama
Acquisition date		Jan. 2018	Sept. 2018	Dec. 2019	Aug. 2014
Price information	Acquisition price (Millions of yen)	38,100	2,500	2,750	9,481
	Investment ratio (%)	8.1	0.5	0.6	2.0
	Carrying amount (Millions of yen)	37,203	2,609	2,918	8,751
	Estimated price at end of period (Millions of yen)	41,900	2,880	2,260	14,900
Leasing information	Total number of tenants (Note 1)	38	6	6	8
	Leasable floor area (m ²)	28,052.98	2,396.96	2,716.92	13,517.62
	Leased floor area (m ²)	28,052.98	2,396.96	2,716.92	13,517.62
	Occupancy rate (%)				
	End of Nov. 2022	100.0	100.0	100.0	100.0
	End of May 2023	98.1	100.0	100.0	100.0
	End of Nov. 2023	100.0	100.0	100.0	100.0
End of May 2024	100.0	100.0	100.0	100.0	
End of Nov. 2024	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	183	183	183	183
	Total property leasing revenue (A) (Thousands of yen)	1,104,089	79,292	75,955	402,801
	Rent revenue – real estate	1,104,089	79,292	66,603	402,801
	Other lease business revenue	–	–	9,351	–
	Total property leasing expenses (B) (Thousands of yen)	230,486	16,707	48,209	117,670
	Consignment expenses	56,284	4,642	11,084	29,035
	Utilities expenses	107,024	4,265	5,668	42,730
	Taxes and dues	61,859	6,138	7,897	38,636
	Non-life insurance expenses	790	142	188	958
	Repair expenses	4,528	1,519	23,359	6,255
	Other lease business expenses	–	–	12	53
	NOI (C) [(A) – (B)] (Thousands of yen)	873,602	62,584	27,745	285,131
	Depreciation (D) (Thousands of yen)	125,655	6,329	11,272	49,978
Operating income (loss) from property leasing (E) [(C) – (D)] (Thousands of yen)	747,946	56,254	16,472	235,152	
Capital expenditures (F) (Thousands of yen)	25,276	11,480	390	15,053	
NCF [(C) – (F)] (Thousands of yen)	848,325	51,103	27,355	270,077	
Reference information	Expense rate (%) [(B) + (D)] ÷ (A)	32.26	29.05	78.31	41.62
	Annual amount of fixed property tax, etc. for fiscal 2024 (Thousands of yen)	123,713	12,235	15,523	77,272
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	804,030	130,881	191,494	278,742

- (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) Divestment of quasi co-ownership interest (40%) in Daiwa Tsukishima was completed on November 29, 2024. In addition, the annual amount of the property's fixed property tax, etc. for fiscal 2024 shows only the amount for a single building.
- (Note 5) Acquisition of Daiwa Akihabara was completed on June 28, 2024. In addition, the annual amount of the property's fixed property tax, etc. for fiscal 2024 includes only the amount of fixed property tax relating to the land.