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## REIT Financial Report for the 31st Fiscal Period

July 19, 2021

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Scheduled date of submission of periodic securities report (*yuka shoken hokokusho*): August 23, 2021  
 Scheduled date of start of distribution payments: August 13, 2021

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 31st Fiscal Period

31st Fiscal Period: Fiscal period ended May 2021 (from December 1, 2020 to May 31, 2021)

#### (1) Management

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

	Operating revenue		Operating income		Ordinary income		Net income	
31st Period	¥15,054 million	1.4%	¥8,137 million	5.5%	¥7,550 million	6.0%	¥7,549 million	6.0%
30th Period	¥14,849 million	4.0%	¥7,715 million	5.5%	¥7,125 million	6.5%	¥7,124 million	6.5%

  

	Net income per unit	Net income to unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenue
31st Period	¥15,412	3.0%	1.6%	50.2%
30th Period	¥14,484	2.8%	1.5%	48.0%

(Note) Net income per unit is calculated using the following average number of investment units during the period.  
 31st Fiscal Period: 489,860 units; 30th Fiscal Period: 491,877 units

#### (2) Distributions

	Distribution amount per unit (excluding distribution amount in excess of earnings)	Total distribution amount (excluding distribution amount in excess of earnings)	Distribution amount in excess of earnings per unit	Total distribution amount in excess of earnings	Dividend payout	Distribution amount to net assets
31st Period	¥14,000	¥6,833 million	¥-	¥- million	90.5%	2.7%
30th Period	¥13,817	¥6,796 million	¥-	¥- million	95.4%	2.7%

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

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

Distribution amount per unit for the 30th Fiscal Period is calculated by dividing the amount obtained by deducting provision of reserve for reduction entry (¥328 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.

#### (3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
31st Period	¥484,310 million	¥253,522 million	52.3%	¥519,419
30th Period	¥488,570 million	¥255,511 million	52.3%	¥519,462

#### (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
31st Period	¥12,340 million	(¥1,301 million)	(¥10,678 million)	¥32,211 million
30th Period	¥11,497 million	(¥4,279 million)	(¥6,717 million)	¥31,850 million

## 2. Management Status Forecasts for the 32nd Fiscal Period and 33rd Fiscal Period

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

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

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

	Operating revenue		Operating income		Ordinary income		Net income	
32nd Period	¥13,851 million	(8.0%)	¥7,308 million	(10.2%)	¥6,737 million	(10.8%)	¥6,735 million	(10.8%)
33rd Period	¥13,697 million	(1.1%)	¥7,308 million	0.0%	¥6,738 million	0.0%	¥6,736 million	0.0%

	Distribution amount per unit (excluding distribution amount in excess of earnings)		Distribution amount in excess of earnings per unit	
32nd Period		¥14,000		¥-
33rd Period		¥14,000		¥-

(Reference) Estimated net income per unit for the 32nd Fiscal Period: ¥13,800; 33rd Fiscal Period: ¥13,800

(Note) Distribution amount per unit for the 32nd Fiscal Period is calculated based on the assumption that the amount after adding reversal of reserve for reduction entry (¥97 million) to unappropriated retained earnings will be distributed. Reversal of reserve for reduction entry may change depending on the management status.

Distribution amount per unit for the 33rd Fiscal Period is calculated based on the assumption that the amount after adding reversal of reserve for reduction entry (¥97 million) to unappropriated retained earnings will be distributed. Reversal of reserve for reduction entry may change depending on the management status.

## 3. Other

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

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

### (2) Total Number of Investment Units Issued and Outstanding

- (i) Total number of investment units issued and outstanding at end of period (including treasury units):  
31st Fiscal Period: 488,088 units      30th Fiscal Period: 491,877 units
- (ii) Total number of treasury units at end of period:  
31st Fiscal Period: – units      30th Fiscal Period: – units

(Note) Please refer to “Notes to Per Unit Information” on page 24 for the number of investment units used as the basis for calculating the net income per unit.

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

### \* Special note

The forecast figures are forward-looking statements based on information currently available to Daiwa Office Investment Corporation and involve uncertainties. Accordingly, the actual operating revenue, operating income, ordinary income, net income, distribution amount per unit and distribution amount in excess of earnings per unit may vary due to changes in the status. In addition, the forecast is not a guarantee of the distribution amount. For details on the assumptions underlying the forecast figures above, please refer to “Assumptions for the Management Status Forecasts for the 32nd Fiscal Period and 33rd Fiscal Period” on page 7.

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## 1. Management Status

### 1.1. Management Status

#### 1.1.1. Overview of the Fiscal Period Under Review

##### A. Brief History of the Investment Corporation

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

Though initial assets under management were 79,573 million yen (sum total of acquisition price), subsequent activities, such as additional acquisition of properties and replacement of portfolio properties, resulted in the assets under management amounting to 461,418 million yen as of the last day of May 2021.

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

##### B. Investment Environment and Management Performance

###### a. Investment Environment

The Japanese economy during the fiscal period under review saw the impact of the Japanese government’s repeated declaration of a state of emergency with the resurgence of COVID-19 lead to decline mainly in personal spending and the real GDP growth rate (Second Preliminary Estimates) for January to March 2021 sitting at an annual rate of -3.9%, registering negative growth.

In the office building leasing market in central Tokyo, the vacancy rate had continued to be on an improving trend since June 2013, but office consolidations and relocations to smaller offices due to future economic uncertainties and deterioration in business performance stemming from the spread of COVID-19 and other reasons have led to contract cancellations and such, resulting in the vacancy rate rising to 5.90% at the end of May 2021. Office rent had continued to rise, albeit slightly, but turned to a downward trend after peaking in July 2020.

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

###### b. Management Performance

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

Concerning external growth, the Investment Corporation’s first development project, “Nihonbashi-Bakurocho 1-Chome Development Project,” for which the development site was acquired in November 2020, is steadily underway. In addition, the Investment Corporation divested “Daiwa Kyobashi” (sale price: 4,200 million yen) in December 2020. As a result, the Investment Corporation’s assets under management as of the end of the 31st Fiscal Period (May 31, 2021) totaled 59 properties, the sum total of acquisition prices of which amounted to 461,418 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 31st Fiscal Period (May 31, 2021) was 97.5%.

##### C. Overview of Capital Procurement

###### a. Procurement of Capital for Repayment of Borrowings

In the 31st Fiscal Period, the Investment Corporation made the following borrowings to fund the repayment of borrowings.

- (i) The Investment Corporation took out loans of 2,000 million yen in total from Sumitomo Mitsui Trust Bank, Ltd. and Momiji Bank, Ltd. on February 26, 2021, to fund the repayment of the same amount borrowed from Sumitomo Mitsui Trust Bank, Ltd. and The Higashi-Nippon Bank, Ltd. that was due for repayment on the same day.
- (ii) The Investment Corporation took out loans of 13,800 million yen in total from Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., Resona Bank, Limited and MUFG Bank, Ltd. on March 31, 2021, to fund the following:
  - Repayment of 12,300 million yen in total borrowed from Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. and Resona Bank, Limited that was due for repayment on the same day
  - Early repayment of a short-term loan of 1,500 million yen borrowed from MUFG Bank, Ltd. due for repayment on August 31, 2021

- (iii) The Investment Corporation took out loans of 3,400 million yen in total from Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd. and The 77 Bank, Ltd. on May 31, 2021 to fund the repayment of the same amount borrowed from the same banks that was due for repayment on the same day.

The Investment Corporation concluded interest-rate swap agreements in the 31st Fiscal Period for 9,400 million yen of loans with floating interest rates. Converting the interest payable to fixed rates, these are for the purpose of hedging against future interest rate fluctuation risks.

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

As a result of the above, the balance of interest-bearing liabilities outstanding as of the end of the 31st Fiscal Period (May 31, 2021) stood at 203,350 million yen in total (short-term loans payable: 2,400 million yen; long-term loans payable: 191,950 million yen; investment corporation bonds: 9,000 million yen). The balance of the current portion of long-term loans payable stood at 21,500 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 31st Fiscal Period stands at 4.2 years.

List of Borrowings in the 31st Fiscal Period

Lender	Loan amount (Millions of yen)	Drawdown date	Repayment date	Loan period (Years)
Momiji Bank, Ltd.	1,000	2021/2/26	2031/2/28	10.0
Sumitomo Mitsui Trust Bank, Ltd.	1,000	2021/2/26	2029/2/28	8.0
Sumitomo Mitsui Banking Corporation	2,400	2021/3/31	2030/3/29	9.0
Resona Bank, Limited	2,000	2021/3/31	2030/3/29	9.0
Mizuho Bank, Ltd.	2,000	2021/3/31	2028/3/31	7.0
MUFG Bank, Ltd.	1,500	2021/3/31	2028/3/31	7.0
Mizuho Bank, Ltd.	2,000	2021/3/31	2027/3/31	6.0
Mizuho Bank, Ltd.	2,000	2021/3/31	2026/3/31	5.0
Mizuho Bank, Ltd.	1,900	2021/3/31	2024/3/29	3.0
The 77 Bank, Ltd.	1,000	2021/5/31	2031/5/30	10.0
Sumitomo Mitsui Banking Corporation	1,400	2021/5/31	2022/5/31	1.0
Shinsei Bank, Ltd.	1,000	2021/5/31	2022/5/31	1.0

Balance of Borrowings from Each Financial Institution (As of May 31, 2021)

Lender	End of the 31st Fiscal Period (Millions of yen)	Share (%) (Note)
Sumitomo Mitsui Banking Corporation	39,400	20.27
Sumitomo Mitsui Trust Bank, Ltd.	23,500	12.09
Development Bank of Japan Inc.	21,750	11.19
MUFG Bank, Ltd.	20,500	10.55
Mizuho Bank, Ltd.	19,400	9.98
Shinsei Bank, Ltd.	14,000	7.20
Resona Bank, Limited	12,500	6.43
Mizuho Trust and Banking Co., Ltd.	9,500	4.89
The Bank of Fukuoka, Ltd.	6,500	3.34
Kansai Mirai Bank, Ltd.	5,000	2.57
The Nishi-Nippon City Bank Ltd.	3,000	1.54
The 77 Bank, Ltd.	3,000	1.54
The Norinchukin Bank	3,000	1.54
The Gunma Bank, Ltd.	2,500	1.29
The Musashino Bank, Ltd.	2,000	1.03
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,000	1.03
The Yamaguchi Bank, Ltd.	2,000	1.03
Nippon Life Insurance Company	1,300	0.67
The Hyakugo Bank, Ltd.	1,000	0.51
The Yamanashi Chuo Bank, Ltd.	1,000	0.51
Momiji Bank, Ltd.	1,000	0.51
Taiyo Life Insurance Company	300	0.15
Fukoku Mutual Life Insurance Company	200	0.10
Total	194,350	100.00

(Note) Share is rounded to two decimal places.

## c. Rating Information (As of May 31, 2021)

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

## d. Shelf Registration

The Investment Corporation filed a shelf registration statement pertaining to investment corporation bonds on August 7, 2019, as below. The total issuable amount as of the date of this document is 93.1 billion yen.

Investment corporation bonds (excluding short-term investment corporation bonds)	
Planned issue amount	100,000 million yen
Planned issue period	From August 15, 2019 to August 14, 2021
Use of funds	Funds for acquisition of specified assets, repayment of borrowings, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of leasehold and security deposits, payment of repairs, and funds for working capital, etc.

## D. Sustainability Initiatives

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

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

As initiatives for the environment, efforts are being made to reduce the environmental load of the portfolio through energy saving and reduction of greenhouse gas emissions by installing/adopting highly energy-efficient LED lighting and other measures for reducing environmental load, and through water saving and other effective utilization of limited resources. In addition, another 19 properties obtained Certification for CASBEE for Real Estate in the 31st Fiscal Period, bringing the total number of properties owned by the Investment Corporation that have obtained green building certification to 31 properties and the ratio of such properties to the entire portfolio (based on total floor area of the portfolio properties) to 60.3% as of the date of submission of this document.

As initiatives for society, efforts are being made to heighten tenant satisfaction levels and contribute to the sustained development of local communities by coordinating and working together with the outside parties involved in the portfolio properties by forming favorable relationships with them. In the 31st Fiscal Period, initiatives were taken for the safety and security of tenants by installing sanitizers and air purifiers in the common areas of portfolio properties and through other means as COVID-19 control measures.

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

The Investment Corporation has continued to participate in GRESB Real Estate Assessment since 2011, earning the rating of Green Star, which is awarded to participants excelling in both the "Management Component" (assessment of which includes the ESG promotion policy and organizational structure) and the "Performance Component" (assessment of which includes the portfolio properties' environmental performance and initiatives with tenants), for nine consecutive years.

## E. Overview of Financial Performance and Distributions

As a result of the management described above, the Investment Corporation posted financial performance for the 31st Fiscal Period of 15,054 million yen in operating revenue, 8,137 million yen in operating income, 7,550 million yen in ordinary income and 7,549 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, retaining 716,665,400 yen from application of "Special Provisions for Taxation in Cases of Repurchase of Specified Assets" (Article 65-7 of the Special Taxation Measures Act) as reserve for reduction entry, the Investment Corporation decided to distribute the entire amount remaining after deducting provision of reserve for reduction entry from unappropriated retained earnings (excluding fractions of the distribution amount per unit that are less than 1 yen), and declared a distribution amount per unit of 14,000 yen.

## 1.1.2. Outlook for the Next Fiscal Period

## A. Investment Environment

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

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

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

## B. Future Management Policy and Tasks

## a. Strategy for Managing Existing Properties

As to macro trends for the office market, the impact of moves by large companies occupying prime office buildings to consolidate to a head office by canceling contracts for surrounding medium-scale office buildings and other increase in contract cancellations are thought to continue partly due to prolongation of the impact of COVID-19. At present, although moves for large office space are weak, the Investment Corporation is managing to proceed with leasing by setting flexible terms and conditions and secure slight increase in rent upon tenant replacement. Going forward, needs for offices are likely to vary for companies in line with the diversification of work styles and place. Therefore, the Investment Corporation considers that maintaining/improving competitiveness of buildings to qualify as prime offices that can increase the productivity of employees and accommodate needs of the times and environment will be the future issue, and is determined to continue carrying out operational management under the following policy.

## (i) Maintain and raise occupancy rates

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

## (ii) Maintain and raise profitability

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

## (iii) Control operational management costs

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

## b. Strategy for New Property Investments

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

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

## 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)

Amendments to the Investment Policy

The Investment Corporation's investment policy was amended on July 19, 2021, following the resolution passed at the meeting of the board of directors of the Asset Manager held on the same day to partially amend the asset management guidelines that provide the basic policy for the management of the assets of the Investment Corporation. Amid an increasingly harsh property acquisition environment, the Investment Corporation and the Asset Manager decided to seek to acquire quality properties through "investment in development properties based on appropriate risk management" as part of proactive external growth strategies. To that end, the Asset Manager's asset management guidelines are being amended to set specific investment criteria for development properties, namely the investment criteria for the case of investment in the form of the Asset Manager itself becoming the party ordering contract work and the investment criteria for the case of reconstruction and such of portfolio assets, and also to make other required amendments. For the amended investment policy, please refer to the press release "Notice Concerning Partial Amendments to Asset Management Guidelines of the Asset Manager" dated July 19, 2021, and the extraordinary report submitted on the same day.

D. Outlook for Management Status

The Investment Corporation forecasts the following management status for the 32nd Fiscal Period (fiscal period ending November 2021 (from June 1, 2021 to November 30, 2021)). For the assumptions underlying the management status forecasts, please refer to the "Assumptions for the Management Status Forecasts for the 32nd Fiscal Period and 33rd Fiscal Period" on page 7.

32nd Fiscal Period (fiscal period ending November 2021 (from June 1, 2021 to November 30, 2021))

Operating revenue	13,851 million yen
Operating income	7,308 million yen
Ordinary income	6,737 million yen
Net income	6,735 million yen
Distribution amount per unit	14,000 yen
Distribution amount in excess of earnings per unit	— yen

In addition, on the basis that the "Assumptions for the Management Status Forecasts for the 32nd Fiscal Period and 33rd Fiscal Period" will remain unchanged, the Investment Corporation forecasts the following management status for the 33rd Fiscal Period (fiscal period ending May 2022 (from December 1, 2021 to May 31, 2022)).

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

Operating revenue	13,697 million yen
Operating income	7,308 million yen
Ordinary income	6,738 million yen
Net income	6,736 million yen
Distribution amount per unit	14,000 yen
Distribution amount in excess of earnings per unit	— yen

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



## Assumptions for the Management Status Forecasts for the 32nd Fiscal Period and 33rd Fiscal Period

Item	Assumptions
Assets under management	<ul style="list-style-type: none"> <li>• 32nd Fiscal Period: Assets under management are assumed to be the 59 properties owned as of May 31, 2021.</li> <li>• 33rd Fiscal Period: Assets under management are assumed to be the properties mentioned above.</li> <li>• The actual number of properties may vary due to changes in the assets under management other than above.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• Rent revenue from existing properties is calculated based on historical data and taking into account variable factors.</li> <li>• No gain or loss on sale of real estate is assumed to arise.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Repair expenses for buildings are recorded as expenses in the amount expected to be necessary in the respective fiscal period based on the medium to long term repair plan established by the Asset Manager.</li> <li>• 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 8,688 million yen in the 32nd Fiscal Period and 8,681 million yen in the 33rd Fiscal Period.</li> <li>• Consignment expenses are expected to be 1,038 million yen in the 32nd Fiscal Period and 994 million yen in the 33rd Fiscal Period.</li> <li>• Taxes and dues (fixed property tax, city planning tax, etc.) are expected to be 1,144 million yen in the 32nd Fiscal Period and 1,143 million yen in the 33rd Fiscal Period.</li> <li>• 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.</li> <li>• Depreciation is expected to be 1,806 million yen in the 32nd Fiscal Period and 1,806 million yen in the 33rd Fiscal Period.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• Non-operating expenses in the 32nd Fiscal Period are expected to be 570 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 563 million yen.</li> <li>• Non-operating expenses in the 33rd Fiscal Period are expected to be 570 million yen, of which the interest expenses, interest expenses on investment corporation bonds, and borrowing related expenses are expected to be 564 million yen.</li> </ul>
Interest-bearing liabilities	<ul style="list-style-type: none"> <li>• The total amount of interest-bearing liabilities is assumed to be 203,350 million yen at the end of the 32nd Fiscal Period and 203,350 million yen at the end of the 33rd Fiscal Period.</li> <li>• In the 32nd Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on August 31, 2021 (1,000 million yen), and November 30, 2021 (6,500 million yen) is refinanced.</li> <li>• In the 33rd Fiscal Period, it is assumed that the entire amount of borrowings due for repayment on February 28, 2022 (2,000 million yen), March 31, 2022 (2,000 million yen), and May 31, 2022 (12,400 million yen) is refinanced.</li> </ul>
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>• The total number of investment units issued and outstanding is assumed to be the 488,088 units as of May 31, 2021.</li> <li>• It is assumed that there are no changes to the number of investment units other than stated above until the end of the 33rd Fiscal Period through the issuance of new investment units, etc.</li> </ul>

Item	Assumptions
Distribution amount per unit	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The distribution amount per unit for the 32nd Fiscal Period is based on the assumption that part (97 million yen) of the reserve for reduction entry retained as internal reserves will be reversed and distributed. Reversal of reserve for reduction entry may change depending on the management status.</li> <li>• The distribution amount per unit for the 33rd Fiscal Period is based on the assumption that part (97 million yen) of the reserve for reduction entry retained as internal reserves will be reversed and distributed. Reversal of reserve for reduction entry may change depending on the management status.</li> <li>• 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.</li> </ul>
Distribution amount in excess of earnings per unit	<ul style="list-style-type: none"> <li>• At present, there is no plan to make any distribution in excess of earnings (distribution amount in excess of earnings per unit).</li> </ul>
Other	<ul style="list-style-type: none"> <li>• It is assumed that there are no changes to laws and ordinances, the tax system, accounting standards, listing regulations, the rules of Tokyo Stock Exchange, Inc. and The Investment Trusts Association, Japan, etc. that will affect the abovementioned forecast figures.</li> <li>• It is assumed that there will be no major unforeseen changes in general economic trends, real estate market conditions, etc.</li> </ul>

#### 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 February 17, 2021).

## 2. Financial Statements

## 2.1. Balance Sheets

(Unit: Thousands of yen)

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
<b>Assets</b>		
Current assets		
Cash and deposits	28,137,822	28,515,172
Cash and deposits in trust	3,712,586	3,696,461
Operating accounts receivable	367,681	195,627
Prepaid expenses	334,706	357,076
Other	70,120	83,509
Total current assets	32,622,918	32,847,848
Noncurrent assets		
Property, plant and equipment		
Buildings	3,287,710	3,298,171
Accumulated depreciation	(2,535,980)	(2,608,711)
Buildings, net	751,730	689,460
Structures	14,344	14,344
Accumulated depreciation	(7,915)	(8,356)
Structures, net	6,428	5,987
Tools, furniture and fixtures	20,207	20,847
Accumulated depreciation	(14,149)	(15,075)
Tools, furniture and fixtures, net	6,057	5,771
Land	12,302,226	12,302,226
Construction in progress	4,555	3,786
Buildings in trust	108,924,859	108,495,377
Accumulated depreciation	(27,454,212)	(28,653,187)
Buildings in trust, net	*1, *2 81,470,647	*1, *2 79,842,189
Structures in trust	772,607	772,739
Accumulated depreciation	(210,939)	(221,472)
Structures in trust, net	*2 561,668	*2 551,266
Machinery and equipment in trust	893,239	884,250
Accumulated depreciation	(509,450)	(512,570)
Machinery and equipment in trust, net	383,788	371,680
Tools, furniture and fixtures in trust	315,131	333,390
Accumulated depreciation	(191,804)	(199,989)
Tools, furniture and fixtures in trust, net	123,326	133,400
Land in trust	*2 356,251,046	*2 353,434,357
Construction in progress in trust	33,446	50,081
Total property, plant and equipment	451,894,923	447,390,211
Intangible assets		
Right of trademark	107	52
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust	306,884	306,884
Other	9,627	6,251
Total intangible assets	2,714,895	2,711,464

(Unit: Thousands of yen)

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Investments and other assets		
Leasehold and guarantee deposits in trust	113,684	113,684
Long-term prepaid expenses	1,051,039	1,098,268
Deferred tax assets	16,150	—
Derivatives	—	3,956
Other	97,517	90,507
Total investments and other assets	1,278,392	1,306,416
Total noncurrent assets	455,888,210	451,408,092
Deferred assets		
Investment corporation bonds issuance costs	59,395	54,391
Total deferred assets	59,395	54,391
Total assets	488,570,524	484,310,332
Liabilities		
Current liabilities		
Operating accounts payable	1,673,045	924,290
Short-term loans payable	3,600,000	2,400,000
Current portion of long-term loans payable	24,200,000	21,500,000
Accounts payable – other	672,515	634,448
Income taxes payable	723	888
Accrued consumption taxes	312,827	335,635
Advances received	2,453,412	2,366,227
Other	608,779	573,944
Total current liabilities	33,521,303	28,735,434
Noncurrent liabilities		
Investment corporation bonds	9,000,000	9,000,000
Long-term loans payable	167,650,000	170,450,000
Tenant leasehold and security deposits	20,495,726	20,272,859
Tenant leasehold and security deposits in trust	1,954,549	1,942,181
Deferred tax liabilities	—	2,240
Derivatives liabilities	257,802	210,647
Other	179,599	174,578
Total noncurrent liabilities	199,537,677	202,052,507
Total liabilities	233,058,980	230,787,942
Net Assets		
Unitholders' equity		
Unitholders' capital	251,551,759	251,551,759
Deduction from unitholders' capital	*3 (3,675,523)	*3 (6,458,395)
Unitholders' capital, net	247,876,236	245,093,364
Surplus		
Voluntary retained earnings		
Reserve for reduction entry	710,209	1,038,691
Total voluntary retained earnings	710,209	1,038,691
Unappropriated retained earnings (undisposed loss)	7,124,746	7,549,897
Total surplus	7,834,956	8,588,589
Total unitholders' equity	255,711,192	253,681,953
Valuation and translation adjustments		
Deferred gains or losses on hedges	(199,648)	(159,563)
Total valuation and translation adjustments	(199,648)	(159,563)
Total net assets	*4 255,511,543	*4 253,522,389
Total liabilities and net assets	488,570,524	484,310,332

## 2.2. Statements of Income

(Unit: Thousands of yen)

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]		31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]	
Operating revenue				
Rent revenue – real estate	*1	14,482,210	*1	13,887,151
Other lease business revenue	*1	31,325	*1	140,695
Gain on sales of real estate properties	*2	336,387	*2	1,026,965
Total operating revenue		14,849,922		15,054,812
Operating expenses				
Expenses related to rent business	*1	5,696,598	*1	5,454,733
Asset management fees		1,199,825		1,188,807
Asset custody fees		24,324		24,303
Administrative service fees		79,286		73,343
Trust fees		19,536		18,786
Directors' compensation		7,200		7,200
Other operating expenses		107,151		150,049
Total operating expenses		7,133,923		6,917,224
Operating income		7,715,998		8,137,588
Non-operating income				
Interest income		17		15
Reversal of distribution payable		623		624
Insurance income		14,706		2,622
Miscellaneous income		220		2,042
Total non-operating income		15,567		5,304
Non-operating expenses				
Interest expenses		450,182		419,271
Interest expenses on investment corporation bonds		20,796		26,276
Borrowing expenses		130,096		135,066
Other		5,319		11,499
Total non-operating expenses		606,394		592,113
Ordinary income		7,125,172		7,550,779
Income before income taxes		7,125,172		7,550,779
Income taxes – current		725		889
Income taxes – deferred		13		(7)
Total income taxes		738		882
Net income		7,124,433		7,549,897
Retained earnings brought forward		313		–
Unappropriated retained earnings (undisposed loss)		7,124,746		7,549,897

## 2.3. Statements of Unitholders' Equity

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

(Unit: Thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus
				Reserve for reduction entry	Total voluntary retained earnings		
Balance at beginning of current fiscal period	251,551,759	(3,675,523)	247,876,236	710,209	710,209	6,687,380	7,397,590
Changes of items during the period							
Dividends from surplus						(6,687,067)	(6,687,067)
Net income						7,124,433	7,124,433
Net changes of items other than shareholders' equity							
Total changes of items during the period	—	—	—	—	—	437,365	437,365
Balance at end of current fiscal period	251,551,759	(3,675,523)	247,876,236	710,209	710,209	7,124,746	7,834,956

	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	255,273,826	(146,523)	(146,523)	255,127,303
Changes of items during the period				
Dividends from surplus	(6,687,067)			(6,687,067)
Net income	7,124,433			7,124,433
Net changes of items other than shareholders' equity		(53,125)	(53,125)	(53,125)
Total changes of items during the period	437,365	(53,125)	(53,125)	384,240
Balance at end of current fiscal period	255,711,192	(199,648)	(199,648)	255,511,543

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

(Unit: Thousands of yen)

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

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

## 2.4. Statements of Cash Distributions

Item	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
	Amount (Yen)	Amount (Yen)
I. Unappropriated retained earnings	7,124,746,976	7,549,897,400
II. Distribution amount [Distribution amount per unit]	6,796,264,509 [13,817]	6,833,232,000 [14,000]
III. Voluntary retained earnings Provision of reserve for reduction entry	328,482,467	716,665,400
IV. 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 maximum value of the integral multiple of the total number of units issued and outstanding (491,877 units) in an amount that is not in excess of the amount remaining after deducting provision of reserve for reduction entry defined in Article 65-7 of the Act on Special Measures Concerning Taxation from unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,796,264,509 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 maximum value of the integral multiple of the total number of units issued and outstanding (488,088 units) in an amount that is not in excess of the amount remaining after deducting provision of reserve for reduction entry defined in Article 65-7 of the Act on Special Measures Concerning Taxation from unappropriated retained earnings. Accordingly, the Investment Corporation declared a distribution amount of 6,833,232,000 yen. Furthermore, the Investment Corporation shall not distribute cash in excess of earnings as stipulated in Article 32, Item 2 of its articles of incorporation.



## 2.5. Statements of Cash Flows

	(Unit: Thousands of yen)	
	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Net cash provided by (used in) operating activities		
Income before income taxes	7,125,172	7,550,779
Depreciation and amortization	1,830,601	1,819,933
Amortization of investment corporation bonds issuance costs	3,818	5,003
Interest income	(17)	(15)
Interest expenses	470,979	445,547
(Increase) Decrease in operating accounts receivable	(102,235)	172,053
(Increase) Decrease in prepaid expenses	16,693	(22,370)
Increase (decrease) in operating accounts payable	388,221	(267,338)
Increase (decrease) in accounts payable – other	25,344	(6,745)
Increase (decrease) in accrued consumption taxes	(80,541)	22,808
Increase (decrease) in advances received	112,238	(87,185)
(Increase) Decrease in long-term prepaid expenses	(4,175)	(47,228)
Decrease from sales of property, plant and equipment in trust	2,103,922	3,130,260
Other, net	80,187	71,477
Subtotal	11,970,208	12,786,980
Interest income received	17	15
Interest expenses paid	(471,840)	(445,419)
Income taxes paid	(998)	(724)
Net cash provided by (used in) operating activities	11,497,387	12,340,850
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,719)	(18,985)
Purchase of property, plant and equipment in trust	(4,336,207)	(1,047,108)
Proceeds from tenant security deposits	679,772	924,256
Proceeds from tenant security deposits in trust	100,932	8,362
Repayments of tenant security deposits	(658,731)	(1,147,123)
Repayments of tenant security deposits in trust	(63,623)	(20,729)
Net cash provided by (used in) investing activities	(4,279,576)	(1,301,328)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	2,500,000	2,400,000
Repayment of short-term loans payable	(3,900,000)	(3,600,000)
Proceeds from long-term loans payable	14,100,000	16,800,000
Repayment of long-term loans payable	(16,600,000)	(16,700,000)
Proceeds from issuance of investment corporation bonds	3,868,783	–
Purchase of own investment units	–	(2,782,872)
Dividends paid	(6,685,886)	(6,795,425)
Net cash provided by (used in) financing activities	(6,717,103)	(10,678,297)
Net increase (decrease) in cash and cash equivalents	500,707	361,225
Cash and cash equivalents at beginning of period	31,349,701	31,850,409
Cash and cash equivalents at end of period	*1 31,850,409	*1 32,211,634

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" data-bbox="635 376 1157 510"> <tr> <td>Buildings</td> <td>2~64 years</td> </tr> <tr> <td>Structures</td> <td>10~56 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>10~23 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>4~15 years</td> </tr> </table> <p>(2) Intangible assets The straight-line method is adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2~64 years	Structures	10~56 years	Machinery and equipment	10~23 years	Tools, furniture and fixtures	4~15 years
Buildings	2~64 years								
Structures	10~56 years								
Machinery and equipment	10~23 years								
Tools, furniture and fixtures	4~15 years								
<p>2. Accounting policies for deferred assets</p>	<p>Investment corporation bonds issuance costs Amortized using the straight-line method over the period up to redemption.</p>								
<p>3. Accounting standards for recording revenues and expenses</p>	<p>Accounting for fixed property tax, etc. Concerning fixed property tax, city planning tax, depreciated asset tax, etc. for owned real estate or trust beneficiary interest in real estate, of the tax amount that has been broken down into installments, the method of accounting for the amount corresponding to the concerned fiscal period as expenses related to rent business is adopted. Concerning the amount equivalent to fixed property tax, etc. for the initial fiscal year that shall be borne by the Investment Corporation in correlation with acquisitions of real estate or trust beneficiary interest that have real estate as assets in trust, the amount is not expensed but is rather included in the cost of acquisition of the concerned real estate property. The amount equivalent to fixed property tax, etc. that was included in the cost of acquisition of real estate properties is 1,113 thousand yen in the 30th Fiscal Period and nil in the 31st Fiscal Period.</p>								
<p>4. Hedge accounting approaches</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 transactions Hedged items: Interest on loans</p> <p>(3) Hedging policy The Investment Corporation conducts derivative transactions to hedge risks stipulated in the Investment Corporation's articles of incorporation in accordance with the Investment Corporation's risk management policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. Interest rate swaps that meet the requirements for special accounting are omitted from assessment of the effectiveness.</p>								
<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>								

6. Other significant matters forming basis for preparation of financial statements	<p>(1) Accounting method for trust beneficiary interest in real estate, etc. Concerning owned trust beneficiary interest that have real estate properties as assets in trust, all accounts of assets and liabilities within assets in trust as well as all accounts of revenues and expenses incurred from the assets in trust are recorded in the relevant account item of the balance sheets and statements of income. The following material items of the assets in trust recorded in the relevant account item are separately listed on the balance sheets.</p> <p>(i) Cash and deposits in trust (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust (iii) Leasehold rights in trust (iv) Lease and guarantee deposits in trust (v) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for consumption taxes Consumption tax and local consumption tax are accounted for by the tax-exclusion method and consumption taxes that are not tax-deductible are expensed in the fiscal period under review. The consumption taxes relating to noncurrent assets, etc. that are not tax-deductible are amortized in equal installments over 5 years.</p>
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## 2.8. Notes to Financial Statements

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

## [Notes to Balance Sheets]

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

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Buildings in trust	32,898 thousand yen	32,898 thousand yen

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

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Buildings in trust	182,563 thousand yen	182,563 thousand yen
Structures in trust	283 thousand yen	283 thousand yen
Land in trust	887,074 thousand yen	887,074 thousand yen
Total	1,069,921 thousand yen	1,069,921 thousand yen

## \*3. Status of cancellation of own investment units

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Total number of units cancelled	5,992 units	9,781 units
Total amount cancelled	3,675,523 thousand yen	6,458,395 thousand yen

(Note) The number of own units cancelled during the 31st Fiscal Period is 3,789 units, and the total amount cancelled is 2,782,872 thousand yen.

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

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Buildings in trust	50,000 thousand yen	50,000 thousand yen

[Notes to Statements of Income]

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

(Unit: Thousands of yen)

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
A. Property leasing revenue		
Rent revenue – real estate	14,482,210	13,887,151
Other lease business revenue	31,325	140,695
Total property leasing revenue	14,513,535	14,027,847
B. Property leasing expenses		
Consignment expenses	1,019,499	1,036,453
Utilities expenses	915,742	774,452
Taxes and dues	1,169,520	1,145,554
Non-life insurance expenses	19,990	19,940
Repair expenses	670,253	583,977
Depreciation	1,827,171	1,816,503
Other lease business expenses	74,421	77,850
Total property leasing expenses	5,696,598	5,454,733
C. Operating income (loss) from property leasing [A – B]	8,816,936	8,573,113

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

(Unit: Thousands of yen)

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Daiwa Shimbashi 510

Proceeds from sales of real estate properties	2,530,000
Cost of sales of real estate properties	2,103,922
Other expenses on sales	89,690
Gain on sales of real estate properties	336,387

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

Daiwa Kyobashi

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

## [Notes to Statements of Unitholders' Equity]

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Total number of investment units authorized and total number of investment units issued and outstanding		
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	491,877 units	488,088 units

## [Notes to Statements of Cash Flows]

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

(Unit: Thousands of yen)

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Cash and deposits	28,137,822	28,515,172
Cash and deposits in trust	3,712,586	3,696,461
Cash and cash equivalents	31,850,409	32,211,634

## [Notes to Financial Instruments]

## (1) Matters Concerning Status of Financial Instruments

## (a) Policy for financial instruments

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

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

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

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

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

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

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

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

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

## (c) Supplementary explanation for fair value of financial instruments

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

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

The carrying amounts and fair values and their differences are as follows. Please note that the following table does not include those for which discerning of fair value is recognized to be extremely difficult (please refer to (Note 2)).

30th Fiscal Period [As of November 30, 2020]

(Unit: Thousands of yen)

	Carrying amount	Fair value	Difference
(1) Cash and deposits	28,137,822	28,137,822	—
(2) Cash and deposits in trust	3,712,586	3,712,586	—
Total assets	31,850,409	31,850,409	—
(3) Short-term loans payable	3,600,000	3,600,060	60
(4) Current portion of long-term loans payable	24,200,000	24,203,301	3,301
(5) Investment corporation bonds	9,000,000	8,974,990	(25,010)
(6) Long-term loans payable	167,650,000	167,717,967	67,967
Total liabilities	204,450,000	204,496,319	46,319
Derivative transactions (*)	(291,287)	(291,287)	—

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

(Unit: Thousands of yen)

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

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

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

Assets

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

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

Liabilities

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

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

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

## (5) Investment corporation bonds

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

Derivative transactions

Please refer to [Notes to Derivative Transactions] below.

(Note 2) Carrying amount of financial products for which it is extremely difficult to estimate fair value

(Unit: Thousands of yen)

	30th Fiscal Period [As of Nov. 30, 2020]	31st Fiscal Period [As of May 31, 2021]
Tenant leasehold and security deposits*	20,495,726	20,272,859
Tenant leasehold and security deposits in trust*	1,954,549	1,942,181
Total	22,450,275	22,215,041

(\*) Tenant leasehold and security deposits and tenant leasehold and security deposits in trust that are deposited by lessees of rental properties are not subject to disclosure of fair value because discerning of the fair value is recognized to be extremely difficult as future cash flows cannot be reasonably estimated due to there being no market price and difficulty in calculation of the actual deposit period, which is the period from tenants' move-ins to move-outs.

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

30th Fiscal Period [As of November 30, 2020]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Cash and deposits	28,137,822	—	—	—	—	—
Cash and deposits in trust	3,712,586	—	—	—	—	—
Total	31,850,409	—	—	—	—	—

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

(Unit: Thousands of yen)

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

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

30th Fiscal Period [As of November 30, 2020]

(Unit: Thousands of yen)

	Within 1 year	Within 2 years, but over 1 year	Within 3 years, but over 2 years	Within 4 years, but over 3 years	Within 5 years, but over 4 years	Over 5 years
Short-term loans payable	3,600,000	—	—	—	—	—
Current portion of long-term loans payable	24,200,000	—	—	—	—	—
Investment corporation bonds	—	—	—	3,800,000	1,500,000	3,700,000
Long-term loans payable	—	31,600,000	26,200,000	24,300,000	20,550,000	65,000,000
Total	27,800,000	31,600,000	26,200,000	28,100,000	22,050,000	68,700,000

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

(Unit: Thousands of yen)

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

## [Notes to Derivative Transactions]

## (1) Transactions for which hedge accounting is not applied

30th Fiscal Period [As of November 30, 2020]

Not applicable.

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

Not applicable.

## (2) Transactions for which hedge accounting is applied

30th Fiscal Period [As of November 30, 2020]

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	116,500,000	93,300,000	(291,287)	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	11,100,000	11,100,000	(*)	—
Total			127,600,000	104,400,000	(291,287)	—

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

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

(Unit: Thousands of yen)

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

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



## [Notes to Transactions with Related Parties]

## (1) Transactions with related parties

① Parent company and major corporate unitholders, etc.

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Not applicable.

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

Not applicable.

② Affiliated companies, etc.

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Not applicable.

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

Not applicable.

③ Sister companies, etc.

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Not applicable.

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

Not applicable.

④ Officers and major individual unitholders, etc.

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Not applicable.

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

Not applicable.

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

30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

Not applicable.

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

Parent company's information

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

## [Notes to Investment and Rental Properties]

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

(Unit: Thousands of yen)

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Carrying amount		
Balance at beginning of period	453,876,951	454,562,081
Amount of increase (decrease) during period	685,129	(4,520,578)
Balance at end of period	454,562,081	450,041,503
Fair value at end of period	573,850,000	572,160,000

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

(Note 2) Of the amount of increase (decrease) for rental properties during the 30th Fiscal Period, the amount of increase is mainly attributable to acquisition of Nihonbashi-Bakurocho 1-Chome Development Site (land) (3,775 million yen), and the amount of decrease is mainly attributable to divestment of Daiwa Shimbashi 510 (2,103 million yen) and depreciation (1,827 million yen). For the 31st Fiscal Period, the amount of decrease is mainly attributable to divestment of Daiwa Kyobashi (3,130 million yen) and depreciation (1,816 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

## 30th Fiscal Period [From: June 1, 2020 To: November 30, 2020]

## ① Information about products and services

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

## ② Information about geographical areas

## A. Net sales

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

## B. Property, plant and equipment

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

## ③ Information about major customers

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

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

## ① Information about products and services

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

## ② Information about geographical areas

## A. Net sales

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

## B. Property, plant and equipment

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

## ③ Information about major customers

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

## [Notes to Per Unit Information]

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Net assets per unit	519,462 yen	519,419 yen
Net income per unit	14,484 yen	15,412 yen

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

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

	30th Fiscal Period [From: June 1, 2020 To: Nov. 30, 2020]	31st Fiscal Period [From: Dec. 1, 2020 To: May 31, 2021]
Net income (Thousands of yen)	7,124,433	7,549,897
Amounts not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common investment units (Thousands of yen)	7,124,433	7,549,897
Average number of investment units during the period (Units)	491,877	489,860

## [Notes to Significant Subsequent Events]

Not applicable.

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

In the 31st Fiscal Period, the Investment Corporation acquired own investment units and cancelled all of the acquired own investment units. Increase (decrease) in the total number of investment units issued and outstanding and unitholders' capital, net in the most recent 5 years up to the end of the 31st 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	
August 2, 2016	Capital increase through public offering	12,700	496,700	7,461	250,864	(Note 2)
August 31, 2016	Capital increase by way of third-party allotment	1,169	497,869	686	251,551	(Note 3)
May 31, 2018	Cancellation	(5,992)	491,877	(3,675)	247,876	(Note 4)
May 31, 2021	Cancellation	(3,789)	488,088	(2,782)	245,093	(Note 5)

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

(Note 2) The Investment Corporation issued new investment units through public offering at an issue price of 607,425 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

(Note 3) The Investment Corporation issued new investment units by way of a third-party allotment at an issue price of 587,489 yen per unit (paid-in price: 587,489 yen) to procure funds for repayment of borrowings, etc.

(Note 4) In the period from March 1, 2018, to May 18, 2018, the Investment Corporation acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company. The Investment Corporation cancelled all of the acquired own investment units (5,992 units) on May 31, 2018, based on the resolution at its board of directors' meeting held on May 28, 2018.

(Note 5) In the period from February 24, 2021, to May 14, 2021, the Investment Corporation acquired own investment units through market purchase at the Tokyo Stock Exchange based on a discretionary transaction agreement with a securities company. The Investment Corporation cancelled all of the acquired own investment units (3,789 units) on May 31, 2021, based on the resolution at its board of directors' meeting held on May 26, 2021.

## 3. Reference Information

## 3.1. Investment Status

Type of asset	Use	Region	31st Fiscal Period (As of May 31, 2021)	
			Total amount owned (Millions of yen) (Note 1)	As a percentage of total assets (%)
Real estate	Office	Five Central Wards of Tokyo (Note 2)	15,401	3.2
Trust beneficiary interest in real estate	Office	Five Central Wards of Tokyo (Note 2)	345,499	71.3
		Greater Tokyo (Note 3)	80,112	16.5
		Major Regional Cities (Note 4)	9,028	1.9
Subtotal			450,041	92.9
Deposits and other assets			34,268	7.1
Total amount of assets (Note 5)			484,310	100.0
			[450,041]	[92.9]

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

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

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

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

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

## 3.2. Investment Real Estate Properties (As of May 31, 2021)

## 3.2.1. Price and Investment Ratio of Investment Real Estate Properties

Region	Property name	Type of specified asset	Acquisition price (Millions of yen) (Note 1)	Carrying amount (Millions of yen) (Note 2)	Estimated price at end of period (Millions of yen) (Note 3)	Investment ratio (%) (Note 4)
Five Central Wards of Tokyo	Daiwa Ginza	Real estate	14,100	12,672	17,900	3.1
	Daiwa Ginza Annex		3,050	2,729	3,960	0.7
	Daiwa Shibaura		8,265	8,038	8,430	1.8
	Daiwa Minami-Aoyama		4,550	4,390	4,740	1.0
	Daiwa Sarugakucho		3,190	3,099	4,260	0.7
	Daiwa A Hamamatsucho (Note 5)		2,865	2,700	3,970	0.6
	Daiwa Jingumae		2,800	2,661	3,130	0.6
	Daiwa Shibadaimon		2,578	2,341	4,060	0.6
	Daiwa Misakicho		2,346	2,108	3,120	0.5
	Daiwa Tsukijiekimae		1,560	1,244	2,310	0.3
	Daiwa Tsukiji		1,240	1,103	1,750	0.3
	Daiwa Tsukishima		7,840	6,610	10,800	1.7
	Daiwa Nihonbashi Horidomecho		2,520	2,380	3,030	0.5
	Daiwa Azabudai		1,600	1,473	1,950	0.3
	Daiwa Kojimachi 4-chome		2,910	2,822	2,920	0.6
	Shinjuku Maynds Tower (Note 5)		66,900	63,461	64,300	14.5
	Daiwa SHIBUYA EDGE		5,900	5,563	5,450	1.3
	Daiwa Kodenmacho	2,460	2,322	2,330	0.5	
	Daiwa Nishi-Shimbashi	5,000	4,608	7,370	1.1	
	Daiwa Kayabacho	5,600	5,097	8,230	1.2	
	Daiwa Jinbocho 3-chome	3,550	3,255	5,270	0.8	
	E SPACE TOWER	24,000	23,421	36,600	5.2	
	Daiwa Nihonbashi Hongokucho	1,721	1,515	2,690	0.4	
	shinyon curumu	9,650	9,509	16,500	2.1	
	Daiwa Akasaka	9,200	10,080	15,500	2.0	
	Daiwa Shibuya Miyamasuzaka	7,000	7,271	13,100	1.5	
	Daiwa Azabu Terrace	14,000	13,833	18,300	3.0	
	Daiwa Ebisu 4-chome	4,135	4,167	6,440	0.9	
	LAQUAS Higashi Shinjuku	8,450	8,316	11,300	1.8	
	Daiwa Aoyama	9,800	9,984	12,200	2.1	
	Shinsen Place	4,800	4,897	6,800	1.0	
	Daiwa Shibuya Square	16,000	15,798	22,200	3.5	
	Daiwa River Gate	28,000	27,487	34,300	6.1	
	Daiwa Hatchobori ekimae	2,871	2,884	3,290	0.6	
	Daiwa Hatchobori ekimae West	1,647	1,702	1,970	0.4	
	Daiwa Nishi-Shinjuku	13,710	13,919	17,400	3.0	
	Kirin Nihonbashi	8,180	8,312	8,360	1.8	
	Daiwa Higashi-Nihonbashi	6,370	6,261	7,150	1.4	
	Daiwa Daikanyama	2,280	2,360	3,620	0.5	
	Daiwa Shinjuku West	942	985	1,250	0.2	
	Daiwa Kanda Mikuracho	1,592	1,612	1,850	0.3	
	Daiwa Kanda East	4,200	4,217	5,770	0.9	
	Daiwa Kandasudacho	2,295	2,370	2,820	0.5	
	Daiwa Sasazuka Tower	15,500	15,922	16,000	3.4	
	Daiwa Sasazuka	3,000	3,170	3,570	0.7	
	Daiwa Harumi	11,200	11,208	12,700	2.4	
	Daiwa Mita 2-Chome	2,635	1,583	4,020	0.6	
	Nihonbashi Central Square (Note 5)	3,521	3,614	3,820	0.8	
	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 6)	3,775	3,803	4,250	0.8	
Total for Five Central Wards of Tokyo (49 properties)			371,298	360,900	463,050	80.5

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	2,551	4,370	0.6
	Daiwa Shinagawa North		7,710	6,989	6,300	1.7
	Daiwa Kamiooka		2,000	1,805	2,900	0.4
	Daiwa Ogikubo Tower		15,220	16,213	23,200	3.3
	Daiwa Meguro Square		5,600	5,409	7,280	1.2
	Daiwa Ogikubo		3,800	3,965	4,820	0.8
	CONCURRED Yokohama (Note 5)		38,100	37,762	41,200	8.3
	Daiwa Shinagawa Gotenyama		2,500	2,569	2,880	0.5
	Daiwa Nakano-Sakaue		2,750	2,845	2,860	0.6
Total for Greater Tokyo (9 properties)			80,638	80,112	95,810	17.5
Major Regional Cities	Daiwa Kitahama	Trust beneficiary interest in real estate	9,481	9,028	13,300	2.1
Total for Major Regional Cities (1 property)			9,481	9,028	13,300	2.1
Total (59 properties)			461,418	450,041	572,160	100.0

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

(Note 2) "Carrying amount" is the book value after depreciation as of May 31, 2021.

(Note 3) "Estimated price at end of period" is the price as of May 31, 2021, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

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

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

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

## 3.2.2. Summary of Building and Leasing of Investment Real Estate

Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m <sup>2</sup> ) (Note 3)	Leased floor area (m <sup>2</sup> ) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa Ginza	SRC B3 / 12F	July 1963	8,114.93	8,091.03	23	99.7	435,354
	Daiwa Ginza Annex	SRC B3 / 8F	Aug. 1972	2,032.11	2,032.11	7	100.0	82,990
	Daiwa Shibaura	SRC B1 / 12F	Oct. 1987	9,619.67	9,496.94	54	98.7	249,525
	Daiwa Minami-Aoyama	S / SRC B2 / 5F	Sept. 1990	2,715.54	2,715.54	5	100.0	131,412
	Daiwa Sarugakuchō (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	3,663.38	12	100.0	135,197
	Daiwa Jingumae	RC B1 / 4F	Dec. 1997	2,198.61	2,198.61	4	100.0	59,621
	Daiwa Shibadaimon	SRC / RC B1 / 7F	Nov. 1996	2,386.48	2,386.48	7	100.0	100,989
	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	6	100.0	71,109
	Daiwa Tsukiji	SRC B1 / 7F	Jan. 1990	1,487.44	1,487.44	6	100.0	49,211
	Daiwa Tsukishima	S 5F	July 1996	8,425.69	8,425.69	4	100.0	269,249
	Daiwa Nihonbashi Horidomecho	SRC B2 / 7F	Apr. 1993	2,848.91	2,848.91	7	100.0	87,640
	Daiwa Azabudai	SRC B2 / 9F	Apr. 1984	1,697.88	1,697.88	11	100.0	53,163
	Daiwa Kyobashi (Note 9)	SRC B1 / 8F	Oct. 1974	—	—	—	—	13,932
	Daiwa Kojimachi 4-chome	SRC B2 / 9F	Oct. 1987	2,695.31	2,695.31	7	100.0	90,614
	Shinjuku Maynds Tower (Note 10)	S / SRC B3 / 34F	Sept. 1995	22,768.41	22,678.72	37	99.6	1,388,580
	Daiwa SHIBUYA EDGE	RC B1 / 9F	Aug. 2006	2,480.65	2,480.65	5	100.0	130,455
	Daiwa Kodenmachi	SRC 8F	Mar. 1985	2,379.31	2,379.31	8	100.0	67,221
	Daiwa Nishi-Shimbashi	SRC B1 / 10F	July 1993	4,815.84	4,815.84	11	100.0	186,232
	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	2,545.95	7	88.1	110,740
	E SPACE TOWER	S / SRC B1 / 15F	Oct. 2002	13,960.87	13,960.87	13	100.0	786,067
	Daiwa Nihonbashi Hongokuchō	S 8F	May 2010	2,143.08	2,143.08	6	100.0	75,419
	shinyon curumu	S / RC B2 / 11F	Jan. 2012	6,751.31	6,303.18	16	93.3	355,783
	Daiwa Akasaka	SRC B2 / 7F	Sept. 1990	8,750.60	8,466.73	12	96.7	360,826
	Daiwa Shibuya Miyamasuzaka	S B1 / 12F	Dec. 1988	6,328.98	5,580.10	7	88.1	323,070
	Daiwa Azabu Terrace	S / RC B1 / 6F	Sept. 2009	13,234.39	13,234.39	11	100.0	469,337
	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	232,075
Daiwa Aoyama	S / RC B1 / 7F	Nov. 2001	4,426.10	4,426.10	7	100.0	236,779	
Shinsen Place (Note 8)	RC B1 / 9F	Sept. 2001	2,811.35	2,811.35	1	100.0	(Not disclosed)	
Daiwa Shibuya Square	S / SRC B1 / 11F	Feb. 2004	8,566.73	8,566.73	12	100.0	481,432	

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Region	Property name	Structure and number of floors (Note 1)	Construction completion (Note 2)	Leasable floor area (m <sup>2</sup> ) (Note 3)	Leased floor area (m <sup>2</sup> ) (Note 4)	Total number of tenants (Note 5)	Occupancy rate (%) (Note 6)	Rent revenue during current period (Thousands of yen) (Note 7)
Five Central Wards of Tokyo	Daiwa River Gate	S / SRC / RC B2 / 20F	Feb. 1994	32,055.85	26,752.13	92	83.4	958,808
	Daiwa Hatchobori ekimae	S / SRC B1 / 10F	Feb. 2006	2,622.42	2,622.42	9	100.0	85,387
	Daiwa Hatchobori ekimae West	SRC B1 / 9F	Feb. 1996	1,734.68	1,734.68	9	100.0	48,923
	Daiwa Nishi-Shinjuku	SRC / RC / S B2 / 11F	Aug. 1991	6,967.61	6,967.61	7	100.0	407,699
	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	177,395
	Daiwa Daikanyama (Note 8)	S 6F	Mar. 2001	1,642.83	1,642.83	1	100.0	(Not disclosed)
	Daiwa Shinjuku West	RC 4F	Mar. 1989	1,118.74	1,118.74	9	100.0	38,594
	Daiwa Kanda Mikuracho	SRC / S B1 / 7F	Jan. 1991	1,719.51	1,719.51	7	100.0	51,184
	Daiwa Kanda East	S 9F	Feb. 2005	3,980.56	3,980.56	5	100.0	144,126
	Daiwa Kandasudacho	S / RC B1 / 10F	Aug. 1990	2,211.64	2,211.64	7	100.0	67,561
	Daiwa Sasazuka Tower	SRC / RC / S B2 / 18F	Feb. 1993	16,158.16	16,158.16	7	100.0	389,554
	Daiwa Sasazuka	SRC / S B1 / 8F	Dec. 1991	3,828.95	3,828.95	9	100.0	88,504
	Daiwa Harumi	S B1 / 12F	Jan. 2008	11,227.10	11,227.10	7	100.0	344,561
	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 11)	S 8F	Jan. 2010	1,837.05	1,837.05	10	100.0	90,361
	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 12)	—	—	—	—	—	—	—
Total for Five Central Wards of Tokyo (50 properties)				274,849.36	267,485.05	501	97.3	10,956,592
Greater Tokyo	Daiwa Higashi-Ikebukuro	SRC / S B1 / 9F	June 1993	4,462.28	4,462.28	9	100.0	142,583
	Daiwa Shinagawa North	SRC B1 / 11F	July 1991	6,546.03	6,235.34	13	95.2	172,109
	Daiwa Kamiooka	S / SRC B3 / 7F	May 2011	2,630.30	2,630.30	9	100.0	92,673
	Daiwa Ogikubo Tower (Note 13)	S / SRC B2 / 18F	June 1993	17,778.14	16,747.26	9	94.2	601,358
	Daiwa Meguro Square	S / SRC B2 / 14F	July 2009	3,519.50	3,519.50	16	100.0	171,425
	Daiwa Ogikubo	SRC B1 / 7F	Nov. 1990	3,849.63	3,849.63	11	100.0	128,395
	CONCURRED Yokohama (Note 14)	S / SRC B1 / 20F	Feb. 2008	28,052.98	27,787.39	37	99.0	1,067,619
	Daiwa Shinagawa Gotenyama	SRC / S 8F	July 1992	2,396.96	2,396.96	7	100.0	80,026
Daiwa Nakano-Sakaue	SRC B1 / 8F	Jan. 1995	2,869.13	2,869.13	6	100.0	73,052	
Total for Greater Tokyo (9 properties)				72,104.95	70,497.79	117	97.7	2,529,244
Major Regional Cities	Daiwa Kitahama	S / SRC B1 / 16F	Feb. 2008	13,517.62	13,517.62	7	100.0	401,299
Total for Major Regional Cities (1 property)				13,517.62	13,517.62	7	100.0	401,299
Total (60 properties)				360,471.93	351,500.46	625	97.5	13,887,137



- (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 May 31, 2021.
- (Note 4) “Leased floor area” is the sum total of the floor area that is actually leased based on lease agreements, etc. executed with end tenants as of May 31, 2021.
- (Note 5) “Total number of tenants” is the number of end tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.
- (Note 6) “Occupancy rate” is the figure arrived at when leased floor area is divided by leasable floor area, rounded down to one decimal place.
- (Note 7) “Rent revenue during current period” is rent income, common area charges income, parking lot income and other income generated from the applicable investment real estate property (excluding other lease business revenue) during the 31st Fiscal Period, rounded down to the nearest thousand yen. The rent revenue during current period for Daiwa Shimbashi 510, which was divested on November 12, 2020, of 14 thousand yen is not included.
- (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 property was divested on December 23, 2020. This is reflected in the totals for the number of properties and the rent revenue during current period.
- (Note 10) The real estate in trust pertaining to trust beneficiary interest held by the Investment Corporation is the co-ownership interest corresponding to three-sevenths of the entire property. Accordingly, leasable floor area and leased floor area are the floor areas corresponding to three-sevenths of the entire building.
- (Note 11) 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 12) The Investment Corporation plans to develop an office building on the property.
- (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	Expected construction amount (Millions of yen)		
			Total amount	Amount paid during current period	Total amount already paid
Shinjuku Maynds Tower (Shibuya-ku, Tokyo)	Renovation of air-conditioning facilities	From: June 2021 To: Nov. 2021	51	—	—
Daiwa Kayabacho (Chuo-ku, Tokyo)	Addition of humidifiers	From: June 2021 To: Nov. 2021	48	—	—
Daiwa Minami-Aoyama (Minato-ku, Tokyo)	Upgrading of air-conditioning facilities	From: June 2021 To: Nov. 2021	33	—	—
CONCURRED Yokohama (Yokohama-shi, Kanagawa)	Renovation of exterior walls	From: June 2021 To: Nov. 2021	29	—	—
Daiwa Ginza (Chuo-ku, Tokyo)	Upgrading of private power generation facilities	From: June 2021 To: Nov. 2021	21	—	—

## B. Capital Expenditures During the 31st Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 31st Fiscal Period for existing portfolio properties. Capital expenditures for the 31st Fiscal Period amounted to 436 million yen and, when combined with the 583 million yen in repair expenses charged to the 31st Fiscal Period expenses, totals 1,020 million yen in construction work implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (Millions of yen)
Daiwa Tsukishima (Chuo-ku, Tokyo)	Upgrading of air-conditioning drain	From: Dec. 2020 To: Apr. 2021	50
Daiwa Akasaka (Minato-ku, Tokyo)	Construction work for furnished office on 1F	From: Apr. 2021 To: May 2021	43
Daiwa River Gate (Chuo-ku, Tokyo)	Renovation of power receiving and transforming facility	From: May 2021 To: May 2021	23
Other			318
Total			436

## 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	27th Fiscal Period	28th Fiscal Period	29th Fiscal Period	30th Fiscal Period	31st Fiscal Period
	[From: Dec. 1, 2018 To: May 31, 2019]	[From: June 1, 2019 To: Nov. 30, 2019]	[From: Dec. 1, 2019 To: May 31, 2020]	[From: June 1, 2020 To: Nov. 30, 2020]	[From: Dec. 1, 2020 To: May 31, 2021]
Balance of reserve at beginning of current period	1,629	2,089	2,150	2,150	2,190
Amount of reserve in current period	460	61	—	40	—
Reversal of reserve in current period	—	—	—	—	—
Amount carried forward to next period	2,089	2,150	2,150	2,190	2,190

## 3.2.4. Summary of Estimated Price at End of Period (As of May 31, 2021)

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Ginza	17,900	18,100	3.3	17,600	3.1	3.5
Daiwa Ginza Annex	3,960	4,050	3.3	3,870	3.1	3.5
Daiwa Shibaura	8,430	8,370	3.9	8,450	3.7	4.1
Daiwa Minami-Aoyama	4,740	4,800	3.7	4,680	3.5	3.9
Daiwa Sarugakucho	4,260	4,320	4.2	4,190	4.0	4.4
Daiwa A Hamamatsucho (Note 2)	3,970	4,070	3.6	3,930	3.4	3.8
Daiwa Jingumae	3,130	3,180	3.6	3,080	3.4	3.8
Daiwa Shibadaimon	4,060	4,130	3.5	4,030	3.3	3.7
Daiwa Misakicho	3,120	3,170	3.8	3,100	3.6	4.0
Daiwa Tsukijiekimae (Note 3)	2,310	2,340	4.1	2,300	4.1	4.3
Daiwa Tsukiji	1,750	1,760	3.9	1,750	3.9	4.1
Daiwa Tsukishima	10,800	10,900	4.0	10,700	3.7	4.2
Daiwa Nihonbashi Horidomecho	3,030	3,050	3.8	3,010	3.6	4.0
Daiwa Azabudai	1,950	1,980	3.8	1,920	3.6	4.0
Daiwa Kojimachi 4-chome	2,920	2,960	3.5	2,870	3.3	3.7
Shinjuku Maynds Tower (Note 4)	64,300	152,000	3.1	147,000	2.9	3.3
Daiwa SHIBUYA EDGE	5,450	5,580	3.5	5,320	3.3	3.7
Daiwa Kodenmachi	2,330	2,370	4.0	2,290	3.8	4.2
Daiwa Nishi-Shimbashi	7,370	7,520	3.4	7,300	3.2	3.6
Daiwa Kayabacho	8,230	8,370	3.3	8,170	3.1	3.5
Daiwa Jinbocho 3-chome	5,270	5,390	3.3	5,220	3.1	3.5
E SPACE TOWER	36,600	37,400	3.0	35,700	2.8	3.2
Daiwa Nihonbashi Hongokucho	2,690	2,710	3.9	2,680	3.7	4.1
shinyon curumu	16,500	16,800	3.1	16,400	2.9	3.3
Daiwa Akasaka	15,500	15,900	3.2	15,300	3.0	3.4
Daiwa Shibuya Miyamasuzaka	13,100	13,300	3.3	12,800	3.1	3.5
Daiwa Azabu Terrace	18,300	18,600	3.5	17,900	3.3	3.7
Daiwa Ebisu 4-chome	6,440	6,450	3.6	6,440	3.7	3.8
LAQUAS Higashi Shinjuku	11,300	11,700	3.3	11,100	3.1	3.5
Daiwa Aoyama	12,200	12,500	3.2	12,100	3.0	3.4
Shinsen Place	6,800	6,970	3.3	6,720	3.2	3.5
Daiwa Shibuya Square	22,200	22,400	3.3	21,900	3.1	3.5
Daiwa River Gate	34,300	34,500	3.7	34,000	3.4	3.8
Daiwa Hatchobori ekimae	3,290	3,390	3.4	3,250	3.2	3.6
Daiwa Hatchobori ekimae West	1,970	2,030	3.5	1,950	3.3	3.7
Daiwa Nishi-Shinjuku	17,400	17,700	3.3	17,200	3.1	3.5
Kirin Nihonbashi	8,360	8,460	3.8	8,260	3.5	3.9

Property name	Estimated price at end of period (Millions of yen) (Note 1)	Summary of Appraisal Report				
		Direct capitalization method		DCF method		
		Price (Millions of yen)	Cap rate (%)	Price (Millions of yen)	Discount rate (%)	Terminal cap rate (%)
Daiwa Higashi-Nihonbashi	7,150	7,300	3.8	7,080	3.6	4.0
Daiwa Daikanyama (Note 5)	3,620	3,670	3.2	3,600	3.2	3.4
Daiwa Shinjuku West	1,250	1,260	3.8	1,240	3.6	4.0
Daiwa Kanda Mikuracho	1,850	1,850	3.8	1,850	3.8	4.0
Daiwa Kanda East	5,770	5,890	3.4	5,650	3.2	3.6
Daiwa Kandasudacho	2,820	2,890	3.6	2,790	3.6	3.8
Daiwa Sasazuka Tower	16,000	16,500	3.8	15,800	3.6	4.0
Daiwa Sasazuka	3,570	3,690	3.9	3,520	3.7	4.1
Daiwa Harumi	12,700	12,800	3.6	12,500	3.6	3.8
Daiwa Mita 2-Chome	4,020	4,090	3.7	3,940	3.5	3.9
Nihonbashi Central Square (Note 6)	3,820	3,900	3.4	3,730	3.2	3.6
Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 7)	4,250	—	—	—	—	—
Daiwa Higashi-Ikebukuro	4,370	4,420	4.0	4,350	3.8	4.2
Daiwa Shinagawa North	6,300	6,420	4.0	6,170	3.8	4.2
Daiwa Kamiooka	2,900	2,930	4.5	2,890	4.3	4.7
Daiwa Ogikubo Tower	23,200	23,500	3.6	23,100	3.4	3.8
Daiwa Meguro Square	7,280	7,460	3.5	7,200	3.3	3.7
Daiwa Ogikubo	4,820	4,900	3.9	4,780	3.7	4.1
CONCURRED Yokohama (Note 8)	41,200	42,300	4.2	40,700	4.0	4.4
Daiwa Shinagawa Gotenyama	2,880	2,930	3.9	2,860	3.7	4.1
Daiwa Nakano-Sakaue	2,860	2,960	4.0	2,810	3.7	4.2
Daiwa Kitahama	13,300	13,500	3.7	13,200	3.5	3.9
Total	572,160	664,380	—	644,240	—	—

(Note 1) “Estimated price at end of period” is the price as of May 31, 2021, stated in appraisal reports prepared by real estate appraisers of Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Real Estate Institute in accordance with the articles of incorporation of the Investment Corporation and the rules of The Investment Trusts Association, Japan.

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

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

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

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

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

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

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

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

The following table lists the status of income (loss), etc. of each property for the 31st Fiscal Period (from December 1, 2020, to May 31, 2021). Income (loss) information is presented in accordance with “2. Financial Statements; 2.7. Notes to Significant Accounting Policies” outlined earlier.

Region		Five Central Wards of Tokyo				
Property name		Daiwa Ginza	Daiwa Ginza Annex	Daiwa Shibaura	Daiwa Minami-Aoyama	Daiwa Sarugakucho (Note 3)
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005
Price information	Acquisition price (Millions of yen)	14,100	3,050	8,265	4,550	3,190
	Investment ratio (%)	3.1	0.7	1.8	1.0	0.7
	Carrying amount (Millions of yen)	12,672	2,729	8,038	4,390	3,099
	Estimated price at end of period (Millions of yen)	17,900	3,960	8,430	4,740	4,260
Leasing information	Total number of tenants (Note 1)	23	7	54	5	2
	Leasable floor area (m <sup>2</sup> )	8,114.93	2,032.11	9,619.67	2,715.54	3,657.43
	Leased floor area (m <sup>2</sup> )	8,091.03	2,032.11	9,496.94	2,715.54	3,657.43
	Occupancy rate (%)					
	End of May 2019	99.6	100.0	99.1	100.0	100.0
	End of Nov. 2019	99.4	100.0	99.5	100.0	100.0
	End of May 2020	99.4	100.0	97.9	100.0	100.0
	End of Nov. 2020	99.7	93.2	98.3	100.0	100.0
End of May 2021	99.7	100.0	98.7	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	435,354	99,290	252,072	131,412	(Not disclosed)
	Rent revenue – real estate	435,354	82,990	249,525	131,412	(Not disclosed)
	Other lease business revenue	–	16,300	2,547	–	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	159,706	58,361	104,456	39,794	(Not disclosed)
	Consignment expenses	23,502	10,701	21,565	5,973	(Not disclosed)
	Utilities expenses	16,437	4,077	11,042	4,389	(Not disclosed)
	Taxes and dues	33,946	11,268	20,803	12,938	(Not disclosed)
	Non-life insurance expenses	528	123	474	182	(Not disclosed)
	Repair expenses	3,522	22,437	13,258	1,391	(Not disclosed)
	Depreciation (C)	65,278	8,818	37,292	14,917	(Not disclosed)
	Other lease business expenses	16,489	934	20	–	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	275,648	40,928	147,616	91,617	(Not disclosed)
	NOI (E) [(D) + (C)] (Thousands of yen)	340,927	49,746	184,908	106,535	98,958
Capital expenditures (F) (Thousands of yen)	6,356	4,745	11,881	–	300	
NCF [(E) – (F)] (Thousands of yen)	334,570	45,001	173,027	106,535	98,658	
Reference information	Expense rate (%) [(B) ÷ (A)]	36.68	58.78	41.44	30.28	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	67,778	22,317	41,022	25,594	14,071
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	400,440	80,790	302,630	184,613	96,757

Region		Five Central Wards of Tokyo				
Property name		Daiwa A Hamamatsucho	Daiwa Jingumae	Daiwa Shibadaimon	Daiwa Misakicho (Note 3)	Daiwa Tsukijiekimae
Acquisition date		Oct. 2005	Oct. 2005	Oct. 2005	Oct. 2005	Jan. 2006
Price information	Acquisition price (Millions of yen)	2,865	2,800	2,578	2,346	1,560
	Investment ratio (%)	0.6	0.6	0.6	0.5	0.3
	Carrying amount (Millions of yen)	2,700	2,661	2,341	2,108	1,244
	Estimated price at end of period (Millions of yen)	3,970	3,130	4,060	3,120	2,310
Leasing information	Total number of tenants (Note 1)	12	4	7	1	6
	Leasable floor area (m <sup>2</sup> )	3,663.38	2,198.61	2,386.48	2,137.53	2,659.59
	Leased floor area (m <sup>2</sup> )	3,663.38	2,198.61	2,386.48	2,137.53	2,659.59
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	78.5	100.0	100.0	100.0
	End of Nov. 2020	100.0	78.5	100.0	100.0	100.0
End of May 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	135,197	59,621	100,989	(Not disclosed)	71,109
	Rent revenue – real estate	135,197	59,621	100,989	(Not disclosed)	71,109
	Other lease business revenue	–	–	–	(Not disclosed)	–
	Total property leasing expenses (B) (Thousands of yen)	70,403	44,688	48,914	(Not disclosed)	28,237
	Consignment expenses	10,283	14,197	7,840	(Not disclosed)	3,935
	Utilities expenses	5,853	2,285	3,826	(Not disclosed)	3,262
	Taxes and dues	9,050	6,905	6,639	(Not disclosed)	5,268
	Non-life insurance expenses	226	99	146	(Not disclosed)	118
	Repair expenses	852	12,099	19,894	(Not disclosed)	1,496
	Depreciation (C)	14,736	9,093	10,567	(Not disclosed)	14,138
	Other lease business expenses	29,400	7	–	(Not disclosed)	18
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	64,794	14,933	52,074	(Not disclosed)	42,872
	NOI (E) [(D) + (C)] (Thousands of yen)	79,530	24,026	62,642	40,110	57,010
Capital expenditures (F) (Thousands of yen)	2,926	–	–	23,747	–	
NCF [(E) – (F)] (Thousands of yen)	76,604	24,026	62,642	16,362	57,010	
Reference information	Expense rate (%) [(B) ÷ (A)]	52.07	74.95	48.44	(Not disclosed)	39.71
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	17,988	13,792	12,920	10,641	10,498
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	103,380	99,700	87,656	114,585	79,450

Region		Five Central Wards of Tokyo				
Property name		Daiwa Tsukiji	Daiwa Tsukishima	Daiwa Nihonbashi Horidomecho	Daiwa Azabudai	Daiwa Kyobashi (Note 4)
Acquisition date		Jan. 2006	Mar. 2006	May 2006	May 2006	July 2006
Price information	Acquisition price (Millions of yen)	1,240	7,840	2,520	1,600	—
	Investment ratio (%)	0.3	1.7	0.5	0.3	—
	Carrying amount (Millions of yen)	1,103	6,610	2,380	1,473	—
	Estimated price at end of period (Millions of yen)	1,750	10,800	3,030	1,950	—
Leasing information	Total number of tenants (Note 1)	6	4	7	11	—
	Leasable floor area (m <sup>2</sup> )	1,487.44	8,425.69	2,848.91	1,697.88	—
	Leased floor area (m <sup>2</sup> )	1,487.44	8,425.69	2,848.91	1,697.88	—
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
End of May 2021	100.0	100.0	100.0	100.0	—	
Income (loss) information	Number of days of asset management	182	182	182	182	22
	Total property leasing revenue (A) (Thousands of yen)	49,211	269,249	87,640	53,991	13,932
	Rent revenue – real estate	49,211	269,249	87,640	53,163	13,932
	Other lease business revenue	—	—	—	828	—
	Total property leasing expenses (B) (Thousands of yen)	24,217	117,014	35,101	22,612	12,825
	Consignment expenses	6,057	13,254	4,901	7,019	699
	Utilities expenses	1,790	8,035	3,719	2,029	1,680
	Taxes and dues	4,098	15,096	6,995	5,064	7,138
	Non-life insurance expenses	75	347	157	88	19
	Repair expenses	4,164	24,086	3,822	766	343
	Depreciation (C)	8,031	56,193	15,505	7,643	2,944
	Other lease business expenses	—	—	—	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	24,994	152,235	52,539	31,379	1,107
	NOI (E) [(D) + (C)] (Thousands of yen)	33,025	208,429	68,044	39,023	4,052
Capital expenditures (F) (Thousands of yen)	—	55,111	2,874	976	—	
NCF [(E) – (F)] (Thousands of yen)	33,025	153,317	65,169	38,046	4,052	
Reference information	Expense rate (%) [(B) ÷ (A)]	49.21	43.46	40.05	41.88	92.05
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	8,133	29,859	13,816	10,099	—
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	97,348	136,680	147,575	110,990	—

Region		Five Central Wards of Tokyo				
Property name		Daiwa Kojimachi 4-chome	Shinjuku Maynds Tower	Daiwa SHIBUYA EDGE	Daiwa Kodenmacho	Daiwa Nishi-Shimbashi
Acquisition date		Oct. 2006	July 2007 and Nov. 2007	July 2007	Aug. 2007	Aug. 2010
Price information	Acquisition price (Millions of yen)	2,910	66,900	5,900	2,460	5,000
	Investment ratio (%)	0.6	14.5	1.3	0.5	1.1
	Carrying amount (Millions of yen)	2,822	63,461	5,563	2,322	4,608
	Estimated price at end of period (Millions of yen)	2,920	64,300	5,450	2,330	7,370
Leasing information	Total number of tenants (Note 1)	7	37	5	8	11
	Leasable floor area (m <sup>2</sup> )	2,695.31	22,768.41	2,480.65	2,379.31	4,815.84
	Leased floor area (m <sup>2</sup> )	2,695.31	22,678.72	2,480.65	2,379.31	4,815.84
	Occupancy rate (%)					
	End of May 2019	100.0	99.3	100.0	100.0	100.0
	End of Nov. 2019	100.0	95.1	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
End of May 2021	100.0	99.6	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	90,614	1,388,580	130,455	67,221	186,232
	Rent revenue – real estate	90,614	1,388,580	130,455	67,221	186,232
	Other lease business revenue	–	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	45,149	535,090	38,091	34,711	81,474
	Consignment expenses	5,349	84,917	5,972	5,228	15,103
	Utilities expenses	4,671	113,598	5,432	3,754	7,295
	Taxes and dues	16,402	126,493	8,131	3,834	16,223
	Non-life insurance expenses	171	2,295	128	114	290
	Repair expenses	3,257	7,009	1,851	12,715	4,795
	Depreciation (C)	15,296	199,848	16,574	8,242	37,766
	Other lease business expenses	–	928	–	822	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	45,464	853,490	92,364	32,510	104,757
	NOI (E) [(D) + (C)] (Thousands of yen)	60,761	1,053,338	108,938	40,752	142,524
Capital expenditures (F) (Thousands of yen)	1,332	8,960	171	932	871	
NCF [(E) – (F)] (Thousands of yen)	59,429	1,044,378	108,767	39,820	141,653	
Reference information	Expense rate (%) [(B) ÷ (A)]	49.83	38.54	29.20	51.64	43.75
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	32,527	266,565	16,236	7,658	32,230
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	142,915	5,834,950	45,350	84,051	178,710



Region		Five Central Wards of Tokyo				
Property name		Daiwa Kayabacho (Note 3)	Daiwa Jinbocho 3-chome	E SPACE TOWER	Daiwa Nihonbashi Hongokuchou	shinyon curumu
Acquisition date		Mar. 2011	Mar. 2011	July 2011	May 2012	Dec. 2012 and Apr. 2013
Price information	Acquisition price (Millions of yen)	5,600	3,550	24,000	1,721	9,650
	Investment ratio (%)	1.2	0.8	5.2	0.4	2.1
	Carrying amount (Millions of yen)	5,097	3,255	23,421	1,515	9,509
	Estimated price at end of period (Millions of yen)	8,230	5,270	36,600	2,690	16,500
Leasing information	Total number of tenants (Note 1)	1	7	13	6	16
	Leasable floor area (m <sup>2</sup> )	5,899.11	2,889.34	13,960.87	2,143.08	6,751.31
	Leased floor area (m <sup>2</sup> )	5,899.11	2,545.95	13,960.87	2,143.08	6,303.18
	Occupancy rate (%)					
	End of May 2019	100.0	88.1	89.6	100.0	100.0
	End of Nov. 2019	100.0	100.0	97.0	93.9	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	92.8	100.0	96.7
End of May 2021	100.0	88.1	100.0	100.0	93.3	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	(Not disclosed)	110,740	795,067	75,419	355,783
	Rent revenue – real estate	(Not disclosed)	110,740	786,067	75,419	355,783
	Other lease business revenue	(Not disclosed)	–	9,000	–	–
	Total property leasing expenses (B) (Thousands of yen)	(Not disclosed)	42,371	244,814	23,831	124,415
	Consignment expenses	(Not disclosed)	7,053	71,895	3,457	27,668
	Utilities expenses	(Not disclosed)	4,723	30,124	2,252	14,374
	Taxes and dues	(Not disclosed)	9,930	62,312	4,554	37,984
	Non-life insurance expenses	(Not disclosed)	150	777	93	401
	Repair expenses	(Not disclosed)	634	7,423	56	6,197
	Depreciation (C)	(Not disclosed)	19,879	72,164	13,418	37,790
	Other lease business expenses	(Not disclosed)	–	116	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	(Not disclosed)	68,368	550,252	51,587	231,368
	NOI (E) [(D) + (C)] (Thousands of yen)	152,670	88,247	622,417	65,006	269,158
Capital expenditures (F) (Thousands of yen)	253	–	27,049	–	17,010	
NCF [(E) – (F)] (Thousands of yen)	152,417	88,247	595,367	65,006	252,148	
Reference information	Expense rate (%) [(B) ÷ (A)]	(Not disclosed)	38.26	30.79	31.60	34.97
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	25,515	19,809	124,052	9,087	75,768
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	138,850	98,780	696,050	50,940	166,089

Region		Five Central Wards of Tokyo				
Property name		Daiwa Akasaka	Daiwa Shibuya Miyamasuzaka	Daiwa Azabu Terrace	Daiwa Ebisu 4-chome (Note 3)	LAQUAS Higashi Shinjuku
Acquisition date		Aug. 2013	Sept. 2013	July 2014	Dec. 2014	Dec. 2014
Price information	Acquisition price (Millions of yen)	9,200	7,000	14,000	4,135	8,450
	Investment ratio (%)	2.0	1.5	3.0	0.9	1.8
	Carrying amount (Millions of yen)	10,080	7,271	13,833	4,167	8,316
	Estimated price at end of period (Millions of yen)	15,500	13,100	18,300	6,440	11,300
Leasing information	Total number of tenants (Note 1)	12	7	11	1	4
	Leasable floor area (m <sup>2</sup> )	8,750.60	6,328.98	13,234.39	2,951.70	7,498.33
	Leased floor area (m <sup>2</sup> )	8,466.73	5,580.10	13,234.39	2,951.70	7,498.33
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
End of May 2021	96.7	88.1	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	378,112	323,070	469,657	(Not disclosed)	232,075
	Rent revenue – real estate	360,826	323,070	469,337	(Not disclosed)	232,075
	Other lease business revenue	17,286	—	320	(Not disclosed)	—
	Total property leasing expenses (B) (Thousands of yen)	160,323	80,721	154,135	(Not disclosed)	79,781
	Consignment expenses	27,134	16,580	31,830	(Not disclosed)	10,547
	Utilities expenses	14,348	9,074	30,883	(Not disclosed)	10,474
	Taxes and dues	35,530	23,707	33,740	(Not disclosed)	21,157
	Non-life insurance expenses	517	378	729	(Not disclosed)	367
	Repair expenses	18,961	3,426	2,928	(Not disclosed)	3,336
	Depreciation (C)	58,782	27,519	54,023	(Not disclosed)	33,739
	Other lease business expenses	5,047	36	—	(Not disclosed)	158
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	217,788	242,348	315,521	(Not disclosed)	152,294
	NOI (E) [(D) + (C)] (Thousands of yen)	276,571	269,867	369,545	100,993	186,033
Capital expenditures (F) (Thousands of yen)	62,553	2,517	1,573	520	4,639	
NCF [(E) – (F)] (Thousands of yen)	214,018	267,350	367,971	100,473	181,394	
Reference information	Expense rate (%) [(B) ÷ (A)]	42.40	24.99	32.82	(Not disclosed)	34.38
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	70,633	46,705	67,093	19,334	41,980
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	327,392	457,625	491,112	98,692	162,700

Region		Five Central Wards of Tokyo				
Property name		Daiwa Aoyama	Shinsen Place (Note 3)	Daiwa Shibuya Square	Daiwa River Gate	Daiwa Hatchobori ekimae
Acquisition date		Mar. 2015	Mar. 2015	May 2015	June 2015	Sept. 2015
Price information	Acquisition price (Millions of yen)	9,800	4,800	16,000	28,000	2,871
	Investment ratio (%)	2.1	1.0	3.5	6.1	0.6
	Carrying amount (Millions of yen)	9,984	4,897	15,798	27,487	2,884
	Estimated price at end of period (Millions of yen)	12,200	6,800	22,200	34,300	3,290
Leasing information	Total number of tenants (Note 1)	7	1	12	92	9
	Leasable floor area (m <sup>2</sup> )	4,426.10	2,811.35	8,566.73	32,055.85	2,622.42
	Leased floor area (m <sup>2</sup> )	4,426.10	2,811.35	8,566.73	26,752.13	2,622.42
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	99.7	100.0
	End of Nov. 2019	100.0	100.0	100.0	98.9	100.0
	End of May 2020	100.0	100.0	100.0	99.4	100.0
	End of Nov. 2020	85.9	100.0	100.0	96.4	100.0
End of May 2021	100.0	100.0	100.0	83.4	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	236,779	(Not disclosed)	481,432	963,067	85,387
	Rent revenue – real estate	236,779	(Not disclosed)	481,432	958,808	85,387
	Other lease business revenue	–	(Not disclosed)	–	4,259	–
	Total property leasing expenses (B) (Thousands of yen)	61,410	(Not disclosed)	94,165	578,988	36,332
	Consignment expenses	20,460	(Not disclosed)	15,928	82,156	8,945
	Utilities expenses	4,554	(Not disclosed)	16,105	98,159	4,645
	Taxes and dues	15,295	(Not disclosed)	26,930	104,485	9,300
	Non-life insurance expenses	188	(Not disclosed)	458	2,056	156
	Repair expenses	1,462	(Not disclosed)	3,088	155,137	2,854
	Depreciation (C)	19,449	(Not disclosed)	31,653	136,873	10,430
	Other lease business expenses	–	(Not disclosed)	–	120	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	175,369	(Not disclosed)	387,266	384,078	49,054
	NOI (E) [(D) + (C)] (Thousands of yen)	194,818	125,393	418,920	520,951	59,485
Capital expenditures (F) (Thousands of yen)	434	3,045	3,406	54,592	735	
NCF [(E) – (F)] (Thousands of yen)	194,384	122,347	415,513	466,359	58,750	
Reference information	Expense rate (%) [(B) ÷ (A)]	25.94	(Not disclosed)	19.56	60.12	42.55
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	30,469	17,188	56,961	200,111	18,352
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	175,290	178,610	234,380	2,001,250	159,500

Region		Five Central Wards of Tokyo				
Property name		Daiwa Hatchobori ekimae West	Daiwa Nishi-Shinjuku	Kirin Nihonbashi (Note 3)	Daiwa Higashi-Nihonbashi	Daiwa Daikanyama (Note 3)
Acquisition date		Sept. 2015	Mar. 2016	May 2016	June 2016	June 2016
Price information	Acquisition price (Millions of yen)	1,647	13,710	8,180	6,370	2,280
	Investment ratio (%)	0.4	3.0	1.8	1.4	0.5
	Carrying amount (Millions of yen)	1,702	13,919	8,312	6,261	2,360
	Estimated price at end of period (Millions of yen)	1,970	17,400	8,360	7,150	3,620
Leasing information	Total number of tenants (Note 1)	9	7	1	5	1
	Leasable floor area (m <sup>2</sup> )	1,734.68	6,967.61	5,630.17	5,015.88	1,642.83
	Leased floor area (m <sup>2</sup> )	1,734.68	6,967.61	5,630.17	5,015.88	1,642.83
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2019	100.0	90.5	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	95.8	100.0	100.0	100.0	100.0
End of May 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	48,923	407,699	(Not disclosed)	177,395	(Not disclosed)
	Rent revenue – real estate	48,923	407,699	(Not disclosed)	177,395	(Not disclosed)
	Other lease business revenue	–	–	(Not disclosed)	–	(Not disclosed)
	Total property leasing expenses (B) (Thousands of yen)	22,596	91,289	(Not disclosed)	60,185	(Not disclosed)
	Consignment expenses	5,417	16,965	(Not disclosed)	10,394	(Not disclosed)
	Utilities expenses	2,263	12,668	(Not disclosed)	7,751	(Not disclosed)
	Taxes and dues	4,265	39,294	(Not disclosed)	11,696	(Not disclosed)
	Non-life insurance expenses	81	372	(Not disclosed)	242	(Not disclosed)
	Repair expenses	5,718	1,398	(Not disclosed)	2,162	(Not disclosed)
	Depreciation (C)	4,851	20,587	(Not disclosed)	27,937	(Not disclosed)
	Other lease business expenses	–	3	(Not disclosed)	–	(Not disclosed)
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	26,327	316,410	(Not disclosed)	117,209	(Not disclosed)
	NOI (E) [(D) + (C)] (Thousands of yen)	31,178	336,997	161,495	145,146	56,221
Capital expenditures (F) (Thousands of yen)	2,542	1,540	1,552	789	770	
NCF [(E) – (F)] (Thousands of yen)	28,635	335,457	159,942	144,357	55,451	
Reference information	Expense rate (%) [(B) ÷ (A)]	46.19	22.39	(Not disclosed)	33.93	(Not disclosed)
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	8,457	77,393	22,088	23,149	11,029
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	91,420	252,590	116,090	157,360	45,044

Region		Five Central Wards of Tokyo				
Property name		Daiwa Shinjuku West	Daiwa Kanda Mikuracho	Daiwa Kanda East	Daiwa Kandasudacho	Daiwa Sasazuka Tower
Acquisition date		July 2016	Dec. 2016	Jan. 2018	June 2018 and Nov. 2018	Oct. 2018
Price information	Acquisition price (Millions of yen)	942	1,592	4,200	2,295	15,500
	Investment ratio (%)	0.2	0.3	0.9	0.5	3.4
	Carrying amount (Millions of yen)	985	1,612	4,217	2,370	15,922
	Estimated price at end of period (Millions of yen)	1,250	1,850	5,770	2,820	16,000
Leasing information	Total number of tenants (Note 1)	9	7	5	7	7
	Leasable floor area (m <sup>2</sup> )	1,118.74	1,719.51	3,980.56	2,211.64	16,158.16
	Leased floor area (m <sup>2</sup> )	1,118.74	1,719.51	3,980.56	2,211.64	16,158.16
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	97.6	100.0
End of May 2021	100.0	100.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	38,596	51,184	144,126	67,561	389,554
	Rent revenue – real estate	38,594	51,184	144,126	67,561	389,554
	Other lease business revenue	2	–	–	–	–
	Total property leasing expenses (B) (Thousands of yen)	12,955	16,380	48,840	21,843	339,669
	Consignment expenses	4,129	5,204	11,120	6,003	64,224
	Utilities expenses	2,055	1,943	7,154	2,719	45,616
	Taxes and dues	3,114	3,543	10,437	4,610	55,538
	Non-life insurance expenses	49	66	179	84	935
	Repair expenses	1,377	346	1,423	1,478	113,247
	Depreciation (C)	2,228	5,276	18,525	6,945	60,106
	Other lease business expenses	–	–	–	–	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	25,641	34,803	95,285	45,718	49,885
	NOI (E) [(D) + (C)] (Thousands of yen)	27,869	40,079	113,810	52,664	109,992
Capital expenditures (F) (Thousands of yen)	–	1,570	3,088	–	23,108	
NCF [(E) – (F)] (Thousands of yen)	27,869	38,509	110,722	52,664	86,883	
Reference information	Expense rate (%) [(B) ÷ (A)]	33.57	32.00	33.89	32.33	87.19
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	6,254	6,943	20,507	8,949	109,343
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	79,330	74,026	133,611	76,730	718,270

Region		Five Central Wards of Tokyo				
Property name		Daiwa Sasazuka	Daiwa Harumi	Daiwa Mita 2-Chome (Note 3)	Nihonbashi Central Square	Nihonbashi-Bakurocho 1-Chome Development Site (land) (Note 5)
Acquisition date		Dec. 2018	Feb. 2019	July 2019	May 2020	Nov. 2020
Price information	Acquisition price (Millions of yen)	3,000	11,200	2,635	3,521	3,775
	Investment ratio (%)	0.7	2.4	0.6	0.8	0.8
	Carrying amount (Millions of yen)	3,170	11,208	1,583	3,614	3,803
	Estimated price at end of period (Millions of yen)	3,570	12,700	4,020	3,820	4,250
Leasing information	Total number of tenants (Note 1)	9	7	1	10	—
	Leasable floor area (m <sup>2</sup> )	3,828.95	11,227.10	2,101.61	1,837.05	—
	Leased floor area (m <sup>2</sup> )	3,828.95	11,227.10	2,101.61	1,837.05	—
	Occupancy rate (%)					
	End of May 2019	96.0	47.3	—	—	—
	End of Nov. 2019	92.7	100.0	100.0	—	—
	End of May 2020	95.1	100.0	100.0	100.0	—
	End of Nov. 2020	100.0	100.0	100.0	100.0	—
End of May 2021	100.0	100.0	100.0	100.0	—	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	91,693	344,561	(Not disclosed)	90,361	—
	Rent revenue – real estate	88,504	344,561	(Not disclosed)	90,361	—
	Other lease business revenue	3,189	—	(Not disclosed)	—	—
	Total property leasing expenses (B) (Thousands of yen)	43,277	151,074	(Not disclosed)	19,497	—
	Consignment expenses	11,520	41,741	(Not disclosed)	6,030	—
	Utilities expenses	8,004	17,833	(Not disclosed)	3,850	—
	Taxes and dues	9,283	27,349	(Not disclosed)	11	—
	Non-life insurance expenses	171	532	(Not disclosed)	91	—
	Repair expenses	1,741	7,407	(Not disclosed)	1,096	—
	Depreciation (C)	12,556	35,782	(Not disclosed)	8,416	—
	Other lease business expenses	—	20,426	(Not disclosed)	—	—
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	48,416	193,486	(Not disclosed)	70,864	—
	NOI (E) [(D) + (C)] (Thousands of yen)	60,973	229,269	67,065	79,280	—
Capital expenditures (F) (Thousands of yen)	11,183	10,162	1,623	298	—	
NCF [(E) – (F)] (Thousands of yen)	49,789	219,106	65,442	78,981	—	
Reference information	Expense rate (%) [(B) ÷ (A)]	47.20	43.85	(Not disclosed)	21.58	—
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	17,823	54,160	17,836	11,438	—
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	129,490	253,020	5,360	134,280	—

Region		Greater Tokyo				
Property name		Daiwa Higashi-Ikebukuro	Daiwa Shinagawa North	Daiwa Kamiooka	Daiwa Ogikubo Tower	Daiwa Meguro Square
Acquisition date		Oct. 2005	July 2007	Mar. 2013	May 2014	May 2015
Price information	Acquisition price (Millions of yen)	2,958	7,710	2,000	15,220	5,600
	Investment ratio (%)	0.6	1.7	0.4	3.3	1.2
	Carrying amount (Millions of yen)	2,551	6,989	1,805	16,213	5,409
	Estimated price at end of period (Millions of yen)	4,370	6,300	2,900	23,200	7,280
Leasing information	Total number of tenants (Note 1)	9	13	9	9	16
	Leasable floor area (m <sup>2</sup> )	4,462.28	6,546.03	2,630.30	17,778.14	3,519.50
	Leased floor area (m <sup>2</sup> )	4,462.28	6,235.34	2,630.30	16,747.26	3,519.50
	Occupancy rate (%)					
	End of May 2019	100.0	100.0	100.0	99.6	100.0
	End of Nov. 2019	100.0	100.0	100.0	100.0	100.0
	End of May 2020	100.0	100.0	100.0	100.0	100.0
	End of Nov. 2020	100.0	100.0	100.0	100.0	100.0
End of May 2021	100.0	95.2	100.0	94.2	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	142,583	173,059	92,673	682,124	171,425
	Rent revenue – real estate	142,583	172,109	92,673	601,358	171,425
	Other lease business revenue	–	950	–	80,766	–
	Total property leasing expenses (B) (Thousands of yen)	55,872	97,439	37,239	292,981	56,634
	Consignment expenses	11,142	27,454	5,488	59,282	9,464
	Utilities expenses	9,426	8,741	5,736	47,295	6,884
	Taxes and dues	8,535	18,828	6,361	44,976	13,777
	Non-life insurance expenses	274	406	142	1,038	205
	Repair expenses	1,459	5,215	1,365	8,924	2,657
	Depreciation (C)	25,033	36,792	18,144	131,344	23,644
	Other lease business expenses	–	–	–	120	–
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	86,711	75,620	55,433	389,143	114,790
	NOI (E) [(D) + (C)] (Thousands of yen)	111,744	112,413	73,578	520,487	138,435
Capital expenditures (F) (Thousands of yen)	7,195	2,292	907	16,463	–	
NCF [(E) – (F)] (Thousands of yen)	104,549	110,120	72,670	504,023	138,435	
Reference information	Expense rate (%) [(B) ÷ (A)]	39.19	56.30	40.18	42.95	33.04
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	16,589	36,969	12,676	87,079	27,276
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	294,300	441,710	63,700	575,795	122,800

Region		Greater Tokyo				Major Regional Cities
Property name		Daiwa Ogikubo	CONCURRED Yokohama	Daiwa Shinagawa Gotenyama	Daiwa Nakano-Sakaue	Daiwa Kitahama
Acquisition date		July 2016	Jan. 2018	Sept. 2018	Dec. 2019	Aug. 2014
Price information	Acquisition price (Millions of yen)	3,800	38,100	2,500	2,750	9,481
	Investment ratio (%)	0.8	8.3	0.5	0.6	2.1
	Carrying amount (Millions of yen)	3,965	37,762	2,569	2,845	9,028
	Estimated price at end of period (Millions of yen)	4,820	41,200	2,880	2,860	13,300
Leasing information	Total number of tenants (Note 1)	11	37	7	6	7
	Leasable floor area (m <sup>2</sup> )	3,849.63	28,052.98	2,396.96	2,869.13	13,517.62
	Leased floor area (m <sup>2</sup> )	3,849.63	27,787.39	2,396.96	2,869.13	13,517.62
	Occupancy rate (%)					
	End of May 2019	100.0	98.7	100.0	—	86.9
	End of Nov. 2019	100.0	100.0	100.0	—	100.0
	End of May 2020	100.0	98.4	100.0	100.0	100.0
End of Nov. 2020	100.0	99.7	100.0	100.0	100.0	
End of May 2021	100.0	99.0	100.0	100.0	100.0	
Income (loss) information	Number of days of asset management	182	182	182	182	182
	Total property leasing revenue (A) (Thousands of yen)	128,395	1,070,469	82,422	73,052	401,299
	Rent revenue – real estate	128,395	1,067,619	80,026	73,052	401,299
	Other lease business revenue	—	2,850	2,395	—	—
	Total property leasing expenses (B) (Thousands of yen)	35,889	311,781	20,355	30,668	154,993
	Consignment expenses	9,493	56,867	4,889	8,792	27,199
	Utilities expenses	4,555	65,693	3,068	4,818	30,399
	Taxes and dues	8,203	57,855	5,501	7,072	34,523
	Non-life insurance expenses	171	784	107	144	717
	Repair expenses	2,308	14,657	1,036	1,199	5,087
	Depreciation (C)	11,156	115,923	5,751	8,632	56,970
	Other lease business expenses	—	—	—	8	96
	Operating income (loss) from property leasing (D) [(A) – (B)] (Thousands of yen)	92,506	758,687	62,067	42,384	246,306
NOI (E) [(D) + (C)] (Thousands of yen)	103,663	874,611	67,818	51,016	303,276	
Capital expenditures (F) (Thousands of yen)	3,990	34,533	452	2,024	10,579	
NCF [(E) – (F)] (Thousands of yen)	99,673	840,078	67,366	48,992	292,696	
Reference information	Expense rate (%) [(B) ÷ (A)]	27.95	29.13	24.70	41.98	38.62
	Annual amount of fixed property tax, etc. for fiscal 2021 (Thousands of yen)	16,327	115,596	11,012	13,874	68,918
	Estimated long-term repair expenses (Thousands of yen) (Note 2)	161,340	718,980	102,564	193,251	275,080

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

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

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

(Note 4) Daiwa Kyobashi was divested on December 23, 2020.

(Note 5) For Nihonbashi-Bakurocho 1-Chome Development Site (land), the plan is to develop an office building on the property.