



Audited Financial Statements
for the 39th Fiscal Period
(from July 1, 2022 to December 31, 2022)

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditor's Report	1
Balance Sheet as of December 31, 2022	4
Statement of Income and Retained Earnings for the six months ended December 31, 2022	6
Statement of Changes in Net Assets for the six months ended December 31, 2022	7
Statement of Cash Flows for the six months ended December 31, 2022	9
Notes to Financial Statements as of and for the six months ended December 31, 2022	10

Independent Auditor's Report

The Board of Directors
Invincible Investment Corporation

Opinion

We have audited the accompanying financial statements of Invincible Investment Corporation (the Company), which comprise the balance sheet as at December 31, 2022, and the statements of income and retained earnings, changes in net assets, and cash flows for the six months period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the disclosure document that contains audited financial statements but does not include the financial statements and our auditor's report thereon.

We have concluded that the other information does not exist. Accordingly, we have not performed any work related to the other information.

Responsibilities of Management and the Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the six months period ended December 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4 to the financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan

March 27, 2023

/s/ Kazunori Takenouchi

Kazunori Takenouchi
Designated Engagement Partner
Certified Public Accountant

/s/ Teruyo Okubo

Teruyo Okubo
Designated Engagement Partner
Certified Public Accountant

INVINCIBLE INVESTMENT CORPORATION

BALANCE SHEET

December 31, 2022

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
ASSETS			
Current assets:			
Cash and bank deposits (Notes 6 and 18)	¥ 13,794,814	¥ 15,553,174	\$ 117,205
Cash and bank deposits in trust (Notes 6 and 18) ..	6,028,407	7,768,621	58,542
Rental receivables	3,396,197	4,845,162	36,512
Deposits paid	332,876	1,703,315	12,835
Prepaid expenses	411,977	651,469	4,909
Income taxes receivable	11	13	0
Other	-	5,060	38
Total current assets	23,964,286	30,526,816	230,043
Non-current assets:			
Property and equipment (Notes 7 and 8):			
Buildings, at cost	19,429,981	19,479,753	146,795
Buildings and accompanying facilities, at cost	5,303,078	5,308,557	40,004
Structures, at cost	1,458	1,458	10
Tools, furniture and fixtures, at cost	1,195,031	1,228,513	9,257
Construction in progress	701,230	714,997	5,388
Buildings in trust, at cost	158,812,478	159,079,641	1,198,791
Buildings and accompanying facilities in trust, at cost	32,062,171	32,688,012	246,330
Structures in trust, at cost	204,879	212,818	1,603
Tools, furniture and fixtures in trust, at cost	2,942,196	3,195,160	24,078
Land in trust	241,290,860	241,319,447	1,818,533
Construction in progress in trust	26,237	-	-
Subtotal	461,969,604	463,228,359	3,490,793
Less: Accumulated depreciation	(40,561,955)	(44,278,794)	(333,675)
Total property and equipment, net	421,407,648	418,949,564	3,157,118
Intangible assets:			
Leasehold rights	10,637,811	10,637,811	80,164
Leasehold rights in trust	14,458,659	14,419,422	108,661
Total intangible assets	25,096,471	25,057,234	188,826
Investments and other assets:			
Investment securities (Note 19 and 24)	17,856,387	17,856,387	134,562
Guarantee deposits	1,372,719	1,372,719	10,344
Long-term prepaid expenses	257,854	271,704	2,047
Derivatives assets (Note 20)	96,567	142,841	1,076
Other	22,667	22,667	170
Total investments and other assets	19,606,196	19,666,320	148,201
Total non-current assets	466,110,317	463,673,119	3,494,145
Deferred assets:			
Investment corporation bond issuance costs	44,148	37,844	285
Total deferred assets	44,148	37,844	285
TOTAL ASSETS	¥ 490,118,752	¥ 494,237,781	\$ 3,724,474

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
LIABILITIES			
Current liabilities:			
Accounts payable	¥ 349,844	¥ 629,231	\$ 4,741
Short-term loans payable (Notes 10 and 18)	88,135,000	114,515,000	862,961
Current portion of investment corporation bonds (Notes 9 and 18)	1,000,000	3,000,000	22,607
Current portion of long-term loans payable (Notes 10 and 18)	44,807,000	42,405,000	319,555
Accounts payable-other	31,175	3,366	25
Accrued expenses	240,333	264,276	1,991
Income taxes payable	605	605	4
Consumption taxes payable	50,190	371,675	2,800
Advances received	317,935	317,350	2,391
Deposits received	10,397	13,490	101
Total current liabilities	134,942,482	161,519,996	1,217,181
Non-current liabilities:			
Investment corporation bonds (Notes 9 and 18) ..	7,200,000	5,200,000	39,186
Long-term loans payable (Notes 10 and 18)	100,230,000	75,677,000	570,286
Tenant leasehold and security deposits in trust (Note 18)	1,500,948	1,485,701	11,195
Derivatives liabilities (Note 20)	546	119	0
Asset retirement obligations (Note 21)	33,644	33,872	255
Total non-current liabilities	108,965,140	82,396,693	620,924
TOTAL LIABILITIES	243,907,622	243,916,689	1,838,106
NET ASSETS (Note 11)			
Unitholders' equity:			
Unitholders' capital	235,701,512	235,701,512	1,776,198
Surplus:			
Capital surplus	6,264,432	6,264,432	47,207
Allowance for temporary differences	(6,130)	(6,130)	(46)
Adjustment (Note 5)	(5,524,006)	(5,524,006)	(41,627)
Other deduction of capital surplus	(5,530,137)	(5,530,137)	(41,673)
Capital surplus (net).....	734,294	734,294	5,533
Voluntary reserve			
Retained earnings	9,679,301	13,742,562	103,561
Total surplus	10,413,596	14,476,857	109,094
Total unitholders' equity	246,115,108	250,178,369	1,885,292
Valuation and translation adjustments:			
Deferred gains or losses on hedges	96,020	142,721	1,075
Total valuation and translation adjustments	96,020	142,721	1,075
TOTAL NET ASSETS	246,211,129	250,321,091	1,886,368
TOTAL LIABILITIES AND NET ASSETS	¥ 490,118,752	¥ 494,237,781	\$ 3,724,474

The accompanying notes are an integral part of these financial statements.

INVINCIBLE INVESTMENT CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
For the six months ended December 31, 2022

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Operating revenue			
Rental revenue—real estate (Note 13)¥	5,198,229	¥ 10,182,751	\$ 76,735
Management contract revenue (Note 14)	1,013,790	1,746,848	13,163
Gain on sales of properties (Note 15)	1,468,206	-	-
Total operating revenue	7,680,227	11,929,599	89,899
Operating expenses			
Property related expenses (Note 13)	4,498,723	4,606,538	34,713
Management contract expenses (Note 14)	543,095	569,669	4,292
Asset management fees	300,000	300,000	2,260
Directors' compensation	4,800	4,800	36
Asset custody fees	24,556	24,475	184
Administrative service fees	42,618	50,047	377
Other	152,051	117,057	882
Total operating expenses	5,565,846	5,672,588	42,747
Operating income	2,114,380	6,257,011	47,151
Non-operating income			
Interest income.....	78	90	0
Foreign exchange gains	1,316	-	-
Interest on tax refund.....	-	92	0
Other	2,606	17,657	133
Total non-operating income	4,000	17,840	134
Non-operating expenses			
Interest expenses	562,607	542,104	4,085
Foreign exchange losses	-	68,859	518
Interest expenses on investment corporation bonds....	27,769	28,230	212
Amortization of investment corporation bond issuance costs	6,200	6,303	47
Loan-related costs	505,414	553,412	4,170
Other	629	-	-
Total non-operating expenses	1,102,621	1,198,910	9,034
Ordinary income	1,015,760	5,075,941	38,251
Income before income taxes	1,015,760	5,075,941	38,251
Income taxes (Note 16):			
Current	605	605	4
Total income taxes	605	605	4
Net income	1,015,155	5,075,336	38,246
Retained earnings / losses brought forward	8,664,146	8,667,226	65,314
Unappropriated retained earnings / losses (Note 12)¥	9,679,301	¥ 13,742,562	\$ 103,561

The accompanying notes are an integral part of these financial statements.

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CHANGES IN NET ASSETS

For the six months ended December 31, 2022

	Unitholders' equity					
	Surplus					
		Capital surplus				
Unitholders' capital	Capital surplus	Deduction of capital surplus			Capital surplus (net)	
		Allowance for temporary differences adjustment	Other deduction of capital surplus	Deduction of capital surplus		
	(in thousands of yen)					
Balance as of January 1, 2022	¥ 235,701,512	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	-	-	-	-	-	-
Balance as of June 30, 2022	¥ 235,701,512	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	-	-	-	-	-	-
Balance as of December 31, 2022	¥ 235,701,512	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
(in thousands of yen)						
Balance as of January 1, 2022	¥ 9,676,221	¥ 10,410,516	¥ 246,112,028	¥ 18,325	¥ 18,325	¥ 246,130,354
Changes during the period						
Distributions from surplus	(1,012,075)	(1,012,075)	(1,012,075)			(1,012,075)
Net income	1,015,155	1,015,155	1,015,155			1,015,155
Changes other than unitholders' equity(net)				77,695	77,695	77,695
Total changes during the period	3,080	3,080	3,080	77,695	77,695	80,775
Balance as of June 30, 2022	¥ 9,679,301	¥ 10,413,596	¥ 246,115,108	¥ 96,020	¥ 96,020	¥ 246,211,129
Changes during the period						
Distributions from surplus	(1,012,075)	(1,012,075)	(1,012,075)			(1,012,075)
Net income	5,075,336	5,075,336	5,075,336			5,075,336
Changes other than unitholders' equity(net)				46,701	46,701	46,701
Total changes during the period	4,063,260	4,063,260	4,063,260	46,701	46,701	4,109,962
Balance as of December 31, 2022	¥ 13,742,562	¥ 14,476,857	¥ 250,178,369	¥ 142,721	¥ 142,721	¥ 250,321,091

	Unitholders' equity					
	Surplus					
		Capital surplus				
Unitholders' capital	Capital surplus	Deduction of capital surplus			Capital surplus (net)	
		Allowance for temporary differences adjustment	Other deduction of capital surplus	Deduction of capital surplus		
	(in thousands of U.S dollars)					
Balance as of July 1, 2022	\$ 1,776,198	\$ 47,207	\$ (46)	\$ (41,627)	\$ (41,673)	\$ 5,533
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity(net)						
Total changes during the period	-	-	-	-	-	-
Balance as of December 31, 2022	\$ 1,776,198	\$ 47,207	\$ (46)	\$ (41,627)	\$ (41,673)	\$ 5,533

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
	(in thousands of U.S dollars)					
Balance as of July 1, 2022	\$ 72,941	\$ 78,474	1,854,673	\$ 723	\$ 723	\$ 1,855,396
Changes during the period						
Distributions from surplus	(7,626)	(7,626)	(7,626)			(7,626)
Net income	38,246	38,246	38,246			38,246
Changes other than unitholders' equity(net)				351	351	351
Total changes during the period	30,619	30,619	30,619	351	351	30,971
Balance as of December 31, 2022	\$ 103,561	\$ 109,094	\$ 1,885,292	\$ 1,075	\$ 1,075	\$ 1,886,368

The accompanying notes are an integral part of these financial statements.

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CASH FLOWS For the six months ended December 31, 2022

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash flows from operating activities:			
Income before income taxes	¥ 1,015,760	¥ 5,075,941	\$ 38,251
Depreciation and amortization	3,766,009	3,756,303	28,306
Amortization of investment corporation bond issuance costs	6,200	6,303	47
Loan-related costs	505,414	553,412	4,170
Interest income	(78)	(90)	(0)
Interest expenses	590,377	570,334	4,297
Foreign exchange losses (gains)	158	(29)	(0)
Decrease (increase) in rental receivables	(1,102,461)	(1,448,964)	(10,919)
Decrease (increase) in deposits paid	(179,359)	(1,370,438)	(10,327)
Decrease (increase) in receivable income taxes	(1)	(1)	(0)
Increase (decrease) in accounts payable	(511,128)	(3,505)	(26)
Increase (decrease) in consumption taxes payable	(490,678)	321,485	2,422
Increase (decrease) in accounts payable-other	26,469	(26,469)	(199)
Increase (decrease) in accrued expenses	(48,167)	20,843	157
Increase (decrease) in advances received	(240,841)	(585)	(4)
Increase (decrease) in deposits received	1,583	3,093	23
Decrease in property and equipment in trust due to sale	2,867,202	-	-
Other, net	116,612	(219,196)	(1,651)
Subtotal	6,323,071	7,238,437	54,547
Interest income received	78	90	0
Interest expenses paid	(593,962)	(567,445)	(4,276)
Income taxes paid	(605)	(605)	(4)
Net cash provided by operating activities	5,728,582	6,670,476	50,267
Cash flows from investing activities:			
Payments into time deposits	(2,000,000)	(800,000)	(6,028)
Proceeds from withdrawal of time deposits	2,000,000	800,000	6,028
Purchases of property and equipment	(24,384)	(102,499)	(772)
Purchases of property and equipment in trust	(531,563)	(875,748)	(6,599)
Repayments of tenant leasehold and security deposits in trust	(35,672)	(27,487)	(207)
Proceeds from tenant leasehold and security deposits in trust	16,777	12,239	92
Net cash used in investing activities	(574,843)	(993,494)	(7,486)
Cash flows from financing activities:			
Proceeds from short-term loans payable	27,044,000	87,471,000	659,163
Repayments of short-term loans payable	(10,695,000)	(61,091,000)	(460,369)
Proceeds from long-term loans payable	-	1,790,000	13,489
Repayments of long-term loans payable	(19,922,000)	(28,745,000)	(216,616)
Payments for loan-related costs	(271,524)	(591,633)	(4,458)
Payments of distributions of earnings	(1,011,974)	(1,011,803)	(7,624)
Net cash provided by (used in) financing activities	(4,856,498)	(2,178,436)	(16,416)
Effect of exchange rate change on cash and cash equivalents	(158)	29	0
Net increase (decrease) in cash and cash equivalents	297,081	3,498,574	26,364
Cash and cash equivalents at beginning of period	16,726,139	17,023,221	128,283
Cash and cash equivalents at end of period (Note 6)	¥ 17,023,221	¥ 20,521,796	\$ 154,648

The accompanying notes are an integral part of these financial statements.

INVINCIBLE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

As of and for the six months ended December 31, 2022

1. Organization

Invincible Investment Corporation (the “Company”), a real estate investment corporation, was incorporated on January 18, 2002, under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”) with initial capital of ¥200 million.

The Company is externally managed by a registered asset management company, Consonant Investment Management Co., Ltd. (the “Asset Manager”). The Asset Manager is currently owned 100% by Calliope Godo Kaisha (Calliope). The Company was formed to invest primarily in properties in Japan.

On May 17, 2004, the Company raised ¥3,377,250 thousand through an initial public offering of 9,000 investment units. As a “comprehensive investment REIT focusing on the Tokyo metropolitan area and on residential properties,” the Company was listed on the Osaka Securities Exchange in May 2004.

On February 7, 2005, the Company completed its second public offering of 10,650 investment units at a price of ¥369,734 per unit in connection with a public offering in Japan.

On July 31, 2006, the Company completed its third public offering of 25,000 investment units at a price of ¥332,045 per unit in connection with a public offering in Japan. The Company was listed on the J-REIT market of the Tokyo Stock Exchange in August 2006 (in order to focus trading on one securities exchange and reduce administrative tasks and costs accompanying a duplicate listing, the Company delisted from the Osaka Securities Exchange on October 6, 2007).

Effective on February 1, 2010, the Company executed a five-to-one unit split and 215,596 investment units were issued in connection with the unit split. Effective on the same day, the Company also merged with LCP Investment Corporation (LCP) and allocated 367,200 investment units at a ratio of 4 units (post-unit split) of the Company per one investment unit of LCP. As a result, investment units issued and outstanding were 636,695 units as of February 1, 2010.

On July 29, 2011, the Company completed a third party allotment of 711,597 investment units at a price of ¥9,837 per unit.

On December 20, 2013, the Company completed a third party allotment of 224,887 investment units at a price of ¥13,340 per unit.

On July 16, 2014, the Company completed its fourth public offering totaling 1,040,000 new investment units at a price of ¥21,873 per unit. 527,322 of such units were issued in connection with a Domestic Public Offering, and the remaining 512,678 units were issued in connection with an International Offering pursuant to Rule 144A and Regulation S under the U.S. Securities Act of 1933. On August 13, 2014, the Company issued 55,507 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥23.9 billion were used to repay the Company’s outstanding short term borrowings and in connection with the acquisition of 18 properties during this fiscal period.

On July 15, 2015, the Company completed its fifth public offering totaling 500,000 new investment units at a price of ¥57,817 per unit. 211,250 of such units were issued in connection with a Domestic Public Offering, and the remaining 288,750 units were issued in connection with an International Offering pursuant to Rule 144A and Regulation S under the U.S. Securities Act of 1933. On August 12, 2015, the Company issued 25,000 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥29.3 billion were used to repay the Company’s outstanding long term borrowings and in connection with the acquisition of 14 properties during this fiscal period.

On March 30, 2016, the Company completed its sixth public offering totaling 459,512 new investment units at a price of ¥81,217 per unit. 194,144 of such units were issued in connection with a Domestic Public Offering, and the remaining 265,368 units were issued in connection with an International Offering pursuant Rule 144A and Regulation S under the U.S. Securities Act of 1933. On April 27, 2016, the Company issued 22,626 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥37.9 billion were used to repay the Company’s outstanding long term borrowing and in connection with the acquisition of 6 properties during this fiscal period.

On March 13, 2017, the Company completed its seventh public offering totaling 185,000 new investment units at a price of ¥46,897 per unit in connection with Japanese Primary Offering.

On October 12, 2017, the Company completed its eighth public offering totaling 887,959 new investment units at a price ¥44,118 per unit. 515,017 of such units were issued in connection with a Domestic Public Offering, and the remaining 372,942 units were issued in connection with an International Offering pursuant Rule 144A and Regulation S under the U.S. Securities Act of 1933. On November 1, 2017, the Company issued 44,398 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥39.8 billion were used to repay the Company's outstanding long term borrowing and in connection with the acquisition of 4 properties and 1 preferred security during this fiscal period.

On August 1, 2018, the Company completed its ninth public offering totaling 909,524 new investment units at a price ¥45,776 per unit. 432,024 of such units were issued in connection with a Domestic Public Offering, and the remaining 477,500 units were issued in connection with an International Offering pursuant Rule 144A and Regulation S under the U.S. Securities Act of 1933. On August 21, 2018, the Company issued 45,476 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥42.2 billion were used to repay the Company's outstanding long term borrowing and in connection with the acquisition of 4 properties and 1 TK investment during this fiscal period.

On July 18, 2019, the Company completed its ninth public offering totaling 409,524 new investment units at a price ¥56,939 per unit. 194,524 of such units were issued in connection with a Domestic Public Offering, and the remaining 215,000 units were issued in connection with an International Offering pursuant Rule 144A and Regulation S under the U.S. Securities Act of 1933. On August 15, 2019, the Company issued 20,476 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥24.4 billion were used to repay the Company's outstanding long term borrowing and in connection with the acquisition of 18 properties during this fiscal period.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The Company maintains its accounts and records in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), including provisions set forth in the Investment Trust Act, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and other related regulations, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The financial statements are prepared based on the Japanese audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying financial statements, certain information in the notes has been added and certain reclassifications have been made from the financial statements issued domestically for the convenience of the readers outside Japan. The financial statements are not intended to present the financial position and the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The Company's fiscal period is a six-month period, which ends at the end of June and December of each year.

Amounts less than ¥1 thousand and US\$1 thousand have been rounded down. As a result, the totals shown in the financial statements and notes thereto do not necessarily agree with the sum of the individual amounts.

The Company does not prepare consolidated financial statements as it has no subsidiaries.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible to cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(c) Valuation standard and method for shares in an Affiliated Company

Shares in an Affiliated Company are recorded at cost being determined by the moving average method.

(d) Valuation standard and method for Claims and obligations from derivative transactions

Claims and obligations from derivative transactions are evaluated at the market values.

(e) Property and Equipment

Property and equipment are recorded at cost. Depreciation of property and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

	For the six months ended
	December 31, 2022
Buildings	16-50
Buildings and accompanying facilities	5-29
Structures	20
Tools, furniture and fixtures	3-18
Buildings in trust	5-67
Buildings and accompanying facilities in trust	3-33
Structures in trust	7-55
Tools, furniture and fixtures in trust	2-20

(f) Intangible Assets

Amortization of a domestic term leasehold interest for business use is calculated by the straight-line method over the lease term.

(g) Long-term Prepaid Expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(h) Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized using the straight-line method over the period through the redemption of the bonds.

(i) Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on a valuation of any receivables from companies and individuals with financial difficulties.

(j) Conversion of assets and liabilities in foreign currency into Japanese yen

Receivables and payables denominated in foreign currencies are translated into yen at the exchange rate in effect at the balance sheet date, and differences arising from the translation are included in the statements of income.

(k) Impairment of Fixed Assets

An assessment for impairment is carried out on an asset or group of assets, such as fixed assets, intangible assets and investments, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the asset or group of assets is deemed to be impaired, an impairment loss is recognized for the difference between the carrying amount and the recoverable value of the asset or group of assets using the discounted cash flow model.

(l) Accounting Treatment of Trust Beneficiary Interests in Real Estate Trusts

For trust beneficiary interests in real estate trusts, which are commonly utilized to obtain ownership in investment properties in Japan and through which the Company holds all of its real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant accounts of the balance sheet and statement of income and retained earnings of the Company in proportion to the percentage that such trust beneficiary interest represents. Certain material accounts with respect to assets and liabilities in trust are presented separately from other accounts in the balance sheets of the Company.

(m) Income Taxes

Deferred tax assets and liabilities are computed based on the temporary differences between the financial statement and income tax basis of assets and liabilities using the applicable statutory tax rate.

(n) Consumption Taxes

Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.

(o) Taxes on Property and Equipment

Property and equipment are subject to various taxes, such as property taxes and urban planning taxes on an annual basis. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1 of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with Japanese GAAP. In subsequent calendar years, half of such taxes on property and equipment for each calendar year are charged as operating expenses in each fiscal period.

No taxes on property and equipment were capitalized for the six months ended December 31, 2022.

(p) Revenue Recognition

The details of main performance obligations concerning revenue generated from contracts between the Company and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows.

1. Sale of real estate property

Revenue from sale of real estate properties is recorded as revenue when a buyer who is a customer obtains control over a real estate property following the seller's fulfilment of its obligation to hand over the property which is stipulated in the contract associated with the sale of real estate property

(q) Method of hedge accounting

1. Method of hedge accounting

Deferred hedge accounting is applied.

2. Hedging instruments and hedged items

Hedging instruments : Interest rate swaps Hedged items : Interest rates on loans payable

3. Hedging policy

The Company enters into certain derivative transactions in accordance with its financial policy in order to manage risks, which is provided in the Articles of Incorporation.

4. Method for assessing hedge effectiveness

The Company evaluates hedge effectiveness by comparing the cumulative changes in cash flow of hedging instruments and the hedged items and assessing the ratio between the changes.

3. Significant accounting estimates

1. Evaluation of fixed assets

(1) Amounts recorded in the financial statements are as follows

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Impairment loss	¥ -	¥ -	\$ -
Property and equipment	¥ 445,776,652	¥ 443,291,801	\$ 3,340,556

Although no impairment loss was recorded in this fiscal period, the Company has recognized the accounting estimates related to impairment loss as a disclosure item in consideration of the possibility that it may have a material impact on the financial statements for the next fiscal period.

(2) Information on the nature of significant accounting estimates for identified items

For real estate for rent, etc. owned by the Company, it is necessary to determine whether there are any indications that an impairment loss may have occurred, and if so, to determine whether an impairment loss should be recognized. For the Company's real estate for rent, etc., no impairment loss is recognized because the undiscounted future cash flow exceeds the carrying amount of the real estate for rent. In estimating future cash flows, the Company assumes that the impact of the new coronavirus is gradually coming to an end and the business environment will fully recover after 2023. However, it is difficult to predict with certainty the timing and degree of recovery in the business environment, any change in the spread of the new coronavirus could have an impact on the above estimate and an impairment loss may be incurred.

4. U.S. Dollar Amounts

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying financial statements and notes there to represent the arithmetical result of translating Japanese yen into U.S. dollars at the rate of ¥132.70 = US\$1, the effective rate of exchange prevailing at December 31, 2022. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended December 31, 2022 is solely for the convenience of readers outside Japan. Such translations should not be construed as representations that the Japanese yen amounts represent, or have been, or could be converted into, U.S. dollars at that or any other rate.

5. Allowance for temporary differences adjustment

For the six months ended June 30, 2022

On the Balance Sheet, there are the increase and decrease of allowance for temporary differences adjustment.

(a). Reason, related assets and amounts

(in thousands of yen)

Related assets, etc.	Reason for occurrence	Initial amount	Beginning balance	Allowance set aside during period	Reversal during period	Ending balance	Reason for reversal
Leasehold rights in trust	Amortization of leasehold rights in trust	¥(131,332)	¥(6,130)	-	-	¥(6,130)	-
Total		¥(131,332)	¥(6,130)	-	-	¥(6,130)	

(b). Method of reversal

(i) Leasehold rights in trust

Upon the sale of the relevant properties, the corresponding amount is scheduled to be reversed.

For the six months ended December 31, 2022

On the Balance Sheet, there are the increase and decrease of allowance for temporary differences adjustment.

(a). Reason, related assets and amounts

(in thousands of yen)

Related assets, etc.	Reason for occurrence	Initial amount	Beginning balance	Allowance set aside during period	Reversal during period	Ending balance	Reason for reversal
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Leasehold rights in trust	Amortization of leasehold rights in trust	¥ (131,332)	¥ (6,130)	-	-	¥ (6,130)	-
Total		¥ (131,332)	¥ (6,130)	-	-	¥ (6,130)	

(in thousands of U.S dollars)

Related assets, etc.	Reason for occurrence	Initial amount	Beginning balance	Allowance set aside during period	Reversal during period	Ending balance	Reason for reversal
Leasehold rights in trust	Amortization of leasehold rights in trust	\$ (989)	\$ (46)	-	-	\$ (46)	-
Total		\$ (989)	\$ (46)	-	-	\$ (46)	

(b). Method of reversal

(i) Leasehold rights in trust

Upon the sale of the relevant properties, the corresponding amount is scheduled to be reversed.

6. Cash and Cash Equivalents

Cash and cash equivalents shown in the statements of cash flows consist of the following balance sheet items.

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash and bank deposits	¥ 13,794,814	¥ 15,553,174	\$ 117,205
Cash and bank deposits in trust.....	¥ 6,028,407	¥ 7,768,621	\$ 58,542
Time deposits with maturities of more than three months	¥ (2,800,000)	¥ (2,800,000)	\$ (21,100)
Cash and cash equivalents	¥ 17,023,221	¥ 20,521,796	\$ 154,648

7. Property and Equipment

The following tables show the summary of movement in property and equipment For the six months ended December 31, 2022.

	At cost				Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance			
	(in thousands of yen)						
Buildings	¥ 19,429,981	¥ 49,772	¥ -	¥ 19,479,753	¥ 1,588,329	¥ 219,181	¥ 17,891,423
Buildings and accompanying facilities	5,303,078	5,479	-	5,308,557	1,106,696	153,314	4,201,860
Structures	1,458	-	-	1,458	183	32	1,275
Tools, furniture and fixtures	1,195,031	33,481	-	1,228,513	411,059	60,350	817,453
Leasehold rights	10,637,811	-	-	10,637,811	-	-	10,637,811
Construction in progress	701,230	49,994	36,228	714,997	-	-	714,997
Buildings in trust	158,812,478	267,162	-	159,079,641	26,638,315	2,220,732	132,441,325
Buildings and accompanying facilities in trust	32,062,171	625,840	-	32,688,012	12,614,111	879,013	20,073,900
Structures in trust	204,879	7,939	-	212,818	109,514	5,418	103,304

Tools, furniture and fixtures in trust	2,942,196	252,963	-	3,195,160	1,810,584	179,022	1,384,575
Land in trust	241,290,860	28,586	-	241,319,447	-	-	241,319,447
Leasehold rights in trust	14,934,534	-	-	14,934,534	515,111	39,237	14,419,422
Construction in progress in trust	26,237	-	26,237	-	-	-	-
Total	¥ 487,541,951	¥ 1,321,220	¥ 62,465	¥ 488,800,705	¥ 44,793,906	¥ 3,756,303	¥ 444,006,799

	At cost				Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance			
	(in thousands of U.S dollars)						
Buildings	\$ 146,420	\$ 375	\$ -	\$ 146,795	\$ 11,969	\$ 1,651	\$ 134,826
Buildings and accompanying facilities	39,962	41	-	40,004	8,339	1,155	31,664
Structures	10	-	-	10	1	-	9
Tools, furniture and fixtures	9,005	252	-	9,257	3,097	454	6,160
Leasehold rights	80,164	-	-	80,164	-	-	80,164
Construction in progress	5,284	376	273	5,388	-	-	5,388
Buildings in trust	1,196,778	2,013	-	1,198,791	200,740	16,734	998,050
Buildings and accompanying facilities in trust	241,613	4,716	-	246,330	95,057	6,624	151,272
Structures in trust	1,543	59	-	1,603	825	40	778
Tools, furniture and fixtures in trust	22,171	1,906	-	24,078	13,644	1,349	10,433
Land in trust	1,818,318	215	-	1,818,533	-	-	1,818,533
Leasehold rights in trust	112,543	-	-	112,543	3,881	295	108,661
Construction in progress in trust	197	-	197	-	-	-	-
Total	\$ 3,674,016	\$ 9,956	\$ 470	\$ 3,683,501	\$ 337,557	\$ 28,306	\$ 3,345,944

8.Fair Value of Investment and Rental Properties

The following tables show the net book value and the fair value of the investment and rental properties in the aggregate For the six months ended June 30,2022 and December 31, 2022.

Residential

	As of / For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 37,693,472	¥ 34,567,566	\$ 260,494
Net increase (decrease) during period	(3,125,906)	(184,066)	(1,387)
Balance at the end of period	34,567,566	34,383,500	259,107
Fair value	¥ 46,074,000	¥ 47,357,000	\$ 356,872

Retail facilities

	As of / For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 1,649,608	¥ 1,621,984	\$ 12,222
Net increase (decrease) during period	(27,624)	(16,661)	(125)
Balance at the end of period	1,621,984	1,605,322	12,097
Fair value	¥ 2,380,000	¥ 2,380,000	\$ 17,935

Hotel

	As of / For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)

			U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 412,461,201	¥ 409,587,102	\$ 3,086,564
Net increase (decrease) during period	(2,874,099)	(2,284,122)	(17,212)
Balance at the end of period	409,587,102	407,302,979	3,069,351
Fair value	¥ 481,758,260	¥ 482,833,730	\$ 3,638,536

Total

	As of / For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 451,804,282	¥ 445,776,652	\$ 3,359,281
Net increase (decrease) during period	(6,027,630)	(2,484,850)	(18,725)
Balance at the end of period	445,776,652	443,291,801	3,340,556
Fair value	¥ 530,212,260	¥ 532,570,730	\$ 4,013,343

Notes:

1. Fair value has been determined based on the appraisals or research provided by independent real estate appraisers.
2. For rental revenues and expenses For the six months ended June 30, 2022 and December 31, 2022, please refer to "Note 13: Rent Revenues—Real Estate and Expenses Related to Property Rental Business"

9. Investment corporation bonds

The following table shows the details of investment corporation bonds For the six months ended December 31, 2022.

For the six months ended December 31, 2022

	Beginning balance	Ending balance	Beginning balance	Ending balance	Interest rate (%)
	(in thousands of yen)		(in thousands of U.S. dollars)		
1st unsecured investment corporation bond (Issued on May 25, 2018 and due on May 25, 2023)(1)(2)	1,000,000	1,000,000	7,535	7,535	0.400
2nd unsecured investment corporation bond (Issued on May 25, 2018 and due on May 25, 2028) (1)(2)	1,000,000	1,000,000	7,535	7,535	0.800
3rd unsecured investment corporation bond (Issued on October 12, 2018 and due on October 12, 2023) (1)(3)	2,000,000	2,000,000	15,071	15,071	0.550
4th unsecured investment corporation bond (Issued on October 28, 2019 and due on October 28, 2024) (1)(4)	1,000,000	1,000,000	7,535	7,535	0.480
5th unsecured investment corporation bond (Issued on October 28, 2019 and due on October 26, 2029) (1)(4)	2,000,000	2,000,000	15,071	15,071	0.900
6th unsecured investment corporation bond (Issued on March 13, 2020 and due on March 13, 2030) (1)(3)	1,200,000	1,200,000	9,042	9,042	0.850
Total investment corporation bonds	8,200,000	8,200,000	61,793	61,793	

Notes:

- (1) The bonds were issued with pari passu conditions among specified investment corporation bonds.
- (2) The funds are mainly used to acquire properties in trust.
- (3) The funds are mainly used to repay existing borrowing.
- (4) The funds are mainly used for capital expenditures
- (5) Repayment schedule of investment corporation bonds for the next five years after each balance sheet date are as follows:

		As of	
		December 31,	December 31,
		2022	2022
		(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥	3,000,000	\$ 22,607
1-2 years		1,000,000	7,535
2-3 years		-	-
3-4 years		-	-
4-5 years		-	-

10. Loans Payable

The following table shows the details of loans payable For the six months ended December 31, 2022.

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Mizuho Bank, Ltd.	5,992,000	-	5,992,000	-	45,154	-	45,154	-	0.332	16-Jul-22	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	6,660,000	-	6,660,000	-	50,188	-	50,188	-	0.332	16-Jul-22		
	Sumitomo Mitsui Banking Corporation	4,442,000	-	4,442,000	-	33,474	-	33,474	-	0.332	16-Jul-22		
	Sumitomo Mitsui Trust Bank, Limited	2,670,000	-	2,670,000	-	20,120	-	20,120	-	0.332	16-Jul-22		
	Citibank, N.A., Tokyo Branch	3,000,000	-	3,000,000	-	22,607	-	22,607	-	0.332	16-Jul-22		
	Shinsei Bank, Limited. (4)	3,330,000	-	3,330,000	-	25,094	-	25,094	-	0.332	16-Jul-22		
	Resona Bank, Limited.	1,335,000	-	1,335,000	-	10,060	-	10,060	-	0.332	16-Jul-22		
	Mizuho Bank, Ltd.	2,442,000	-	2,442,000	-	18,402	-	18,402	-	0.332	16-Jul-22		
	MUFG Bank, Ltd.	2,220,000	-	2,220,000	-	16,729	-	16,729	-	0.332	16-Jul-22		
	Sumitomo Mitsui Banking Corporation	1,998,000	-	1,998,000	-	15,056	-	15,056	-	0.332	16-Jul-22		
	Sumitomo Mitsui Trust Bank, Limited	890,000	-	890,000	-	6,706	-	6,706	-	0.332	16-Jul-22		
	Citibank, N.A., Tokyo Branch	1,000,000	-	1,000,000	-	7,535	-	7,535	-	0.332	16-Jul-22		
	Shinsei Bank, Limited. (4)	1,110,000	-	1,110,000	-	8,364	-	8,364	-	0.332	16-Jul-22		
	Developme nt Bank of Japan Inc.	666,000	-	666,000	-	5,018	-	5,018	-	0.332	16-Jul-22		
	Mizuho Bank, Ltd.	766,000	-	766,000	-	5,772	-	5,772	-	0.332	16-Jul-22		
	MUFG Bank, Ltd.	467,000	-	467,000	-	3,519	-	3,519	-	0.332	16-Jul-22		
	Sumitomo Mitsui Banking Corporation	766,000	-	766,000	-	5,772	-	5,772	-	0.332	16-Jul-22		
	Citibank, N.A., Tokyo Branch	120,000	-	120,000	-	904	-	904	-	0.332	16-Jul-22		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Shinsei Bank, Limited. (4)	150,000	-	150,000	-	1,130	-	1,130	-	0.332	16-Jul-22	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Banking Corporation	3,000,000	-	3,000,000	-	22,607	-	22,607	-	0.321	14-Sep-22		
	Mizuho Bank, Ltd.	2,521,500	-	2,521,500	-	19,001	-	19,001	-	0.321	27-Sep-22		
	MUFG Bank, Ltd.	2,133,000	-	2,133,000	-	16,073	-	16,073	-	0.321	27-Sep-22		
	Sumitomo Mitsui Banking Corporation	2,521,500	-	2,521,500	-	19,001	-	19,001	-	0.321	27-Sep-22		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	1,000,000	-	7,535	-	7,535	-	0.321	27-Sep-22		
	Shinsei Bank, Limited. (4)	684,000	-	684,000	-	5,154	-	5,154	-	0.321	27-Sep-22		
	Developme nt Bank of Japan Inc.	500,000	-	500,000	-	3,767	-	3,767	-	0.321	27-Sep-22		
	The Nomura Trust and Banking Co., Ltd.	137,000	-	137,000	-	1,032	-	1,032	-	0.321	27-Sep-22		
	Mizuho Bank, Ltd.	328,500	-	328,500	-	2,475	-	2,475	-	0.321	27-Sep-22		
	Sumitomo Mitsui Trust Bank, Limited	328,500	-	328,500	-	2,475	-	2,475	-	0.321	27-Sep-22		
	Shinsei Bank, Limited. (4)	560,000	-	560,000	-	4,220	-	4,220	-	0.321	27-Sep-22		
	Resona Bank, Limited.	667,000	-	667,000	-	5,026	-	5,026	-	0.321	27-Sep-22		
	The Nomura Trust and Banking Co., Ltd.	320,000	-	320,000	-	2,411	-	2,411	-	0.321	27-Sep-22		
	The Bank of Fukuoka, Ltd.	150,000	-	150,000	-	1,130	-	1,130	-	0.321	27-Sep-22		
	Mizuho Bank, Ltd.	190,000	-	190,000	-	1,431	-	1,431	-	0.321	27-Sep-22		
	MUFG Bank, Ltd.	146,000	-	146,000	-	1,100	-	1,100	-	0.321	27-Sep-22		
	Sumitomo Mitsui Banking Corporation	143,000	-	143,000	-	1,077	-	1,077	-	0.321	27-Sep-22		
	Sumitomo Mitsui Trust Bank, Limited	130,000	-	130,000	-	979	-	979	-	0.321	27-Sep-22		
	Developme nt Bank of Japan Inc.	30,000	-	30,000	-	226	-	226	-	0.321	27-Sep-22		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Citibank, N.A., Tokyo Branch	1,256,000	-	1,256,000	-	9,464	-	9,464	-	0.321	27-Sep-22	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	4,321,000	-	4,321,000	-	32,562	-	32,562	-	0.306	29-Nov-22		
	MUFG Bank, Ltd.	1,700,000	-	-	1,700,000	12,810	-	-	12,810	0.318	24-Jan-23		
	Sumitomo Mitsui Trust Bank, Limited	6,800,000	-	-	6,800,000	51,243	-	-	51,243	0.318	24-Jan-23		
	Mizuho Bank, Ltd.	1,733,000	-	-	1,733,000	13,059	-	-	13,059	0.318	14-Mar-23		
	The Shizuoka Bank, Ltd.	200,000	-	-	200,000	1,507	-	-	1,507	0.318	14-Mar-23		
	The Bank of Fukuoka, Ltd.	333,000	-	-	333,000	2,509	-	-	2,509	0.318	14-Mar-23		
	Mizuho Bank, Ltd.	386,000	-	-	386,000	2,908	-	-	2,908	0.318	14-Mar-23		
	MUFG Bank, Ltd.	1,275,000	-	-	1,275,000	9,608	-	-	9,608	0.318	14-Mar-23		
	Sumitomo Mitsui Trust Bank, Limited	2,100,000	-	-	2,100,000	15,825	-	-	15,825	0.318	14-Mar-23		
	Shinsei Bank, Limited. (4)	297,000	-	-	297,000	2,238	-	-	2,238	0.318	14-Mar-23		
	Developme nt Bank of Japan Inc.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.318	14-Mar-23		
	The Shizuoka Bank, Ltd.	1,270,000	-	-	1,270,000	9,570	-	-	9,570	0.318	14-Mar-23		
	Mizuho Bank, Ltd.	1,215,500	-	-	1,215,500	9,159	-	-	9,159	0.318	14-Mar-23		
	MUFG Bank, Ltd.	199,000	-	-	199,000	1,499	-	-	1,499	0.318	14-Mar-23		
	Sumitomo Mitsui Trust Bank, Limited	447,500	-	-	447,500	3,372	-	-	3,372	0.318	14-Mar-23		
	The Nomura Trust and Banking Co., Ltd.	800,000	-	-	800,000	6,028	-	-	6,028	0.318	14-Mar-23		
	The Shizuoka Bank, Ltd.	375,000	-	-	375,000	2,825	-	-	2,825	0.318	14-Mar-23		
	The Bank of Fukuoka, Ltd.	525,000	-	-	525,000	3,956	-	-	3,956	0.318	14-Mar-23		
	Mizuho Bank, Ltd.	902,000	-	-	902,000	6,797	-	-	6,797	0.318	14-Mar-23		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	MUFG Bank, Ltd.	692,000	-	-	692,000	5,214	-	-	5,214	0.318	14-Mar-23	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Banking Corporation	681,000	-	-	681,000	5,131	-	-	5,131	0.318	14-Mar-23		
	Sumitomo Mitsui Trust Bank, Limited	617,000	-	-	617,000	4,649	-	-	4,649	0.318	14-Mar-23		
	Developme nt Bank of Japan Inc.	147,000	-	-	147,000	1,107	-	-	1,107	0.318	14-Mar-23		
	Citibank, N.A., Tokyo Branch	2,349,000	-	-	2,349,000	17,701	-	-	17,701	0.318	17-Jun-23		
	Developme nt Bank of Japan Inc.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.318	17-Jun-23		
	Mizuho Bank, Ltd.	-	11,643,000	-	11,643,000	-	87,739	-	87,739	0.318	19-Jul-23		
	MUFG Bank, Ltd.	-	11,567,000	-	11,567,000	-	87,166	-	87,166	0.318	19-Jul-23		
	Sumitomo Mitsui Banking Corporation	-	9,203,000	-	9,203,000	-	69,351	-	69,351	0.318	19-Jul-23		
	Sumitomo Mitsui Trust Bank, Limited	-	4,450,000	-	4,450,000	-	33,534	-	33,534	0.318	19-Jul-23		
	Citibank, N.A., Tokyo Branch	-	5,120,000	-	5,120,000	-	38,583	-	38,583	0.318	19-Jul-23		
	Shinsei Bank, Limited. (4)	-	5,513,000	-	5,513,000	-	41,544	-	41,544	0.318	19-Jul-23		
	Developme nt Bank of Japan Inc.	-	666,000	-	666,000	-	5,018	-	5,018	0.318	19-Jul-23		
	Resona Bank, Limited.	-	1,335,000	-	1,335,000	-	10,060	-	10,060	0.318	19-Jul-23		
	The Ogaki Kyoritsu Bank, Ltd.	-	187,000	-	187,000	-	1,409	-	1,409	0.318	19-Jul-23		
	Sumitomo Mitsui Banking Corporation	-	3,000,000	-	3,000,000	-	22,607	-	22,607	0.318	14-Sep-23		
	Mizuho Bank, Ltd.	-	3,287,000	-	3,287,000	-	24,770	-	24,770	0.318	26-Sep-23		
	MUFG Bank, Ltd.	-	2,600,000	-	2,600,000	-	19,593	-	19,593	0.318	26-Sep-23		
	Sumitomo Mitsui Banking Corporation	-	3,287,000	-	3,287,000	-	24,770	-	24,770	0.318	26-Sep-23		
	Sumitomo Mitsui Trust Bank, Limited	-	1,000,000	-	1,000,000	-	7,535	-	7,535	0.318	26-Sep-23		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Citibank, N.A., Tokyo Branch	-	667,000	-	667,000	-	5,026	-	5,026	0.318	26-Sep-23	(2)	Unsecured and unguarante ed
	Shinsei Bank, Limited. (4)	-	833,000	-	833,000	-	6,277	-	6,277	0.318	26-Sep-23		
	Developme nt Bank of Japan Inc.	-	500,000	-	500,000	-	3,767	-	3,767	0.318	26-Sep-23		
	Resona Bank, Limited.	-	445,000	-	445,000	-	3,353	-	3,353	0.318	26-Sep-23		
	The Nomura Trust and Banking Co., Ltd.	-	590,000	-	590,000	-	4,446	-	4,446	0.318	26-Sep-23		
	Mizuho Bank, Ltd.	-	2,850,000	-	2,850,000	-	21,477	-	21,477	0.318	26-Sep-23		
	MUFG Bank, Ltd.	-	2,133,000	-	2,133,000	-	16,073	-	16,073	0.318	26-Sep-23		
	Sumitomo Mitsui Banking Corporation	-	2,521,500	-	2,521,500	-	19,001	-	19,001	0.318	26-Sep-23		
	Sumitomo Mitsui Trust Bank, Limited	-	1,328,500	-	1,328,500	-	10,011	-	10,011	0.318	26-Sep-23		
	Shinsei Bank, Limited. (4)	-	1,244,000	-	1,244,000	-	9,374	-	9,374	0.318	26-Sep-23		
	Developme nt Bank of Japan Inc.	-	500,000	-	500,000	-	3,767	-	3,767	0.318	26-Sep-23		
	Resona Bank, Limited.	-	442,000	-	442,000	-	3,330	-	3,330	0.318	26-Sep-23		
	Mizuho Bank, Ltd.	-	500,000	-	500,000	-	3,767	-	3,767	0.318	26-Sep-23		
	Sumitomo Mitsui Banking Corporation	-	500,000	-	500,000	-	3,767	-	3,767	0.318	26-Sep-23		
	Sumitomo Mitsui Trust Bank, Limited	-	500,000	-	500,000	-	3,767	-	3,767	0.318	26-Sep-23		
	Citibank, N.A., Tokyo Branch	-	355,000	-	355,000	-	2,675	-	2,675	0.318	26-Sep-23		
	Shinsei Bank, Limited. (4)	-	355,000	-	355,000	-	2,675	-	2,675	0.318	26-Sep-23		
	Developme nt Bank of Japan Inc.	-	1,500,000	-	1,500,000	-	11,303	-	11,303	0.318	26-Sep-23		
	Resona Bank, Limited.	-	333,000	-	333,000	-	2,509	-	2,509	0.318	26-Sep-23		
	The Bank of Fukuoka, Ltd.	-	300,000	-	300,000	-	2,260	-	2,260	0.318	26-Sep-23		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Mizuho Bank, Ltd.	-	190,000	-	190,000	-	1,431	-	1,431	0.318	26-Sep-23	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	-	146,000	-	146,000	-	1,100	-	1,100	0.318	26-Sep-23		
	Sumitomo Mitsui Banking Corporation	-	143,000	-	143,000	-	1,077	-	1,077	0.318	26-Sep-23		
	Sumitomo Mitsui Trust Bank, Limited	-	130,000	-	130,000	-	979	-	979	0.318	26-Sep-23		
	Developme nt Bank of Japan Inc.	-	30,000	-	30,000	-	226	-	226	0.318	26-Sep-23		
	Citibank, N.A., Tokyo Branch	-	1,256,000	-	1,256,000	-	9,464	-	9,464	0.318	26-Sep-23		
	Mizuho Bank, Ltd.	-	4,321,000	-	4,321,000	-	32,562	-	32,562	0.318	29-Nov-23		
	Total short-term loans payable	88,135,000	87,471,000	61,091,000	114,515,000	664,167	659,163	460,369	862,961				
Long-term loans payable	Mizuho Bank, Ltd.	500,000	-	500,000	-	3,767	-	3,767	-	0.670	13-Oct-22		
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	500,000	-	3,767	-	3,767	-	0.670	13-Oct-22		
	Sumitomo Mitsui Banking Corporation	500,000	-	500,000	-	3,767	-	3,767	-	0.670	13-Oct-22		
	Shinsei Bank, Limited. (4)	355,000	-	355,000	-	2,675	-	2,675	-	0.670	13-Oct-22		
	Citibank, N.A., Tokyo Branch	355,000	-	355,000	-	2,675	-	2,675	-	0.670	13-Oct-22		
	Resona Bank, Limited.	333,000	-	333,000	-	2,509	-	2,509	-	0.670	13-Oct-22		
	Developme nt Bank of Japan Inc.	1,500,000	-	1,500,000	-	11,303	-	11,303	-	0.670	13-Oct-22		
	The Bank of Fukuoka, Ltd.	300,000	-	300,000	-	2,260	-	2,260	-	0.670	13-Oct-22		
	AEON Bank, Ltd.	190,000	-	190,000	-	1,431	-	1,431	-	0.670	13-Oct-22		
	The Nomura Trust and Banking Co., Ltd.	166,000	-	166,000	-	1,250	-	1,250	-	0.670	13-Oct-22		
	The Hiroshima Bank, Ltd.	166,000	-	166,000	-	1,250	-	1,250	-	0.670	13-Oct-22		
	The Dai-ichi Life Insurance company, Limited	500,000	-	500,000	-	3,767	-	3,767	-	0.670	13-Oct-22		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Mizuho Bank, Ltd.	1,250,000	-	-	1,250,000	9,419	-	-	9,419	0.768	13-Oct-23	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Trust Bank, Limited	1,065,000	-	-	1,065,000	8,025	-	-	8,025	0.768	13-Oct-23		
	Sumitomo Mitsui Banking Corporation	1,250,000	-	-	1,250,000	9,419	-	-	9,419	0.768	13-Oct-23		
	Mizuho Bank, Ltd.	1,250,000	-	-	1,250,000	9,419	-	-	9,419	0.868	11-Oct-24		
	Sumitomo Mitsui Trust Bank, Limited	1,060,000	-	-	1,060,000	7,987	-	-	7,987	0.868	11-Oct-24		
	Sumitomo Mitsui Banking Corporation	1,250,000	-	-	1,250,000	9,419	-	-	9,419	0.868	11-Oct-24		
	Shinsei Bank, Limited. (4)	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.750	27-Jun-23		
	MUFG Bank, Ltd.	500,000	-	-	500,000	3,767	-	-	3,767	0.750	27-Jun-23		
	Mizuho Bank, Ltd.	2,443,000	-	2,443,000	-	18,409	-	18,409	-	0.482	17-Jul-22		
	MUFG Bank, Ltd.	2,220,000	-	2,220,000	-	16,729	-	16,729	-	0.482	17-Jul-22		
	Sumitomo Mitsui Banking Corporation	1,997,000	-	1,997,000	-	15,048	-	15,048	-	0.482	17-Jul-22		
	Shinsei Bank, Limited. (4)	1,110,000	-	1,110,000	-	8,364	-	8,364	-	0.482	17-Jul-22		
	Citibank, N.A., Tokyo Branch	1,000,000	-	1,000,000	-	7,535	-	7,535	-	0.482	17-Jul-22		
	Sumitomo Mitsui Trust Bank, Limited	890,000	-	890,000	-	6,706	-	6,706	-	0.482	17-Jul-22		
	Mizuho Bank, Ltd.	2,442,000	-	-	2,442,000	18,402	-	-	18,402	0.568	14-Jul-23		
	MUFG Bank, Ltd.	2,220,000	-	-	2,220,000	16,729	-	-	16,729	0.568	14-Jul-23		
	Sumitomo Mitsui Banking Corporation	1,997,000	-	-	1,997,000	15,048	-	-	15,048	0.568	14-Jul-23		
	Shinsei Bank, Limited. (4)	1,110,000	-	-	1,110,000	8,364	-	-	8,364	0.568	14-Jul-23		
	Citibank, N.A., Tokyo Branch	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.568	14-Jul-23		
	Sumitomo Mitsui Trust Bank, Limited	890,000	-	-	890,000	6,706	-	-	6,706	0.568	14-Jul-23		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Mizuho Bank, Ltd.	3,287,000	-	3,287,000	-	24,770	-	24,770	-	0.471	26-Sep-22	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Banking Corporation	3,287,000	-	3,287,000	-	24,770	-	24,770	-	0.471	26-Sep-22		
	MUFG Bank, Ltd.	2,600,000	-	2,600,000	-	19,593	-	19,593	-	0.471	26-Sep-22		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	1,000,000	-	7,535	-	7,535	-	0.471	26-Sep-22		
	Shinsei Bank, Limited. (4)	833,000	-	833,000	-	6,277	-	6,277	-	0.471	26-Sep-22		
	Citibank, N.A., Tokyo Branch	667,000	-	667,000	-	5,026	-	5,026	-	0.471	26-Sep-22		
	Developme nt Bank of Japan Inc.	500,000	-	500,000	-	3,767	-	3,767	-	0.471	26-Sep-22		
	Resona Bank, Limited.	445,000	-	445,000	-	3,353	-	3,353	-	0.471	26-Sep-22		
	The Nomura Trust and Banking Co., Ltd.	167,000	-	167,000	-	1,258	-	1,258	-	0.471	26-Sep-22		
	AEON Bank, Ltd.	334,000	-	334,000	-	2,516	-	2,516	-	0.471	26-Sep-22		
	Mizuho Bank, Ltd.	3,287,500	-	-	3,287,500	24,773	-	-	24,773	0.568	26-Sep-23		
	Sumitomo Mitsui Banking Corporation	3,287,500	-	-	3,287,500	24,773	-	-	24,773	0.568	26-Sep-23		
	MUFG Bank, Ltd.	2,600,000	-	-	2,600,000	19,593	-	-	19,593	0.568	26-Sep-23		
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.568	26-Sep-23		
	Shinsei Bank, Limited. (4)	833,000	-	-	833,000	6,277	-	-	6,277	0.568	26-Sep-23		
	Citibank, N.A., Tokyo Branch	667,000	-	-	667,000	5,026	-	-	5,026	0.568	26-Sep-23		
	Developme nt Bank of Japan Inc.	500,000	-	-	500,000	3,767	-	-	3,767	0.568	26-Sep-23		
	Resona Bank, Limited.	445,000	-	-	445,000	3,353	-	-	3,353	0.568	26-Sep-23		
	The Nomura Trust and Banking Co., Ltd.	166,000	-	-	166,000	1,250	-	-	1,250	0.568	26-Sep-23		
	AEON Bank, Ltd.	333,000	-	-	333,000	2,509	-	-	2,509	0.568	26-Sep-23		

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.594	29-Mar-24	(2)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	921,000	-	-	921,000	6,940	-	-	6,940	0.594	29-Mar-24		
	The Tochigi Bank, Ltd.	480,000	-	-	480,000	3,617	-	-	3,617	0.594	29-Mar-24		
	Kinaboshi Bank, Ltd.	961,000	-	-	961,000	7,241	-	-	7,241	0.868	29-Mar-29		
	Mizuho Bank, Ltd.	571,400	-	-	571,400	4,305	-	-	4,305	0.400	16-Jan-23		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	11,038	-	-	11,038	0.400	16-Jan-23		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	10,031	-	-	10,031	0.400	16-Jan-23		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,737	-	-	4,737	0.400	16-Jan-23		
	Citibank, N.A. Tokyo Branch	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.400	16-Jan-23		
	Shinsei Bank, Limited. (4)	200,000	-	-	200,000	1,507	-	-	1,507	0.400	16-Jan-23		
	Resona Bank, Limited.	600,000	-	-	600,000	4,521	-	-	4,521	0.400	16-Jan-23		
	Mizuho Bank, Ltd.	571,400	-	-	571,400	4,305	-	-	4,305	0.499	16-Jan-24		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	11,038	-	-	11,038	0.499	16-Jan-24		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	10,031	-	-	10,031	0.499	16-Jan-24		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,737	-	-	4,737	0.499	16-Jan-24		
	Citibank, N.A. Tokyo Branch	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.499	16-Jan-24		
	Shinsei Bank, Limited. (4)	200,000	-	-	200,000	1,507	-	-	1,507	0.499	16-Jan-24		
	Resona Bank, Limited.	600,000	-	-	600,000	4,521	-	-	4,521	0.499	16-Jan-24		
	Mizuho Bank, Ltd.	1,171,400	-	-	1,171,400	8,827	-	-	8,827	0.563	16-Jul-24		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	11,038	-	-	11,038	0.563	16-Jul-24		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	10,031	-	-	10,031	0.563	16-Jul-24	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,737	-	-	4,737	0.563	16-Jul-24		
	Citibank, N.A. Tokyo Branch	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.563	16-Jul-24		
	Shinsei Bank, Limited. (4)	200,000	-	-	200,000	1,507	-	-	1,507	0.563	16-Jul-24		
	Mizuho Bank, Ltd.	2,171,400	-	-	2,171,400	16,363	-	-	16,363	0.618	16-Jan-25		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	11,038	-	-	11,038	0.618	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	10,031	-	-	10,031	0.618	16-Jan-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,737	-	-	4,737	0.618	16-Jan-25		
	Shinsei Bank, Limited. (4)	200,000	-	-	200,000	1,507	-	-	1,507	0.618	16-Jan-25		
	Mizuho Bank, Ltd.	2,170,400	-	-	2,170,400	16,355	-	-	16,355	0.768	16-Jul-25		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	11,038	-	-	11,038	0.768	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	10,031	-	-	10,031	0.768	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,737	-	-	4,737	0.768	16-Jul-25		
	Shinsei Bank, Limited. (4)	200,000	-	-	200,000	1,507	-	-	1,507	0.768	16-Jul-25		
	Mizuho Bank, Ltd.	1,085,000	-	-	1,085,000	8,176	-	-	8,176	0.413	16-Jan-23		
	MUFG Bank, Ltd.	987,000	-	-	987,000	7,437	-	-	7,437	0.413	16-Jan-23		
	Sumitomo Mitsui Banking Corporation	987,000	-	-	987,000	7,437	-	-	7,437	0.413	16-Jan-23		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	5,154	-	-	5,154	0.413	16-Jan-23		
	Citibank, N.A. Tokyo Branch	500,000	-	-	500,000	3,767	-	-	3,767	0.413	16-Jan-23		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,260	-	-	2,260	0.413	16-Jan-23		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	AEON Bank, Ltd.	300,000	-	-	300,000	2,260	-	-	2,260	0.413	16-Jan-23	(2)	Unsecured and unguarante ed
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	753	-	-	753	0.413	16-Jan-23		
	Mizuho Bank, Ltd.	712,000	-	-	712,000	5,365	-	-	5,365	0.525	16-Jan-24		
	MUFG Bank, Ltd.	986,000	-	-	986,000	7,430	-	-	7,430	0.525	16-Jan-24		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	7,430	-	-	7,430	0.525	16-Jan-24		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	5,154	-	-	5,154	0.525	16-Jan-24		
	Citibank, N.A., Tokyo Branch	500,000	-	-	500,000	3,767	-	-	3,767	0.525	16-Jan-24		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,260	-	-	2,260	0.525	16-Jan-24		
	AEON Bank, Ltd.	300,000	-	-	300,000	2,260	-	-	2,260	0.525	16-Jan-24		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	753	-	-	753	0.525	16-Jan-24		
	Aozora Bank, Ltd.	237,000	-	-	237,000	1,785	-	-	1,785	0.525	16-Jan-24		
	Mizuho Bank, Ltd.	712,000	-	-	712,000	5,365	-	-	5,365	0.580	16-Jul-24		
	MUFG Bank, Ltd.	986,000	-	-	986,000	7,430	-	-	7,430	0.580	16-Jul-24		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	7,430	-	-	7,430	0.580	16-Jul-24		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	5,154	-	-	5,154	0.580	16-Jul-24		
	Citibank, N.A., Tokyo Branch	500,000	-	-	500,000	3,767	-	-	3,767	0.580	16-Jul-24		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,260	-	-	2,260	0.580	16-Jul-24		
	AEON Bank, Ltd.	300,000	-	-	300,000	2,260	-	-	2,260	0.580	16-Jul-24		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	753	-	-	753	0.580	16-Jul-24		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,825	-	-	2,825	0.580	16-Jul-24		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Mizuho Bank, Ltd.	1,212,000	-	-	1,212,000	9,133	-	-	9,133	0.618	16-Jan-25	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	986,000	-	-	986,000	7,430	-	-	7,430	0.618	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	7,430	-	-	7,430	0.618	16-Jan-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	5,154	-	-	5,154	0.618	16-Jan-25		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,260	-	-	2,260	0.618	16-Jan-25		
	AEON Bank, Ltd.	300,000	-	-	300,000	2,260	-	-	2,260	0.618	16-Jan-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	753	-	-	753	0.618	16-Jan-25		
	Aozawa Bank, Ltd.	375,000	-	-	375,000	2,825	-	-	2,825	0.618	16-Jan-25		
	Mizuho Bank, Ltd.	1,211,000	-	-	1,211,000	9,125	-	-	9,125	0.768	16-Jul-25		
	MUFG Bank, Ltd.	986,000	-	-	986,000	7,430	-	-	7,430	0.768	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	7,430	-	-	7,430	0.768	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	5,154	-	-	5,154	0.768	16-Jul-25		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,260	-	-	2,260	0.768	16-Jul-25		
	AEON Bank, Ltd.	300,000	-	-	300,000	2,260	-	-	2,260	0.768	16-Jul-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	753	-	-	753	0.768	16-Jul-25		
	Aozawa Bank, Ltd.	375,000	-	-	375,000	2,825	-	-	2,825	0.768	16-Jul-25		
	The Tokyo Star Bank, Limited	700,000	-	-	700,000	5,275	-	-	5,275	0.768	16-Jul-25		
	Mizuho Bank, Ltd.	2,882,000	-	-	2,882,000	21,718	-	-	21,718	0.462	16-Jan-24		
	San ju San Bank, Ltd.	662,000	-	-	662,000	4,988	-	-	4,988	0.462	16-Jan-24		
	San ju San Bank, Ltd.	1,700,000	-	-	1,700,000	12,810	-	-	12,810	0.486	15-Apr-24		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Sai ju Sai Bank, Ltd.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.618	15-Apr-25	(2)	Unsecured and unguarante ed
	THE NISHI-NI PPON CITY BANK, LTD.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.768	15-Oct-25		
	Sumitomo Mitsui Trust Bank, Limited	1,550,000	-	-	1,550,000	11,680	-	-	11,680	0.417	06-Jan-23		
	Sumitomo Mitsui Trust Bank, Limited	3,050,000	-	-	3,050,000	22,984	-	-	22,984	0.643	06-Jan-25		
	Momiji Bank, Ltd.	961,000	-	-	961,000	7,241	-	-	7,241	0.643	06-Jan-25		
	The Kiyo Bank, Ltd.	480,000	-	-	480,000	3,617	-	-	3,617	0.643	06-Jan-25		
	Mizuho Bank, Ltd.	634,000	-	-	634,000	4,777	-	-	4,777	0.487	16-Mar-25		
	Resona Bank, Limited.	300,000	-	-	300,000	2,260	-	-	2,260	0.487	16-Mar-25		
	Developme nt Bank of Japan Inc.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.487	16-Mar-25		
	The Bank of Fukuoka, Ltd.	333,000	-	-	333,000	2,509	-	-	2,509	0.487	16-Mar-25		
	The Nomura Trust and Banking Co., Ltd.	333,000	-	-	333,000	2,509	-	-	2,509	0.487	16-Mar-25		
	The Shizuoka Bank, Ltd.	200,000	-	-	200,000	1,507	-	-	1,507	0.487	16-Mar-25		
	The Yamaguchi Bank, Ltd.	411,000	-	-	411,000	3,097	-	-	3,097	0.487	16-Mar-25		
	MUFG Bank, Ltd.	850,000	-	-	850,000	6,405	-	-	6,405	0.368	16-Mar-23		
	Sumitomo Mitsui Trust Bank, Limited	1,090,000	-	-	1,090,000	8,214	-	-	8,214	0.368	16-Mar-23		
	The Bank of Fukuoka, Ltd.	333,000	-	-	333,000	2,509	-	-	2,509	0.368	16-Mar-23		
	Mizuho Bank, Ltd.	582,000	-	-	582,000	4,385	-	-	4,385	0.568	16-Mar-25		
	MUFG Bank, Ltd.	628,000	-	-	628,000	4,732	-	-	4,732	0.568	16-Mar-25		
	Sumitomo Mitsui Trust Bank, Limited	1,090,000	-	-	1,090,000	8,214	-	-	8,214	0.568	16-Mar-25		
	Shinsei Bank, Limited. (4)	570,000	-	-	570,000	4,295	-	-	4,295	0.568	16-Mar-25		

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Resona Bank, Limited.	500,000	-	-	500,000	3,767	-	-	3,767	0.568	16-Mar-25	(2)	Unsecured and unguaranteed
	The Nomura Trust and Banking Co., Ltd.	270,000	-	-	270,000	2,034	-	-	2,034	0.568	16-Mar-25		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	7,535	-	-	7,535	0.568	16-Mar-25		
	The Shizuoka Bank, Ltd.	270,000	-	-	270,000	2,034	-	-	2,034	0.568	16-Mar-25		
	The Kagawa Bank, Ltd.	500,000	-	-	500,000	3,767	-	-	3,767	0.568	16-Mar-25		
	The Yamaguchi Bank, Ltd.	550,000	-	-	550,000	4,144	-	-	4,144	0.568	16-Mar-25		
	The Chukyo Bank, Ltd.	961,000	-	-	961,000	7,241	-	-	7,241	0.568	16-Mar-25		
	The Tokyo Star Bank, Limited	600,000	-	600,000	-	4,521	-	4,521	-	0.332	20-Jul-22		
	The Tokyo Star Bank, Limited	1,582,000	-	-	1,582,000	11,921	-	-	11,921	0.418	20-Jul-24		
	The Tokyo Star Bank, Limited	-	600,000	-	600,000	-	4,521	-	4,521	0.418	20-Jul-25		
	The Tokyo Star Bank, Limited	-	1,190,000	-	1,190,000	-	8,967	-	8,967	0.568	13-Oct-27		
	Total long-term loans payable	145,037,000	1,790,000	28,745,000	118,082,000	1,092,969	13,489	216,616	889,841				
Total loans payable		233,172,000	89,261,000	89,836,000	232,597,000	1,757,136	672,652	676,985	1,752,803				

Notes:

- (1) The average interest rate is weighted by the balance of each borrowing at the end of the period and rounded to three decimal places.
- (2) The funds are mainly used to acquire properties in trust and for repayment of loans payable.
- (3) Long-term loans payable include current portion.
- (4) Shinsei Bank, Limited changed its name to SBI Shinsei Bank, Limited on January 4, 2023.
- (5) Repayment schedule of long-term loans payable for the next five years after each balance sheet date are as follows:

	As of	
	December 31, 2022	December 31, 2022
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥ 42,405,000	\$ 319,555
1-2 years	34,127,000	257,174
2-3 years	39,399,000	296,902
3-4 years	-	-
4-5 years	1,190,000	8,967

11. Net Assets

The Company issues only non-par value units in accordance with the Investment Trust Act, and the entire amount of the issue price of new investment units is allocated to unitholders' capital within net assets. The Company is required to maintain net assets of at least ¥50,000 thousand (US\$376 thousand) as required by Article 67-4 of the Investment Trust Act.

The number of investment units authorized was 10,000,000 units as of June 30, 2022 and December 31, 2022.

The number of investment units issued and outstanding were 6,096,840 units as of June 30, 2022 and December 31, 2022, respectively.

12. Appropriation of Retained Earnings

In accordance with the distribution policy in Article 17, Paragraph 1, of the Company's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period.

The following table shows the appropriation of retained earnings For the six months ended June 30, 2022 and December 31, 2022.

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Unappropriated retained earnings.....	¥ 9,679,301	¥ 13,742,562	\$ 103,561
Distributions	(1,012,075)	(5,072,570)	(38,225)
Retained earnings / losses carried forward.....	¥ 8,667,226	¥ 8,669,991	\$ 65,335

The distribution in respect of the six months ended December 31, 2022 of ¥832 (US\$6.2) per investment unit, amounting to a total distribution of ¥5,072,570 thousand (US\$38,225 thousand) was proposed and approved at the Board of Directors meeting on February 25, 2023. These financial statements do not reflect these distributions payable.

Cash distributions per investment unit were ¥166 and ¥832 (US\$6.2) For the six months ended June 30, 2022 and December 31, 2022 respectively.

Notes related to provision and reversal of allowance for temporary differences adjustment is below.

For the six months ended June 30, 2022

Not Applicable

For the six months ended December 31, 2022

Not Applicable

13. Rent Revenues — Real Estate and Expenses Related to Property Rental Business

Rent revenue – real estate and expenses related to property rental business For the six months ended June 30, 2022 and December 31, 2022 consist of the following:

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Rental revenue – real estate:			
Rental revenue and common area charges (*).....	¥ 5,046,284	¥ 10,037,349	\$ 75,639
Other	151,944	145,401	1,095
Total rental revenue – real estate	¥ 5,198,229	¥ 10,182,751	\$ 76,735
Expenses related to property rental business:			
Facility management fees	¥ 439,577	¥ 426,784	\$ 3,216
Property related taxes	588,582	739,194	5,570
Insurance expense	19,867	20,233	152
Depreciation	3,335,739	3,323,690	25,046
Other	114,957	96,634	728

Total expenses related to property rental business	¥	4,498,723	¥	4,606,538	\$	34,713
Operating income from property leasing activities.....	¥	699,505	¥	5,576,212	\$	42,021
<hr/>						
(*)Variable rental revenue of hotels	¥	2,038,648	¥	3,118,811	\$	23,502

14. Management Contract Revenue

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Management contract revenue:			
Hotel management revenue.....	¥ 3,180,828	¥ 5,096,139	\$ 38,403
Hotel management expenses	2,167,037	3,349,290	25,239
Management contract revenue	¥ 1,013,790	¥ 1,746,848	\$ 13,163
Insurance expense	112,825	136,505	1,028
Depreciation	430,270	432,613	3,260
Other	-	550	4
Total management contract expenses	¥ 543,095	¥ 569,669	\$ 4,292
Operating income (loss) from management contract	¥ 470,695	¥ 1,177,179	\$ 8,870

15. Breakdown of Gain on sales of Properties

For the six months ended June 30, 2022

	Revest Honjin, Revest Matsubara, Alba Noritake Shinmachi, Revest Meieki Minami, Luna Court Edobori, Little River Honmachibashi(*)
	(in thousands of yen)
Revenue from sales of properties	¥ 4,450,000
Cost of properties sold	2,867,202
Other sale-related costs	114,591
Gain or loss on sales of properties	¥ 1,468,206

(*) The sale price of individual properties are not disclosed as the transferees' consent has not been obtained for disclosure.

For the six months ended December 31, 2022

Not Applicable

16. Income Taxes

The Company is subject to corporate income taxes in Japan. The Company may deduct from its taxable income the amounts distributed to its unitholders, provided the requirements are met under the Special Taxation Measures Act of Japan. Under this act, the Company must meet a number of tax requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period in order to be able to deduct such amounts. If the Company does not satisfy all of the requirements, the entire taxable income of the Company will be subject to regular corporate income taxes in Japan.

The Company has a policy of making distributions in excess of 90% of its distributable profit for the fiscal period to qualify for conditions set forth in the Special Taxation Measures Act of Japan to achieve a deduction of distributions for income tax purpose and it distributes approximately 100% of distributable profit. Hence, the Company has treated the distributions as a tax allowable deduction as defined in the Special Taxation Measures Act of Japan.

(a) Reconciliations of the Company's effective tax rates and statutory tax rates are as follows:

For the six months ended	
June 30, 2022	December 31, 2022
(Rate)	

Statutory tax rates	31.46 %	31.46 %
Deductible cash distributions	(31.35)	(31.44)
Increase (decrease) in valuation allowance	(0.11)	(3.60)
Expiration of net operating loss carried forward	-	3.58
Other	0.06	0.01
Effective tax rates	0.06 %	0.01 %

(b) Deferred tax assets and liabilities consist of the following:

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Deferred tax assets:			
Enterprise tax payable	¥ 615	¥ 615	\$ 4
Buildings and other (merger)	187,068	186,398	1,404
Land (merger)	116,724	116,724	879
Net loss carried forward(*1)	1,799,777	1,609,063	12,125
Asset retirement obligations	10,584	10,656	80
Fixed-term leasehold	149,710	162,054	1,221
Adjustment of acquisition price (Overseas properties)	453,535	449,589	3,388
Subtotal - deferred tax assets	2,718,017	2,535,101	19,104
Valuation allowance for tax loss carried forward	(1,799,777)	(1,609,063)	(12,125)
Valuation allowance for the sum of deductible temporary differences	(918,239)	(926,038)	(6,978)
Subtotal - valuation allowance(*2)	(2,718,017)	(2,535,101)	(19,104)
Total - deferred tax assets	-	-	-

(*1)The amounts of tax loss carried forward and the deferred tax assets are indicated by carry-forward period.

For the six months ended June 30, 2022

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	(in thousands of yen)						
Tax loss carried forward (a)	511,182	-	-	-	-	1,288,595	1,799,777
Valuation allowance	(511,182)	-	-	-	-	(1,288,595)	(1,799,777)
Deferred tax assets	-	-	-	-	-	-	-

(a)Tax loss carried forward shown in the above table is after multiplying the statutory tax rate.

For the six months ended December 31, 2022

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	(in thousands of yen)						
Tax loss carried forward (a)	330,700	-	-	-	-	1,278,362	1,609,063
Valuation allowance	(330,700)	-	-	-	-	(1,278,362)	(1,609,063)
Deferred tax assets	-	-	-	-	-	-	-

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	(in thousands of U.S. dollars)						
Tax loss carried forward (a)	2,492	-	-	-	-	9,633	12,125
Valuation allowance	(2,492)	-	-	-	-	(9,633)	(12,125)
Deferred tax assets	-	-	-	-	-	-	-

(a) Tax loss carried forward shown in the above table is after multiplying the statutory tax rate.

(*2) The valuation allowance decreased by 182,915 thousand yen (US\$1,378thousand). This decrease is mainly due to an decrease in tax loss carryforwards.

17. Leases

(a) Lease rental revenues

The future minimum rental revenues pursuant to existing rental contracts as of June 30, 2022 and December 31, 2022, scheduled to be received are summarized as follows:

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 13,061,273	¥ 13,068,093	\$ 98,478
Due over one year	52,172,023	44,885,587	338,248
Total	¥ 65,233,297	¥ 57,953,680	\$ 436,727

(b) Lease rental expenses

The future minimum rental expenses pursuant to existing rental contracts as of June 30, 2022 and December 31, 2022, scheduled to be paid are summarized as follows:

	As of		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 320,447	¥ 320,447	\$ 2,414
Due over one year	8,390,198	8,229,974	62,019
Total	¥ 8,710,645	¥ 8,550,422	\$ 64,434

18. Financial Instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

The Company raises funds through loans payable, investment corporation bonds, and the issuance of investment units to acquire real estate properties, pay property maintenance expenses and/or repay existing loans payable. Surplus funds are managed carefully through investments in financial instruments taking into account liquidity and safety in light of the current financial market conditions. Derivative instruments are used only for hedging purposes and not for speculation.

(ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through loans payable and investment corporation bonds are mainly used to acquire real estate properties or properties in trust and for the repayment of existing loans payable. Liquidity risks relating to loans payable are managed by the finance department of the Asset Manager by preparing monthly plans for funds, and monitoring the covenants defined in loan agreements.

(iii) Supplemental information for financial instruments

The fair value of financial instruments is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair values and valuation differences of financial instruments for which fair value is available as of June 30, 2022 and December 31, 2022. Furthermore, "cash and deposits" and "short-term loans payable"

are omitted as they are settled with cash and in a short span of time and are therefore similar in fair value to the book value. Also, “tenant leasehold and security deposits in trust” is omitted as it lacks in significance.

	As of								
	June 30, 2022			December 31, 2022			December 31, 2022		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
	(in thousands of yen)						(in thousands of U.S. dollars)		
Assets:									
Current:									
(1) Investment securities	¥ 17,856,387	¥ 17,521,928	¥ (334,458)	¥ 17,856,387	¥ 17,553,373	¥ (303,014)	\$ 134,562	\$ 132,278	\$ (2,283)
Total assets	¥ 17,856,387	¥ 17,521,928	¥ (334,458)	¥ 17,856,387	¥ 17,553,373	¥ (303,014)	\$ 134,562	\$ 132,278	\$ (2,283)
Liabilities:									
(2) Current portion of investment corporation bonds	1,000,000	985,500	(14,500)	3,000,000	2,970,200	(29,800)	22,607	22,382	(224)
(3) Current portion of long-term loans payable	44,807,000	44,807,000	-	42,405,000	42,405,000	-	319,555	319,555	-
(4) Investment corporation bonds	7,200,000	6,689,440	(510,560)	5,200,000	4,734,340	(465,660)	39,186	35,677	(3,509)
(5) Long-term loans payable	100,230,000	100,230,000	-	75,677,000	75,677,000	-	570,286	570,286	-
Total liabilities	¥ 153,237,000	¥ 152,711,940	¥ (525,060)	¥ 126,282,000	¥ 125,786,540	¥ (495,460)	\$ 951,635	\$ 947,901	\$ (3,733)
(6) Derivatives	¥ 96,020	¥ 96,020	¥ -	¥ 142,721	¥ 142,721	¥ -	\$ 1,075	\$ 1,075	\$ -

Notes

(i) The methods and assumptions used to estimate fair value are as follows:

(1) Investment securities

For preferred securities, the market value is the amount equivalent to the equity interest in the net assets at market value obtained by valuing the assets and liabilities of the investee at market value.

(2) Current portion of Investment corporation bonds (4) Investment corporation bonds

The fair values of investment corporate bonds are determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new investment corporate bonds under the same conditions and terms.

(3) Current portion of long-term loans payable (5) Long-term loans payable

Long-term loans payable with floating interest rates reflecting changes in market rates within a short term period are stated at their carrying amounts as their carrying amounts approximate their fair values.

(6) Derivatives

Please refer to the “20. Derivatives” below.

(ii) Cash flow schedule of financial liabilities after the balance sheet date

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of yen)					
As of June 30, 2022:						
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-
Current portion of long-term loans payable ...	44,807,000	-	-	-	-	-
Investment corporation bonds	-	2,000,000	1,000,000	-	-	4,200,000
Long-term loans payable	-	44,589,000	42,243,000	12,437,000	-	961,000
Total	¥ 45,807,000	¥ 46,589,000	¥ 43,243,000	¥ 12,437,000	¥ -	¥ 5,161,000

As of December 31, 2022:

Current portion of investment corporation bonds	3,000,000	-	-	-	-	-
Current portion of long-term loans payable ...	42,405,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	-	-	-	4,200,000
Long-term loans payable	-	34,127,000	39,399,000	-	1,190,000	961,000
Total	¥ 45,405,000	¥ 35,127,000	¥ 39,399,000	¥ -	¥ 1,190,000	¥ 5,161,000

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of U.S. dollars)					

As of December 31, 2022:

Current portion of investment corporation	22,607	-	-	-	-	-
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bonds							
Current portion of long-term loans payable ...	319,555	-	-	-	-	-	-
Investment corporation bonds	-	7,535	-	-	-	-	31,650
Long-term loans payable	-	257,174	296,902	-	8,967	7,241	
Total	\$ 342,162	\$ 264,709	\$ 296,902	\$ -	\$ 8,967	\$ 38,892	

19. Investment securities

	As of								
	June 30, 2022			December 31, 2022			December 31, 2022		
	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference	Carrying amounts	Fair value	Difference
	(in thousands of yen)						(in thousands of U.S. dollars)		
Shares in an Affiliated Company ...	¥ 17,856,387	¥ 17,521,928	¥ (334,458)	¥ 17,856,387	¥ 17,553,373	¥ (303,014)	\$ 134,562	\$ 132,278	\$ (2,283)
Total	¥ 17,856,387	¥ 17,521,928	¥ (334,458)	¥ 17,856,387	¥ 17,553,373	¥ (303,014)	\$ 134,562	\$ 132,278	\$ (2,283)

20. Derivatives

Information on derivative transactions undertaken by the Company as of June 30, 2022 and December 31, 2022 is as follows.

(a) Transactions for which hedge accounting is not applied

As of June 30, 2022:

Not Applicable

As of December 31, 2022:

Not Applicable

(b) Transactions for which hedge accounting is applied

As of June 30, 2022:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount(*1)		
			Total	Over 1 year	Fair Value (*2)
			(in thousands of yen)		
Principle accounting method	Interest rate swap transaction floating rate receivable and Fixed rate payable	Long-term borrowings	¥ 50,476,000	¥ 36,687,000	¥ 96,020

(*1) The interest rate swap contract amount is based on the notional principal amount.

(*2) Calculation of fair value is based on information provided by financial institutions.

As of December 31, 2022:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount(*1)					
			Total	Over 1 year	Fair Value (*2)	Total	Over 1 year	Fair Value (*2)
			(in thousands of yen)			(in thousands of U.S. dollars)		
Principle accounting method	Interest rate swap transaction floating rate receivable and Fixed rate payable	Long-term borrowings	¥ 50,476,000	¥ 36,687,000	¥ 142,721	\$ 380,376	\$ 276,465	\$ 1,075

(*1) The interest rate swap contract amount is based on the notional principal amount.

(*2) Calculation of fair value is based on information provided by financial institutions.

21. Asset Retirement Obligations

The Company has an obligation under a fixed-term leasehold agreement to restore its leased land, which represents the land where COMFORT HOTEL MAEBASHI, owned by the Company, is located upon the termination of agreement. The estimated period of use of property is estimated at 43 years based on the lease period per the agreement. The assets retirement obligation for the restoration is recognized as a liability using discount rate at 1.342%.

Movements of asset retirement obligations For the six months ended June 30, 2022 and December 31, 2022 are as follows.

	For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Balance at the beginning of the period	¥ 33,422	¥ 33,644	\$ 253
Liabilities incurred due to the acquisition of properties	-	-	-
Accretion expense	222	227	1
Balance at the end of the period	¥ 33,644	¥ 33,872	\$ 255

22. Revenue Recognition

(a) Information from analysis of revenues generated from contracts with customers

For the six months ended June 30, 2022

	Revenues generated from contracts with customers (*1)	Sales to external customers
	(in thousands of yen)	(in thousands of yen)
Revenue from sale of real estate property	-	-
Other	21,281	7,680,227
Total	21,281	7,680,227

(*1)The rental revenues, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), the dividend income subject to the "Accounting Standards for Financial Instruments" (ASBJ statement No. 10), and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amount as they are not applied to the Revenue Recognition Accounting Standard. Moreover, the main revenue from contracts with customers are revenue from sale of real estate.

For the six months ended December 31, 2022

	Revenues generated from contracts with customers (*1)		Sales to external customers	
	(in thousands of yen)	(in thousands of U.S. dollars)	(in thousands of yen)	(in thousands of U.S. dollars)
Revenue from sale of real estate property	-	-	-	-
Other	31,966	240	11,929,599	89,899
Total	31,966	240	11,929,599	89,899

(*1)The rental revenues, etc. subject to the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13), the dividend income subject to the "Accounting Standards for Financial Instruments" (ASBJ statement No. 10), and the sale of real estate, etc. subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amount as they are not applied to the Revenue Recognition Accounting Standard. Moreover, the main revenue from contracts with customers are revenue from sale of real estate.

(b) Foundational information for understanding revenues generated from contracts with customers

The information is described in the notes on the Summary of Significant Accounting Policies

(c) Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next fiscal period or thereafter from contracts with customers existing at the end of the fiscal period

(i) Balance of contract assets and contract liabilities, etc.

For the six months ended		
June 30,	December 31,	December 31,

	2022	2022	2022
	(in thousands of yen)		(in thousands of U.S. dollars)
Claims generated from contracts with customers (balance at beginning of fiscal year)	¥ 2,114	¥ 2,250	\$ 16
Claims generated from contracts with customers (balance at end of fiscal year)	2,250	4,231	31
Contract assets (balance at beginning of fiscal year)	-	-	-
Contract assets (balance at end of fiscal year)	-	-	-
Contract liabilities (balance at beginning of fiscal year)	-	-	-
Contract liabilities (balance at end of fiscal year)	-	-	-

(i) Transaction value allocated to remaining performance obligations

Not Applicable

23. Segment Information

Segment information For the six months ended June 30, 2022 and December 31, 2022 are as follows :

(a) Operating Segment Information

Disclosure is omitted as the Company is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide Disclosures

(i) Information about Products and Services

Disclosure is not required as revenues from external customers for the single segment are in excess of 90% of total revenues.

(ii) Information about Geographic Areas

(1) Revenues from Overseas Customers:

For the six months ended June 30, 2022

(in thousands of yen)

Japan	Grand Cayman	Total
6,666,436	1,013,790	7,680,227

For the six months ended December 31, 2022

(in thousands of yen)

Japan	Grand Cayman	Total
10,182,751	1,746,848	11,929,599

(in thousands of U.S. dollars)

Japan	Grand Cayman	Total
76,735	13,163	89,899

(2) Tangible Fixed Assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about Major Customers

Information about major clients for the six-month periods ended June 30, 2022 and December 31, 2022 were as follows:

For the six months ended June 30, 2022

Name of client	Operating Revenues (in thousands of yen)	Related segment
Mystays Hotel Management Co., Ltd.	2,190,756	Real estate investing business
Kansai Residence Tokutei Mokuteki Kaisha	1,468,206	Real estate investing business

For the six months ended December 31, 2022

Name of client	Operating Revenues (in thousands of yen)	Operating Revenues (in thousands of U.S. dollars)	Related segment
Mystays Hotel Management Co., Ltd.	5,771,441	43,492	Real estate investing business

24. Profit or Loss from Equity Method, etc

For the six months ended June 30, 2022

(in thousands of yen)

Investments in affiliates	17,856,387
Investments, if equity method was adopted	17,419,488
Investment gains (losses), if equity method was adopted	(67,970)

For the six months ended December 31, 2022

(in thousands of yen)

(in thousands of US dollars)

Investments in affiliates	17,856,387	134,562
Investments, if equity method was adopted	17,360,140	130,822
Investment gains (losses), if equity method was adopted	(59,347)	(447)

25. Related-Party Transactions

(a) Parent Company and Major Corporate Unitholders

For the six months ended June 30, 2022

Type of related-party	Company name	Location	Business	Share capital	Voting interest in the Company	Relationship with the Company	Transactions for the period		Balance at the end of period	
				(in millions of yen)			Type of transactions	Amounts (1) (in thousands of yen)	Balance sheet account	Amounts(1) (in thousands of yen)
Interested party of the Asset Manager	Nagua Hotel & Resorts Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥10	-	Lessor and operator of hotel	Rental revenues	¥422,206	Rental receivables	¥464,466
	Mystays Hotel Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥100	-	Lessor and operator of hotel	Rental revenues	¥2,190,756	Rental receivables	¥2,407,825

Notes:

(1) Consumption taxes are not included in the transaction amount, but are included in the balance at the end of periods.

- (2) Naqua Hotel & Management Resorts Management Co. Ltd, and Mystays Hotel Management, Co. Ltd has no relationship to be stated, they receive investment through funds that are managed by FIG, a subsidiary of Softbank Group; a parent company of the asset manager directly and indirectly owning 100% of issued shares. Accordingly, we treat, Naqua Hotel & Management Resorts Management Co. Ltd, and Mystays Hotel Management as a related party.

For the six months ended December 31, 2022

Type of related-party	Company name	Location	Business	Share capital		Voting interest in the Company	Relationship with the Company	Transactions for the period			Balance at the end of period		
				(in millions of yen)	(in thousands of U.S. dollars)			Type of transactions	Amounts(1)		Balance sheet account	Amounts(1)	
									(in thousands of yen)	(in thousands of U.S. dollars)		(in thousands of yen)	(in thousands of U.S. dollars)
Interested party of the Asset Manager	Naqua Hotel & Resorts Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥10	\$75	-	Leaseholder and operator of hotel	Rental revenues	¥1,152,194	\$8,682	Rental receivables	¥404,531	\$3,048
	Mystays Hotel Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥100	\$753	-	Leaseholder and operator of hotel	Rental revenues	¥5,771,441	\$43,492	Rental receivables	¥3,864,932	\$29,125

Notes:

- (1) Consumption taxes are not included in the transaction amount, but are included in the balance at the end of periods.
- (2) Naqua Hotel & Management Resorts Management Co. Ltd, and Mystays Hotel Management, Co. Ltd has no relationship to be stated, they receive investment through funds that are managed by FIG, a subsidiary of Softbank Group; a parent company of the asset manager directly and indirectly owning 100% of issued shares. Accordingly, we treat, Naqua Hotel & Management Resorts Management Co. Ltd, and Mystays Hotel Management as a related party.

(b) Affiliates

For the six months ended June 30, 2022

Not Applicable

For the six months ended December 31, 2022

Not Applicable

(c) Board of Directors and Major Individual Unitholders

For the six months ended June 30, 2022

Type of related-party	Name	Business / Occupation	Voting interest in the Company	Transactions for the period		Balance at the end of period	
				Type of transactions	Amounts(3)	Balance sheet account	Amounts(3)
					(in thousands of yen)		(in thousands of yen)
Directors and close relatives	Naoki Fukuda	Executive officer of the Company and management director of Consonant Investment Management Co., Ltd.	-	Payment of the assets management fee to Consonant Investment Management Co., Ltd.(1)	¥313,350	Accrued expenses	¥165,000
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥600	Accrued expenses	¥330

Notes:

- (1) Naoki Fukuda serves as a representative of the Asset Manager and the asset management fee is established in the Articles of Incorporation of the Company.
- (2) Naoki Fukuda serves as a representative of Asset Manager and the fee is established in the "Administrative Agency Agreement for Organizational Management" which was agreed between the Asset Manager and the Company.
- (3) Consumption taxes are not included in the transaction amount, but are included in the balance at the end of period.

For the six months ended December 31, 2022

Type of related-party	Name	Business / Occupation	Voting interest in the Company	Transactions for the period			Balance at the end of period		
				Type of transactions	Amounts(3)		Balance sheet account	Amounts(3)	
					(in thousands of yen)	(in thousands of U.S. dollars)		(in thousands of yen)	(in thousands of U.S. dollars)
Directors and close relatives	Naoki Fukuda	Executive officer of the Company and management director of Consonant Investment	-	Payment of the assets management fee to Consonant Investment Management Co., Ltd.(1)	¥300,064	\$2,261	Accrued expenses	¥165,000	\$1,243
				Payment of institution management fee to Consonant	¥1,100	\$8	Accrued expenses	¥880	\$6

		Management Co., Ltd.		Investment Management Co., Ltd.(2)					
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Notes:

- (1) Naoki Fukuda serves as a representative of the Asset Manager and the asset management fee is established in the Articles of Incorporation of the Company.
- (2) Naoki Fukuda serves as a representative of Asset Manager and the fee is established in the "Administrative Agency Agreement for Organizational Management" which was agreed between the Asset Manager and the Company.
- (3) Consumption taxes are not included in the transaction amount, but are included in the balance at the end of period.

26. Parent company and/or significant affiliates

(a) Information on the parent company

Not Applicable.

(b) Summary of financial statements of the significant affiliates

The significant affiliates in the year ended December 31, 2022 is Kingdom TMK. Summary of financial information is as follows:

	Kingdom TMK		
	As of / For the six months ended		
	March 31, 2022	September 30, 2022	September 30, 2022
	(in thousands of yen)		(in thousands of US dollars)
Total specified assets	100,317,015	100,114,466	754,442
Total other assets	1,393,697	1,550,642	11,685
Total current liabilities	7,377	73,592	554
Total non-current liabilities	66,174,866	66,184,166	498,750
Total net assets	35,528,468	35,407,351	266,822
Operating revenue	546,895	565,320	4,260
Income before income taxes	(138,111)	(120,512)	(908)
Net income	(138,716)	(121,117)	(912)

27. Per Unit Information

The following table shows net asset value per unit as of June 30, 2022 and December 31, 2022 and net income per unit for the six months then ended. Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding. In regard to diluted net income per unit for the previous fiscal year, there were no dilutive units. Accordingly, diluted net income per unit for the previous fiscal year is not presented. In regard to diluted net income per unit for the subject fiscal year, there was a net loss per unit, and there were no dilutive units. Accordingly, diluted net income per unit for the subject fiscal year is not presented.

	As of / For the six months ended		
	June 30, 2022	December 31, 2022	December 31, 2022
	(Yen)		(U.S. dollars)
Net asset value per unit	¥ 40,383	¥ 41,058	\$ 309
Net income per unit	¥ 167	¥ 832	\$ 6
Weighted average number of units	6,096,840	6,096,840	-

28. Subsequent Events

Not Applicable.