



Audited Financial Statements
for the 43rd Fiscal Period
(from July 1, 2024 to December 31, 2024)

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Independent Auditor's Report

The Board of Directors
Invincible Investment Corporation

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Invincible Investment Corporation (the Company), which comprise the balance sheet as at December 31, 2024, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month 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, 2024, and its financial performance and its cash flows for the six-month 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

Other information comprises the information included in disclosure documents that contain audited financial statements, but does not include the financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended December 31, 2024 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 3 to the financial statements.

Fee-related Information

The fees for the audits of the financial statements of the Company and other services provided by us and other EY member firms for the six-month period ended December 31, 2024 are 18,900 thousand yen and 29,154 thousand yen, respectively.

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.

Ernst & Young ShinNihon LLC
Tokyo, Japan

March 28, 2025

/s/ Natsuki Saiki

Designated Engagement Partner
Certified Public Accountant

/s/ Daisuke Unagami

Designated Engagement Partner
Certified Public Accountant

INVINCIBLE INVESTMENT CORPORATION

BALANCE SHEET

December 31, 2024

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
ASSETS			
Current assets:			
Cash and bank deposits (Notes 6 and 17)	¥ 30,213,929	¥ 31,964,082	\$ 202,074
Cash and bank deposits in trust (Notes 6 and 17) ..	12,346,894	13,319,608	84,205
Rental receivables	6,040,833	7,508,438	47,467
Deposits paid	2,414,240	1,956,046	12,365
Prepaid expenses	1,428,542	1,343,561	8,493
Income taxes receivable	24	533	3
Consumption taxes receivable	-	2,426,309	15,338
Total current assets	52,444,465	58,518,580	369,949
Non-current assets:			
Property and equipment (Notes 7 and 8):			
Buildings, at cost	19,487,456	19,535,441	123,501
Buildings and accompanying facilities, at cost	5,311,876	5,364,450	33,913
Structures, at cost	1,458	15,194	96
Tools, furniture and fixtures, at cost	1,495,664	1,824,351	11,533
Construction in progress	1,055,651	2,534,073	16,020
Buildings in trust, at cost	184,336,400	216,673,380	1,369,789
Buildings and accompanying facilities in trust, at cost	42,057,231	45,182,601	285,640
Structures in trust, at cost	302,742	349,920	2,212
Tools, furniture and fixtures in trust, at cost	4,049,883	4,935,442	31,201
Land in trust	264,666,397	322,877,727	2,041,204
Construction in progress in trust	240,499	383,192	2,422
Subtotal	523,005,263	619,675,776	3,917,535
Less: Accumulated depreciation	(56,463,658)	(61,376,016)	(388,013)
Total property and equipment, net	466,541,605	558,299,759	3,529,521
Intangible assets:			
Leasehold rights	10,637,811	10,637,811	67,251
Leasehold rights in trust	17,357,800	29,763,513	188,162
Total intangible assets	27,995,612	40,401,325	255,413
Investments and other assets:			
Investment securities (Note 18 and 23)	17,856,387	17,856,387	112,886
Guarantee deposits	1,390,459	1,431,014	9,046
Long-term prepaid expenses	2,007,275	2,338,693	14,785
Derivatives assets (Note 19)	627,676	997,866	6,308
Other	32,667	32,667	206
Total investments and other assets	21,914,466	22,656,629	143,233
Total non-current assets	516,451,684	621,357,714	3,928,168
Deferred assets:			
Investment corporation bond issuance costs	120,364	128,668	813
Total deferred assets	120,364	128,668	813
TOTAL ASSETS	¥ 569,016,514	¥ 680,004,964	\$ 4,298,931

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
LIABILITIES			
Current liabilities:			
Accounts payable	¥ 709,906	¥ 1,456,179	\$ 9,205
Short-term loans payable (Notes 10 and 17)	8,813,000	3,425,000	21,652
Current portion of investment corporation bonds (Notes 9 and 17)	1,000,000	-	-
Current portion of long-term loans payable (Notes 10 and 17)	44,553,000	40,599,000	256,663
Accounts payable-other	8,691	10,023	63
Accrued expenses	393,151	427,817	2,704
Income taxes payable	605	605	3
Consumption taxes payable	1,023,206	-	-
Advances received	313,582	680,701	4,303
Deposits received	18,589	116,710	737
Total current liabilities	56,833,732	46,716,036	295,334
Non-current liabilities:			
Investment corporation bonds (Notes 9 and 17) ..	19,900,000	24,100,000	152,358
Long-term loans payable (Notes 10 and 17)	196,888,000	255,073,000	1,612,548
Tenant leasehold and security deposits in trust (Note 17)	1,497,699	1,592,780	10,069
Derivatives liabilities (Note 19)	734,860	459,389	2,904
Asset retirement obligations (Note 20)	395,487	675,199	4,268
Total non-current liabilities	219,416,047	281,900,368	1,782,149
TOTAL LIABILITIES	276,249,780	328,616,405	2,077,483
NET ASSETS (Note 11)			
Unitholders' equity:			
Unitholders' capital	270,101,249	326,079,727	2,061,447
Surplus:			
Capital surplus	6,264,432	6,264,432	39,603
Allowance for temporary differences	(6,130)	(6,130)	(38)
Adjustment (Note 4)	(5,524,006)	(5,524,006)	(34,922)
Other deduction of capital surplus	(5,530,137)	(5,530,137)	(34,961)
Capital surplus (net).....	734,294	734,294	4,642
Voluntary reserve			
Retained earnings	21,542,214	23,765,358	150,242
Total surplus	22,276,509	24,499,653	154,884
Total unitholders' equity	292,377,758	350,579,380	2,216,331
Valuation and translation adjustments:			
Deferred gains or losses on hedges	388,975	809,178	5,115
Total valuation and translation adjustments	388,975	809,178	5,115
TOTAL NET ASSETS	292,766,734	351,388,558	2,221,447
TOTAL LIABILITIES AND NET ASSETS	¥ 569,016,514	¥ 680,004,964	\$ 4,298,931

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, 2024

	For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Operating revenue			
Rental revenue—real estate (Note 13)¥	14,933,032	¥ 23,205,026	\$ 146,700
Management contract revenue (Note 14)	4,774,272	1,657,420	10,478
Dividend income	1,428,702	692,711	4,379
Total operating revenue	21,136,007	25,555,158	161,557
Operating expenses			
Property related expenses (Note 13)	5,107,042	6,325,294	39,987
Management contract expenses (Note 14)	736,333	768,653	4,859
Asset management fees	450,000	450,000	2,844
Directors' compensation	4,800	4,800	30
Asset custody fees	28,235	32,940	208
Administrative service fees	41,077	62,429	394
Other	132,787	159,373	1,007
Total operating expenses	6,500,276	7,803,491	49,332
Operating income	14,635,731	17,751,667	112,224
Non-operating income			
Interest income.....	163	3,483	22
Foreign exchange gains	423,972	-	-
Interest on tax refund.....	2,615	-	-
Other	891	84	0
Total non-operating income	427,643	3,568	22
Non-operating expenses			
Interest expenses	893,218	1,398,268	8,839
Foreign exchange losses	-	167,864	1,061
Interest expenses on investment corporation bonds....	108,923	135,371	855
Amortization of investment corporation bond issuance costs	15,608	18,029	113
Loan-related costs	583,615	718,621	4,543
Loss on derivatives	560,841	8,075	51
Investment unit issuance costs	-	170,193	1,075
Total non-operating expenses	2,162,208	2,616,425	16,540
Ordinary income	12,901,166	15,138,810	95,706
Extraordinary income			
Subsidy income	24,991	-	-
Total extraordinary income	24,991	-	-
Extraordinary losses			
Loss on reduction entry of non-current assets.....	24,991	-	-
Total extraordinary losses	24,991	-	-
Income before income taxes	12,901,166	15,138,810	95,706
Income taxes (Note 15):			
Current	605	605	3
Total income taxes	605	605	3
Net income	12,900,561	15,138,205	95,702
Retained earnings brought forward	8,641,653	8,627,153	54,540
Unappropriated retained earnings / losses (Note 12)¥	21,542,214	¥ 23,765,358	\$ 150,242

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, 2024

	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, 2024	¥ 270,101,249	¥ 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, 2024	¥ 270,101,249	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294
Changes during the period						
Issuance of new investment units	55,978,477					
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	55,978,477	-	-	-	-	-
Balance as of December 31, 2024	¥ 326,079,727	¥ 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, 2024	¥ 19,690,532	¥ 20,424,826	¥ 290,526,075	¥ (221,054)	¥ (221,054)	¥ 290,305,021	
Changes during the period							
Distributions from surplus	(11,048,878)	(11,048,878)	(11,048,878)			(11,048,878)	
Net income	12,900,561	12,900,561	12,900,561			12,900,561	
Changes other than unitholders' equity(net)				610,029	610,029	610,029	
Total changes during the period	1,851,682	1,851,682	1,851,682	610,029	610,029	2,461,712	
Balance as of June 30, 2024	¥ 21,542,214	¥ 22,276,509	¥ 292,377,758	¥ 388,975	¥ 388,975	¥ 292,766,734	
Changes during the period							
Issuance of new investment units			55,978,477			55,978,477	
Distributions from surplus	(12,915,060)	(12,915,060)	(12,915,060)			(12,915,060)	
Net income	15,138,205	15,138,205	15,138,205			15,138,205	
Changes other than unitholders' equity(net)				420,202	420,202	420,202	
Total changes during the period	2,223,144	2,223,144	58,201,621	420,202	420,202	58,621,824	
Balance as of December 31, 2024	¥ 23,765,358	¥ 24,499,653	¥ 350,579,380	¥ 809,178	¥ 809,178	¥ 351,388,558	

	Unitholders' equity						
		Surplus					
		Capital surplus					
Unitholders' capital			Deduction of capital surplus				
	Capital surplus	Allowance for temporary differences adjustment	Other deduction of capital surplus	Deduction of capital surplus	Capital surplus (net)		
			(in thousands of U.S dollars)				
Balance as of July 1, 2024	\$ 1,707,556	\$ 39,603	\$ (38)	\$ (34,922)	\$ (34,961)	\$ 4,642	
Changes during the period							
Issuance of new investment units	353,890						
Distributions from surplus							
Net income							
Changes other than unitholders' equity (net)							
Total changes during the period	353,890	-	-	-	-	-	
Balance as of December 31, 2024	\$ 2,061,447	\$ 39,603	\$ (38)	\$ (34,922)	\$ (34,961)	\$ 4,642	

	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, 2024	\$ 136,187	\$ 140,830	\$ 1,848,386	\$ 2,459	\$ 2,459	\$ 1,850,845
Changes during the period						
Issuance of new investment units			353,890			353,890
Distributions from surplus	(81,647)	(81,647)	(81,647)			(81,647)
Net income	95,702	95,702	95,702			95,702
Changes other than unitholders' equity (net)				2,656	2,656	2,656
Total changes during the period	14,054	14,054	367,945	2,656	2,656	370,602
Balance as of December 31, 2024	\$ 150,242	\$ 154,884	\$ 2,216,331	\$ 5,115	\$ 5,115	\$ 2,221,447

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, 2024

	For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash flows from operating activities:			
Income before income taxes	¥ 12,901,166	¥ 15,138,810	\$ 95,706
Depreciation and amortization	4,341,470	4,990,615	31,550
Loss on reduction entry of non-current assets	24,991	-	-
Investment unit issuance costs	-	170,193	1,075
Amortization of investment corporation bond issuance costs	15,608	18,029	113
Loan-related costs	583,615	718,621	4,543
Amortization of tenant leasehold and security deposits in trust	-	(196)	(1)
Interest income	(163)	(3,483)	(22)
Interest expenses	1,002,142	1,533,640	9,695
Foreign exchange losses (gains)	(142)	33	0
Loss (gain) on derivatives	560,841	8,075	51
Decrease (increase) in rental receivables	(1,206,749)	(1,467,605)	(9,278)
Decrease (increase) in deposits paid	(438,055)	458,193	2,896
Decrease (increase) in receivable income taxes	(3)	(508)	(3)
Decrease (increase) in consumption taxes receivable	2,615,543	(2,426,309)	(15,338)
Increase (decrease) in accounts payable	(4,478)	251,458	1,589
Increase (decrease) in consumption taxes payable	1,023,206	(1,023,206)	(6,468)
Increase (decrease) in accrued expenses	85,639	13,369	84
Increase (decrease) in advances received	7,905	367,118	2,320
Increase (decrease) in deposits received	(36,518)	98,120	620
Other, net	(176,618)	139,577	882
Subtotal	21,299,400	18,984,548	120,018
Interest income received	163	3,483	22
Interest expenses paid	(973,357)	(1,514,581)	(9,575)
Income taxes paid	(605)	(605)	(3)
Net cash provided by operating activities	20,325,601	17,472,845	110,461
Cash flows from investing activities:			
Purchases of property and equipment	(434,456)	(1,907,226)	(12,057)
Purchases of property and equipment in trust	(1,818,446)	(93,993,128)	(594,216)
Purchases of leasehold rights in trust	-	(12,444,949)	(78,675)
Repayments of tenant leasehold and security deposits in trust	(22,016)	(21,799)	(137)
Proceeds from tenant leasehold and security deposits in trust	28,659	117,075	740
Payments of tenant leasehold and security deposits	(8,100)	(40,555)	(256)
Other, net-investing activities	(500,120)	(215,250)	(1,360)
Net cash used in investing activities	(2,754,478)	(108,505,833)	(685,964)
Cash flows from financing activities:			
Proceeds from short-term loans payable	-	4,925,000	31,135
Repayments of short-term loans payable	(27,707,000)	(10,313,000)	(65,197)
Proceeds from long-term loans payable	43,557,000	71,222,000	450,259
Repayments of long-term loans payable	(19,796,000)	(16,991,000)	(107,415)
Proceeds from issuance of investment corporation bonds	5,950,508	4,173,666	26,385
Redemption of investment corporation bonds	-	(1,000,000)	(6,321)
Payments for loan-related costs	(861,343)	(1,156,070)	(7,308)
Payments of distributions of earnings	(11,046,120)	(12,913,644)	(81,638)
Proceeds from issuance of investment units	-	55,808,936	352,819
Net cash provided by (used in) financing activities	(9,902,955)	93,755,887	592,716
Effect of exchange rate change on cash and cash equivalents	142	(33)	(0)
Net increase (decrease) in cash and cash equivalents	7,668,309	2,722,866	17,213
Cash and cash equivalents at beginning of period	34,892,514	42,560,824	269,065
Cash and cash equivalents at end of period (Note 6)	¥ 42,560,824	¥ 45,283,691	\$ 286,279

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, 2024

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 Fortress CIM Holdings L.P. 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 tenth 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.

On July 31, 2023, the Company completed its eleventh public offering totaling 609,792 new investment units at a price ¥53,726 per unit. 353,680 of such units were issued in connection with a Domestic Public Offering, and the remaining 256,112 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 28, 2023, the Company issued 30,489 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥34.3 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 July 30, 2024, the Company completed its twelfth public offering totaling 895,000 new investment units at a price ¥61,560 per unit. 472,113 of such units were issued in connection with a Domestic Public Offering, and the remaining 422,887 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 27, 2024, the Company issued 14,332 investment units domestically in connection with the exercise of an over-allotment option. Net proceeds of approximately ¥55.9 billion were used to repay the Company's outstanding long term borrowing and in connection with the acquisition of 12 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, 2024
Buildings	16-50
Buildings and accompanying facilities	6-29
Structures	20
Tools, furniture and fixtures	2-18
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, taxes paid in each fiscal year are expensed.

Tax on property and equipment capitalized as part of the acquisition cost of properties amounted to ¥180,676 (US\$1,142) thousand for the six months ended December 31, 2024.

(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

Hedging instruments : Forward exchange contracts Hedged items : Future transactions denominated in a foreign currency

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. 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 ¥158.18 = US\$1, the effective rate of exchange prevailing at December 31, 2024. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended December 31, 2024 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.

4. Allowance for temporary differences adjustment

For the six months ended June 30, 2024

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, 2024

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)	

(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	\$ (830)	\$ (38)	-	-	\$ (38)	-
Total		\$ (830)	\$ (38)	-	-	\$ (38)	

(b). Method of reversal

(i) Leasehold rights in trust

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

5. Advanced depreciation

Advanced depreciation amount for property, plant and equipment acquired by government subsidies, etc are as follows.

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Buildings and accompanying facilities in trust	¥ 24,991	¥ -	\$ -

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, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash and bank deposits	¥ 30,213,929	¥ 31,964,082	\$ 202,074
Cash and bank deposits in trust	¥ 12,346,894	¥ 13,319,608	\$ 84,205
Cash and cash equivalents	¥ 42,560,824	¥ 45,283,691	\$ 286,279

7. Property and Equipment

The following tables show the summary of movement in property and equipment For the six months ended December 31, 2024.

	At cost								
	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment		
	(in thousands of yen)								
Buildings	¥ 19,487,456	¥ 47,984	¥ -	¥ 19,535,441	¥ 2,465,825	¥ 219,565	¥ 17,069,615		
Buildings and accompanying facilities	5,311,876	52,574	-	5,364,450	1,721,222	153,967	3,643,227		
Structures	1,458	13,735	-	15,194	493	211	14,700		
Tools, furniture and fixtures	1,495,664	328,809	122	1,824,351	736,959	114,693	1,087,392		
Leasehold rights	10,637,811	-	-	10,637,811	-	-	10,637,811		
Construction in progress	1,055,651	1,502,502	24,080	2,534,073	-	-	2,534,073		
Buildings in trust	184,336,400	32,336,980	-	216,673,380	36,957,039	3,027,590	179,716,341		

Buildings and accompanying facilities in trust	42,057,231	3,160,019	34,650	45,182,601	16,674,488	1,154,092	28,508,113
Structures in trust	302,742	47,177	-	349,920	137,792	8,600	212,128
Tools, furniture and fixtures in trust	4,049,883	885,558	-	4,935,442	2,682,195	268,285	2,253,247
Land in trust	264,666,397	58,211,329	-	322,877,727	-	-	322,877,727
Leasehold rights in trust	17,989,557	12,444,949	-	30,434,507	670,994	39,237	29,763,513
Construction in progress in trust	240,499	332,370	189,677	383,192	-	-	383,192
Total	¥ 551,632,633	¥ 109,363,992	¥ 248,530	¥ 660,748,095	¥ 62,047,010	¥ 4,986,245	¥ 598,701,084

	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	\$ 123,197	\$ 303	\$ -	\$ 123,501	\$ 15,588	\$ 1,388	\$ 107,912
Buildings and accompanying facilities	33,581	332	-	33,913	10,881	973	23,032
Structures	9	86	-	96	3	1	92
Tools, furniture and fixtures	9,455	2,078	-	11,533	4,658	725	6,874
Leasehold rights	67,251	-	-	67,251	-	-	67,251
Construction in progress	6,673	9,498	152	16,020	-	-	16,020
Buildings in trust	1,165,358	204,431	-	1,369,789	233,639	19,140	1,136,150
Buildings and accompanying facilities in trust	265,882	19,977	219	285,640	105,414	7,296	180,225
Structures in trust	1,913	298	-	2,212	871	54	1,341
Tools, furniture and fixtures in trust	25,603	5,598	-	31,201	16,956	1,696	14,244
Land in trust	1,673,197	368,006	-	2,041,204	-	-	2,041,204
Leasehold rights in trust	113,728	78,675	-	192,404	4,241	248	188,162
Construction in progress in trust	1,520	2,101	1,199	2,422	-	-	2,422
Total	\$ 3,487,372	\$ 691,389	\$ 1,571	\$ 4,177,191	\$ 392,255	\$ 31,522	\$ 3,784,935

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, 2024 and December 31, 2024.

Residential

	As of / For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 34,086,080	¥ 33,897,885	\$ 214,299
Net increase (decrease) during period	(188,194)	(220,507)	(1,394)
Balance at the end of period	33,897,885	33,677,378	212,905
Fair value	¥ 48,546,000	¥ 49,089,000	\$ 310,336

Retail facilities

	As of / For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 1,592,723	¥ 1,575,668	\$ 9,961
Net increase (decrease) during period	(17,055)	(17,055)	(107)
Balance at the end of period	1,575,668	1,558,613	9,853
Fair value	¥ 2,380,000	¥ 2,380,000	\$ 15,046

Hotel

As of / For the six months ended		
June 30, 2024	December 31, 2024	December 31, 2024

	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 460,103,406	¥ 457,767,512	\$ 2,893,965
Net increase (decrease) during period	(2,335,894)	102,780,314	649,768
Balance at the end of period	457,767,512	560,547,827	3,543,733
Fair value	¥ 606,976,797	¥ 716,023,756	\$ 4,526,638

Total

	As of / For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 495,782,211	¥ 493,241,067	\$ 3,118,226
Net increase (decrease) during period	(2,541,143)	102,542,751	648,266
Balance at the end of period	493,241,067	595,783,818	3,766,492
Fair value	¥ 657,902,797	¥ 767,492,756	\$ 4,852,021

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, 2024 and December 31, 2024, 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, 2024.

For the six months ended December 31, 2024

	Beginning balance	Ending balance	Beginning balance	Ending balance	Interest rate (%)
	(in thousands of yen)		(in thousands of U.S. dollars)		
2nd unsecured investment corporation bond (Issued on May 25, 2018 and due on May 25, 2028) (1)(3)	1,000,000	1,000,000	6,321	6,321	0.800
4th unsecured investment corporation bond (Issued on October 28, 2019 and due on October 28, 2024) (1)(5)	1,000,000	-	6,321	-	0.480
5th unsecured investment corporation bond (Issued on October 28, 2019 and due on October 26, 2029) (1)(5)	2,000,000	2,000,000	12,643	12,643	0.900
6th unsecured investment corporation bond (Issued on March 13, 2020 and due on March 13, 2030) (1)(4)	1,200,000	1,200,000	7,586	7,586	0.850
7th unsecured investment corporation bond (Issued on May 25, 2023 and due on May 25, 2026) (1)(6)	5,000,000	5,000,000	31,609	31,609	1.000
8th unsecured investment corporation bond (Issued on May 25, 2023 and due on May 25, 2028) (1)(6)	1,200,000	1,200,000	7,586	7,586	1.200
9th unsecured investment corporation bond (Issued on September 21, 2023 and due on September 21, 2028) (1)(6)	1,700,000	1,700,000	10,747	10,747	1.200
10th unsecured investment corporation bond (Issued on December 14, 2023 and due on December 14, 2028) (1)(6)	1,800,000	1,800,000	11,379	11,379	1.297

11th unsecured investment corporation bond (Issued on February 9, 2024 and due on February 9, 2029) (2)(6)	6,000,000	6,000,000	37,931	37,931	1.470
12th unsecured investment corporation bond (Issued on September 12, 2024 and due on September 12, 2029) (2)(6)	-	4,200,000	-	26,552	1.300
Total investment corporation bonds	20,900,000	24,100,000	132,127	152,358	

Notes:

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

	As of	
	December 31, 2024	December 31, 2024
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year.....	¥ -	\$ -
1-2 years.....	5,000,000	31,609
2-3 years.....	-	-
3-4 years.....	5,700,000	36,034
4-5 years.....	12,200,000	77,127

10. Loans Payable

The following table shows the details of loans payable For the six months ended December 31, 2024

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)							
Short-term loans payable	SBI Shinsei Bank, Limited	5,513,000	-	5,513,000	-	34,852	-	34,852	-	0.395	16-Jul-24	(2)	Unsecured and unguaranteed
	Resona Bank, Limited.	1,335,000	-	1,335,000	-	8,439	-	8,439	-	0.395	16-Jul-24		
	Resona Bank, Limited.	1,665,000	-	1,665,000	-	10,525	-	10,525	-	0.395	16-Jul-24		
	The Bank of Fukuoka, Ltd.	300,000	-	300,000	-	1,896	-	1,896	-	0.395	16-Jul-24		
	Mizuho Bank, Ltd.	-	1,500,000	1,500,000	-	-	9,482	9,482	-	0.606	31-Jul-25 (3)		
	Mizuho Bank, Ltd.	-	1,075,000	-	1,075,000	-	6,796	-	6,796	0.606	31-Jul-25		
	MUFG Bank, Ltd.	-	826,000	-	826,000	-	5,221	-	5,221	0.606	31-Jul-25		
	Sumitomo Mitsui Banking Corporation	-	813,000	-	813,000	-	5,139	-	5,139	0.606	31-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	-	711,000	-	711,000	-	4,494	-	4,494	0.606	31-Jul-25		
	Total short-term loans payable	8,813,000	4,925,000	10,313,000	3,425,000	55,715	31,135	65,197	21,652				
Long-term loans payable	Mizuho Bank, Ltd.	1,250,000	-	1,250,000	-	7,902	-	7,902	-	1.152	11-Oct-24	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,060,000	-	1,060,000	-	6,701	-	6,701	-	1.152	11-Oct-24		
	Sumitomo Mitsui Banking Corporation	1,250,000	-	1,250,000	-	7,902	-	7,902	-	1.152	11-Oct-24		
	Kiraboshi Bank, Ltd.	961,000	-	-	961,000	6,075	-	-	6,075	1.206	29-Mar-29		
	Mizuho Bank, Ltd.	1,171,400	-	1,171,400	-	7,405	-	7,405	-	0.563	16-Jul-24		
	MUFG Bank, Ltd.	1,464,800	-	1,464,800	-	9,260	-	9,260	-	0.563	16-Jul-24		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	1,331,200	-	8,415	-	8,415	-	0.563	16-Jul-24		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	628,600	-	3,973	-	3,973	-	0.563	16-Jul-24		
	Citibank, N.A., Tokyo Branch	1,000,000	-	1,000,000	-	6,321	-	6,321	-	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	SBI Shinsei Bank, Limited	200,000	-	200,000	-	1,264	-	1,264	-	0.563	16-Jul-24	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	2,171,400	-	-	2,171,400	13,727	-	-	13,727	0.956	16-Jan-25		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	9,260	-	-	9,260	0.956	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	8,415	-	-	8,415	0.956	16-Jan-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	3,973	-	-	3,973	0.956	16-Jan-25		
	SBI Shinsei Bank, Limited	200,000	-	-	200,000	1,264	-	-	1,264	0.956	16-Jan-25		
	Mizuho Bank, Ltd.	2,170,400	-	-	2,170,400	13,721	-	-	13,721	1.106	16-Jul-25		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	9,260	-	-	9,260	1.106	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	8,415	-	-	8,415	1.106	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	3,973	-	-	3,973	1.106	16-Jul-25		
	SBI Shinsei Bank, Limited	200,000	-	-	200,000	1,264	-	-	1,264	1.106	16-Jul-25		
	Mizuho Bank, Ltd.	712,000	-	712,000	-	4,501	-	4,501	-	0.580	16-Jul-24		
	MUFG Bank, Ltd.	986,000	-	986,000	-	6,233	-	6,233	-	0.580	16-Jul-24		
	Sumitomo Mitsui Banking Corporation	986,000	-	986,000	-	6,233	-	6,233	-	0.580	16-Jul-24		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	684,000	-	4,324	-	4,324	-	0.580	16-Jul-24		
	Citibank, N.A., Tokyo Branch	500,000	-	500,000	-	3,160	-	3,160	-	0.580	16-Jul-24		
	Developme nt Bank of Japan Inc.	300,000	-	300,000	-	1,896	-	1,896	-	0.580	16-Jul-24		
	AEON Bank, Ltd.	300,000	-	300,000	-	1,896	-	1,896	-	0.580	16-Jul-24		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	100,000	-	632	-	632	-	0.580	16-Jul-24		
	Aozora Bank, Ltd.	375,000	-	375,000	-	2,370	-	2,370	-	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	7,662	-	-	7,662	0.956	16-Jan-25	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	986,000	-	-	986,000	6,233	-	-	6,233	0.956	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	6,233	-	-	6,233	0.956	16-Jan-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	4,324	-	-	4,324	0.956	16-Jan-25		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	1,896	-	-	1,896	0.956	16-Jan-25		
	AEON Bank, Ltd.	300,000	-	-	300,000	1,896	-	-	1,896	0.956	16-Jan-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	632	-	-	632	0.956	16-Jan-25		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,370	-	-	2,370	0.956	16-Jan-25		
	Mizuho Bank, Ltd.	1,211,000	-	-	1,211,000	7,655	-	-	7,655	1.106	16-Jul-25		
	MUFG Bank, Ltd.	986,000	-	-	986,000	6,233	-	-	6,233	1.106	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	6,233	-	-	6,233	1.106	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	4,324	-	-	4,324	1.106	16-Jul-25		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	1,896	-	-	1,896	1.106	16-Jul-25		
	AEON Bank, Ltd.	300,000	-	-	300,000	1,896	-	-	1,896	1.106	16-Jul-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	632	-	-	632	1.106	16-Jul-25		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,370	-	-	2,370	1.106	16-Jul-25		
	The Tokyo Star Bank, Limited	700,000	-	-	700,000	4,425	-	-	4,425	1.106	16-Jul-25		
	San ju San Bank, Ltd.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	0.956	15-Apr-25		
	THE NISHI-NI PPON CITY BANK, LTD.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	1.106	15-Oct-25		
	Sumitomo Mitsui Trust Bank, Limited	3,050,000	-	-	3,050,000	19,281	-	-	19,281	0.643	06-Jan-25		

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	Momiji Bank,Ltd.	961,000	-	-	961,000	6,075	-	-	6,075	0.643	06-Jan-25	(2)	Unsecured and unguarante ed
	The Kiyo Bank, Ltd.	480,000	-	-	480,000	3,034	-	-	3,034	0.643	06-Jan-25		
	Mizuho Bank, Ltd.	634,000	-	-	634,000	4,008	-	-	4,008	0.487	16-Mar-25		
	Resona Bank, Limited.	300,000	-	-	300,000	1,896	-	-	1,896	0.487	16-Mar-25		
	Developme nt Bank of Japan Inc.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	0.487	16-Mar-25		
	The Bank of Fukuoka, Ltd.	333,000	-	-	333,000	2,105	-	-	2,105	0.487	16-Mar-25		
	The Nomura Trust and Banking Co., Ltd.	333,000	-	-	333,000	2,105	-	-	2,105	0.487	16-Mar-25		
	The Shizuoka Bank, Ltd.	200,000	-	-	200,000	1,264	-	-	1,264	0.487	16-Mar-25		
	The Yamaguchi Bank, Ltd.	411,000	-	-	411,000	2,598	-	-	2,598	0.487	16-Mar-25		
	Mizuho Bank, Ltd.	582,000	-	-	582,000	3,679	-	-	3,679	0.906	16-Mar-25		
	MUFG Bank, Ltd.	628,000	-	-	628,000	3,970	-	-	3,970	0.906	16-Mar-25		
	Sumitomo Mitsui Trust Bank, Limited	1,090,000	-	-	1,090,000	6,890	-	-	6,890	0.906	16-Mar-25		
	SBI Shinsei Bank, Limited	570,000	-	-	570,000	3,603	-	-	3,603	0.906	16-Mar-25		
	Resona Bank, Limited.	500,000	-	-	500,000	3,160	-	-	3,160	0.906	16-Mar-25		
	The Nomura Trust and Banking Co., Ltd.	270,000	-	-	270,000	1,706	-	-	1,706	0.906	16-Mar-25		
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	0.906	16-Mar-25		
	The Shizuoka Bank, Ltd.	270,000	-	-	270,000	1,706	-	-	1,706	0.906	16-Mar-25		
	The Kagawa Bank, Ltd.	500,000	-	-	500,000	3,160	-	-	3,160	0.906	16-Mar-25		
	The Yamaguchi Bank, Ltd.	550,000	-	-	550,000	3,477	-	-	3,477	0.906	16-Mar-25		
	The Chukyo Bank, Ltd.	961,000	-	-	961,000	6,075	-	-	6,075	0.906	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	The Tokyo Star Bank, Limited	1,582,000	-	1,582,000	-	10,001	-	10,001	-	0.545	20-Jul-24	(2)	Unsecured and unguaranteed
	The Tokyo Star Bank, Limited	600,000	-	-	600,000	3,793	-	-	3,793	0.756	20-Jul-25		
	The Tokyo Star Bank, Limited	1,190,000	-	-	1,190,000	7,523	-	-	7,523	0.906	13-Oct-27		
	Mizuho Bank, Ltd.	3,001,500	-	-	3,001,500	18,975	-	-	18,975	0.712	14-Mar-26		
	MUFG Bank, Ltd.	1,326,000	-	-	1,326,000	8,382	-	-	8,382	0.712	14-Mar-26		
	Sumitomo Mitsui Trust Bank, Limited	2,293,500	-	-	2,293,500	14,499	-	-	14,499	0.712	14-Mar-26		
	Development Bank of Japan Inc.	900,000	-	-	900,000	5,689	-	-	5,689	0.712	14-Mar-26		
	MUFG Bank, Ltd.	765,000	-	-	765,000	4,836	-	-	4,836	0.707	14-Mar-26		
	The Chiba Bank, Ltd.	981,000	-	-	981,000	6,201	-	-	6,201	0.707	14-Mar-26		
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	0.905	19-Jun-26		
	MUFG Bank, Ltd.	500,000	-	-	500,000	3,160	-	-	3,160	0.905	27-Jun-26		
	SBI Shinsei Bank, Limited	1,110,000	-	1,110,000	-	7,017	-	7,017	-	0.395	16-Jul-24		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,719	-	-	7,719	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,017	-	-	7,017	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,312	-	-	6,312	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	2,813	-	-	2,813	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	36,803	-	-	36,803	0.696	16-Jul-26		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	36,562	-	-	36,562	0.696	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	29,090	-	-	29,090	0.696	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	14,066	-	-	14,066	0.696	16-Jul-26		

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	Developme nt Bank of Japan Inc.	333,000	-	-	333,000	2,105	-	-	2,105	0.696	16-Jul-26	(2)	Unsecured and unguarante ed
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	591	-	-	591	0.696	16-Jul-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,719	-	-	7,719	1.395	14-Jul-28		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,017	-	-	7,017	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,312	-	-	6,312	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	2,813	-	-	2,813	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	36,803	-	-	36,803	1.395	14-Jul-28		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	36,562	-	-	36,562	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	29,090	-	-	29,090	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	14,066	-	-	14,066	1.395	14-Jul-28		
	Developme nt Bank of Japan Inc.	333,000	-	-	333,000	2,105	-	-	2,105	1.395	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	591	-	-	591	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	296,800	-	-	296,800	1,876	-	-	1,876	0.706	16-Jul-26		
	MUFG Bank, Ltd.	227,700	-	-	227,700	1,439	-	-	1,439	0.706	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	224,100	-	-	224,100	1,416	-	-	1,416	0.706	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	203,000	-	-	203,000	1,283	-	-	1,283	0.706	16-Jul-26		
	Mizuho Bank, Ltd.	1,519,600	-	-	1,519,600	9,606	-	-	9,606	0.706	16-Jul-26		
	MUFG Bank, Ltd.	1,165,900	-	-	1,165,900	7,370	-	-	7,370	0.706	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,147,300	-	-	1,147,300	7,253	-	-	7,253	0.706	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,039,500	-	-	1,039,500	6,571	-	-	6,571	0.706	16-Jul-26		

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	Developme nt Bank of Japan Inc.	296,100	-	-	296,100	1,871	-	-	1,871	0.706	16-Jul-26	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	2,454,000	-	-	2,454,000	15,513	-	-	15,513	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,784,600	-	-	1,784,600	11,282	-	-	11,282	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,784,600	-	-	1,784,600	11,282	-	-	11,282	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,586,300	-	-	1,586,300	10,028	-	-	10,028	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	793,100	-	-	793,100	5,013	-	-	5,013	0.691	16-Jul-26		
	Aozora Bank, Ltd.	793,100	-	-	793,100	5,013	-	-	5,013	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	3,681,000	-	-	3,681,000	23,270	-	-	23,270	1.069	14-Jul-28		
	MUFG Bank, Ltd.	2,677,000	-	-	2,677,000	16,923	-	-	16,923	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,677,000	-	-	2,677,000	16,923	-	-	16,923	1.069	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,379,500	-	-	2,379,500	15,042	-	-	15,042	1.069	14-Jul-28		
	Developme nt Bank of Japan Inc.	2,974,400	-	-	2,974,400	18,803	-	-	18,803	1.069	14-Jul-28		
	The Tokyo Star Bank, Limited	1,189,700	-	-	1,189,700	7,521	-	-	7,521	1.069	14-Jul-28		
	Aozora Bank, Ltd.	1,189,700	-	-	1,189,700	7,521	-	-	7,521	1.069	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	806,000	-	-	806,000	5,095	-	-	5,095	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	18,965	-	-	18,965	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	6,947,000	-	-	6,947,000	43,918	-	-	43,918	0.894	16-Jul-27		
	MUFG Bank, Ltd.	5,133,100	-	-	5,133,100	32,451	-	-	32,451	0.894	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	6,717,200	-	-	6,717,200	42,465	-	-	42,465	0.894	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	2,679,950	-	-	2,679,950	16,942	-	-	16,942	0.894	16-Jul-27		

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Aevenge interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Developme nt Bank of Japan Inc.	2,100,000	-	-	2,100,000	13,276	-	-	13,276	0.894	16-Jul-27	(2)	Unsecured and unguarante ed
	The Nomura Trust and Banking Co., Ltd.	756,000	-	-	756,000	4,779	-	-	4,779	0.894	16-Jul-27		
	Mizuho Bank, Ltd.	875,000	-	-	875,000	5,531	-	-	5,531	0.879	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	875,000	-	-	875,000	5,531	-	-	5,531	0.879	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	745,500	-	-	745,500	4,712	-	-	4,712	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	2,977,500	-	-	2,977,500	18,823	-	-	18,823	1.327	16-Jul-28		
	MUFG Bank, Ltd.	2,199,900	-	-	2,199,900	13,907	-	-	13,907	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,878,800	-	-	2,878,800	18,199	-	-	18,199	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	1,148,550	-	-	1,148,550	7,261	-	-	7,261	1.327	16-Jul-28		
	Developme nt Bank of Japan Inc.	900,000	-	-	900,000	5,689	-	-	5,689	1.327	16-Jul-28		
	Mizuho Bank, Ltd.	375,000	-	-	375,000	2,370	-	-	2,370	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	375,000	-	-	375,000	2,370	-	-	2,370	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	319,500	-	-	319,500	2,019	-	-	2,019	1.327	16-Jul-28		
	SBI Shirosei Bank, Limited	3,197,000	-	-	3,197,000	20,211	-	-	20,211	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	1,900,000	-	-	1,900,000	12,011	-	-	12,011	1.054	14-Jul-28		
	Mizuho Bank, Ltd.	4,321,000	-	-	4,321,000	27,316	-	-	27,316	1.205	29-Nov-29		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	10,259	-	-	10,259	1.265	14-Mar-28		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,643	-	-	8,643	1.265	14-Mar-28		
Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,172	-	-	8,172	1.265	14-Mar-28			
Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,628	-	-	4,628	1.265	14-Mar-28			

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	Aozora Bank, Ltd.	237,000	-	-	237,000	1,498	-	-	1,498	1.265	14-Mar-28	(2)	Unsecured and unguarante ed
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	354	-	-	354	1.265	14-Mar-28		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,373	-	-	5,373	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	26,393	-	-	26,393	1.265	14-Mar-28		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	10,259	-	-	10,259	1.359	14-Mar-29		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,643	-	-	8,643	1.359	14-Mar-29		
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,172	-	-	8,172	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,628	-	-	4,628	1.359	14-Mar-29		
	Developme nt Bank of Japan Inc.	335,000	-	-	335,000	2,117	-	-	2,117	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	354	-	-	354	1.359	14-Mar-29		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,373	-	-	5,373	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	26,393	-	-	26,393	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	2,576,000	-	-	2,576,000	16,285	-	-	16,285	1.205	14-Mar-30		
	MUFG Bank, Ltd.	2,168,000	-	-	2,168,000	13,705	-	-	13,705	1.205	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	2,050,000	-	-	2,050,000	12,959	-	-	12,959	1.205	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	1,161,000	-	-	1,161,000	7,339	-	-	7,339	1.205	14-Mar-30		
	Developme nt Bank of Japan Inc.	265,000	-	-	265,000	1,675	-	-	1,675	1.205	14-Mar-30		
	San ju San Bank, Ltd.	662,000	-	-	662,000	4,185	-	-	4,185	1.205	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	88,000	-	-	88,000	556	-	-	556	1.205	14-Mar-30		
	Resona Bank, Limited.	1,200,000	-	-	1,200,000	7,586	-	-	7,586	0.606	16-Mar-25		

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	SBI Shinsei Bank, Limited	369,000	-	-	369,000	2,332	-	-	2,332	1.052	14-Mar-27	(2)	Unsecured and unguarante ed
	The Tokyo Star Bank, Limited	2,440,000	-	-	2,440,000	15,425	-	-	15,425	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	333,000	-	-	333,000	2,105	-	-	2,105	1.205	14-Mar-30		
	MUFG Bank, Ltd.	233,000	-	-	233,000	1,473	-	-	1,473	1.205	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	363,000	-	-	363,000	2,294	-	-	2,294	1.205	14-Mar-30		
	Developme nt Bank of Japan Inc.	100,000	-	-	100,000	632	-	-	632	1.205	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,212	-	-	2,212	1.359	14-Mar-29		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,160	-	-	3,160	1.359	14-Mar-29		
	The Tochi Bank, Ltd.	901,000	-	-	901,000	5,696	-	-	5,696	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,212	-	-	2,212	1.212	14-Mar-28		
	SBI Shinsei Bank, Limited	281,000	-	-	281,000	1,776	-	-	1,776	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	1,000,000	-	-	1,000,000	6,321	-	-	6,321	1.052	14-Mar-27		
	The Bank of Fukuoka, Ltd.	465,000	-	-	465,000	2,939	-	-	2,939	1.052	14-Mar-27		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,160	-	-	3,160	1.052	14-Mar-27		
	THE NISHI-NI PPON CITY BANK, LTD.	500,000	-	-	500,000	3,160	-	-	3,160	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	845,000	-	-	845,000	5,342	-	-	5,342	0.805	14-Mar-26		
	The Bank of Fukuoka, Ltd.	393,000	-	-	393,000	2,484	-	-	2,484	0.805	14-Mar-26		
	San ju San Bank, Ltd.	1,700,000	-	-	1,700,000	10,747	-	-	10,747	1.205	14-Mar-30		
	SBI Shinsei Bank, Limited	1,000,000	-	-	1,000,000	6,321	-	-	6,321	1.375	16-Jul-29		
	Mizuho Bank, Ltd.	-	1,131,000	-	1,131,000	-	7,150	-	7,150	1.305	16-Jul-31		

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	MUFG Bank, Ltd.	-	1,470,000	-	1,470,000	-	9,293	-	9,293	1.305	16-Jul-31	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Banking Corporation	-	1,390,000	-	1,390,000	-	8,787	-	8,787	1.305	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	-	788,000	-	788,000	-	4,981	-	4,981	1.305	16-Jul-31		
	Developme nt Bank of Japan Inc.	-	300,000	-	300,000	-	1,896	-	1,896	1.305	16-Jul-31		
	Mizuho Bank, Ltd.	-	377,000	-	377,000	-	2,383	-	2,383	1.205	16-Jul-30		
	SBI Shinsei Bank, Limited	-	823,000	-	823,000	-	5,202	-	5,202	1.205	16-Jul-30		
	MUFG Bank, Ltd.	-	490,000	-	490,000	-	3,097	-	3,097	1.205	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	-	463,000	-	463,000	-	2,927	-	2,927	1.205	16-Jul-30		
	Aozora Bank, Ltd.	-	375,000	-	375,000	-	2,370	-	2,370	1.205	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	-	263,000	-	263,000	-	1,662	-	1,662	1.205	16-Jul-30		
	Mizuho Bank, Ltd.	-	375,400	-	375,400	-	2,373	-	2,373	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	-	3,000,000	-	3,000,000	-	18,965	-	18,965	1.375	16-Jul-29		
	MUFG Bank, Ltd.	-	490,800	-	490,800	-	3,102	-	3,102	1.375	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	-	464,200	-	464,200	-	2,934	-	2,934	1.375	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	-	261,600	-	261,600	-	1,653	-	1,653	1.375	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	-	100,000	-	100,000	-	632	-	632	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	-	3,000,000	-	3,000,000	-	18,965	-	18,965	1.230	14-Jul-28		
	The Bank of Fukuoka, Ltd.	-	300,000	-	300,000	-	1,896	-	1,896	1.230	14-Jul-28		
	Mizuho Bank, Ltd.	-	5,900,000	-	5,900,000	-	37,299	-	37,299	1.305	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	-	5,400,000	-	5,400,000	-	34,138	-	34,138	1.305	16-Jul-31		

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	MUFG Bank, Ltd.	-	5,067,000	-	5,067,000	-	32,033	-	32,033	1.305	16-Jul-31	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Trust Bank, Limited	-	2,700,000	-	2,700,000	-	17,069	-	17,069	1.305	16-Jul-31		
	Develope nt Bank of Japan Inc.	-	1,500,000	-	1,500,000	-	9,482	-	9,482	1.305	16-Jul-31		
	The Yamaguchi Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,321	-	6,321	1.305	16-Jul-31		
	The Tochigi Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,321	-	6,321	1.305	16-Jul-31		
	The Kagawa Bank, Ltd.	-	500,000	-	500,000	-	3,160	-	3,160	1.305	16-Jul-31		
	Mizuho Bank, Ltd.	-	5,866,000	-	5,866,000	-	37,084	-	37,084	1.205	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	-	5,400,000	-	5,400,000	-	34,138	-	34,138	1.205	16-Jul-30		
	MUFG Bank, Ltd.	-	3,567,000	-	3,567,000	-	22,550	-	22,550	1.205	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	-	2,700,000	-	2,700,000	-	17,069	-	17,069	1.205	16-Jul-30		
	Develope nt Bank of Japan Inc.	-	1,500,000	-	1,500,000	-	9,482	-	9,482	1.205	16-Jul-30		
	San ju San Bank, Ltd.	-	700,000	-	700,000	-	4,425	-	4,425	1.205	16-Jul-30		
	The Chiba Bank, Ltd.	-	500,000	-	500,000	-	3,160	-	3,160	1.205	16-Jul-30		
	The Kiyo Bank, Ltd.	-	500,000	-	500,000	-	3,160	-	3,160	1.205	16-Jul-30		
	Suruga Bank Ltd.	-	2,000,000	-	2,000,000	-	12,643	-	12,643	1.375	16-Jul-29		
	The Bank of Fukuoka, Ltd.	-	1,000,000	-	1,000,000	-	6,321	-	6,321	1.375	16-Jul-29		
	The Chukyo Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,321	-	6,321	1.375	16-Jul-29		
	The San-in Godo Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,321	-	6,321	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	-	500,000	-	500,000	-	3,160	-	3,160	1.375	16-Jul-29		
	The Chiba Bank, Ltd.	-	500,000	-	500,000	-	3,160	-	3,160	1.375	16-Jul-29		

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	The Kiyo Bank, Ltd.	-	500,000	-	500,000	-	3,160	-	3,160	1.375	16-Jul-29	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	-	1,500,000	-	1,500,000	-	9,482	-	9,482	1.598	16-Jul-30		
	Mizuho Bank, Ltd.	-	1,250,000	-	1,250,000	-	7,902	-	7,902	1.056	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	-	1,250,000	-	1,250,000	-	7,902	-	7,902	1.056	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	-	1,060,000	-	1,060,000	-	6,701	-	6,701	1.056	14-Mar-31		
	Total long-term loans payable	241,441,000	71,222,000	16,991,000	295,672,000	1,526,368	450,259	107,415	1,869,212				
Total loans payable		250,254,000	76,147,000	27,304,000	299,097,000	1,582,083	481,394	172,613	1,890,864				

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) Due to the issuance of investment corporation bonds, The principal was repaid on September 12, 2024
- (4) Long-term loans payable include current portion.
- (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, 2024	December 31, 2024
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥ 40,599,000	\$ 256,663
1-2 years	53,150,200	336,010
2-3 years	34,133,750	215,790
3-4 years	67,264,050	425,237
4-5 years	32,096,000	202,908

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\$316 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, 2024 and 20,000,000 units as of December 31, 2024.

The number of investment units issued and outstanding were 6,737,121 units and 7,644,064 units as of June 30, 2024 and December 31, 2024, 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, 2024 and December 31, 2024.

	For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Unappropriated retained earnings.....	¥ 21,542,214	¥ 23,765,358	\$ 150,242
Distributions	(12,915,060)	(15,155,269)	(95,810)
Retained earnings / losses carried forward.....	¥ 8,627,153	¥ 8,610,089	\$ 54,432

The distribution in respect of the six months ended December 31, 2024 of ¥1,982 (US\$12.5) per investment unit, amounting to a total distribution of ¥15,155,269thousand (US\$95,810thousand) was proposed and approved at the Board of Directors meeting on February 26, 2025. These financial statements do not reflect these distributions payable.

Cash distributions per investment unit were ¥1,917 and ¥1,982 (US\$12.5) For the six months ended June 30, 2024 and December 31, 2024, respectively.

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

For the six months ended June 30, 2024

Not Applicable

For the six months ended December 31, 2024

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 s six months ended June 30, 2024 and December 31, 2024. consist of the following:

	For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Rental revenue – real estate:			
Rental revenue and common area charges (*).....	¥ 14,560,812	¥ 22,622,304	\$ 143,016
Other	372,220	582,722	3,683
Total rental revenue – real estate	¥ 14,933,032	¥ 23,205,026	\$ 146,700
Expenses related to property rental business:			
Facility management fees	¥ 435,871	¥ 816,183	\$ 5,159
Property related taxes	623,898	830,226	5,248
Insurance expense	24,541	31,466	198
Depreciation	3,889,859	4,529,111	28,632
Other	132,870	118,307	747
Total expenses related to property rental business	¥ 5,107,042	¥ 6,325,294	\$ 39,987
Operating income from property leasing activities.....	¥ 9,825,990	¥ 16,879,731	\$ 106,712
(*)Variable rental revenue of hotels	¥ 7,074,645	¥ 12,525,783	\$ 79,186

14. Management Contract Revenue

	For the six months ended		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Management contract revenue:			
Hotel management revenue.....	¥ 10,383,590	¥ 5,545,434	\$ 35,057

Hotel management expenses	5,609,317	3,888,014	24,579
Management contract revenue	¥ 4,774,272	¥ 1,657,420	\$ 10,478
Insurance expense	213,122	220,994	1,397
Depreciation	451,610	461,503	2,917
Other	71,600	86,155	544
Total management contract expenses	¥ 736,333	¥ 768,653	\$ 4,859
Operating income (loss) from management contract	¥ 4,037,939	¥ 888,767	\$ 5,618

15. 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, 2024	December 31, 2024
	(Rate)	
Statutory tax rates	31.46 %	31.46 %
Deductible cash distributions	(31.44)	(31.49)
Increase (decrease) in valuation allowance	(0.02)	0.61
Other	0.00	(0.57)
Effective tax rates	0.00 %	0.00 %

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

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Deferred tax assets:			
Enterprise tax payable	¥ 615	¥ 615	\$ 3
Buildings and other (merger)	178,783	175,672	1,110
Land (merger)	116,724	116,724	737
Net loss carried forward(*1)	1,277,967	1,271,430	8,037
Asset retirement obligations	124,420	212,417	1,342
Fixed-term leasehold	198,750	211,094	1,334
Adjustment of acquisition price (Overseas properties)	437,750	433,810	2,742
Excess depreciation	3,496	3,490	22
Deposits received	1,753	6,806	43
Subtotal - deferred tax assets	2,340,262	2,432,063	15,375
Valuation allowance for tax loss carried forward	(1,277,967)	(1,271,430)	(8,037)
Valuation allowance for the sum of deductible temporary differences	(1,062,295)	(1,160,633)	(7,337)
Subtotal - valuation allowance	(2,340,262)	(2,432,063)	(15,375)
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, 2024

Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
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	(in thousands of yen)						
Tax loss carried forward (a)	-	-	-	-	-	1,277,967	1,277,967
Valuation allowance	-	-	-	-	-	(1,277,967)	(1,277,967)
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, 2024

	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)	-	-	-	-	-	1,271,430	1,271,430
Valuation allowance	-	-	-	-	-	(1,271,430)	(1,271,430)
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)	-	-	-	-	-	8,037	8,037
Valuation allowance	-	-	-	-	-	(8,037)	(8,037)
Deferred tax assets	-	-	-	-	-	-	-

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

16. Leases

(a) Lease rental revenues

The future minimum rental revenues pursuant to existing rental contracts as of June 30, 2024 and December 31, 2024 scheduled to be received are summarized as follows:

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 12,817,922	¥ 14,911,689	\$ 94,270
Due over one year	37,036,319	56,187,554	355,212
Total	¥ 49,854,242	¥ 71,099,244	\$ 449,483

(b) Lease rental expenses

The future minimum rental expenses pursuant to existing rental contracts as of June 30, 2024 and December 31, 2024 scheduled to be paid are summarized as follows:

	As of		
	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 353,638	¥ 392,195	\$ 2,479
Due over one year	8,239,457	8,849,950	55,948
Total	¥ 8,593,095	¥ 9,242,145	\$ 58,428

17. 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, 2024 and December 31, 2024. 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, 2024			December 31, 2024			December 31, 2024		
	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	¥ 24,420,215	¥ 6,563,828	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	\$ 112,886	\$ 190,716	\$ 77,830
Total assets	¥ 17,856,387	¥ 24,420,215	¥ 6,563,828	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	\$ 112,886	\$ 190,716	\$ 77,830
Liabilities:									
(2) Current portion of investment corporation bonds ..	1,000,000	997,500	(2,500)	-	-	-	-	-	-
(3) Current portion of long-term loans payable	44,553,000	44,553,000	-	40,599,000	40,599,000	-	256,663	256,663	-
(4) Investment corporation bonds	19,900,000	19,415,660	(484,340)	24,100,000	23,594,450	(505,550)	152,358	149,162	(3,196)
(5) Long-term loans payable.....	196,888,000	196,888,000	-	255,073,000	255,073,000	-	1,612,548	1,612,548	-
Total liabilities	¥ 262,341,000	¥ 261,854,160	¥ (486,840)	¥ 319,772,000	¥ 319,266,450	¥ (505,550)	\$ 2,021,570	\$ 2,018,374	\$ (3,196)
(6) Derivatives	¥ (107,184)	¥ (107,184)	¥ -	¥ 538,477	¥ 538,477	¥ -	\$ 3,404	\$ 3,404	\$ -

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 “19. 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
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(in thousands of yen)						
As of June 30, 2024:						
Current portion of investment corporation bonds	1,000,000	-	-	-	-	-
Current portion of long-term loans payable ...	44,553,000	-	-	-	-	-
Investment corporation bonds	-	5,000,000	-	2,200,000	9,500,000	3,200,000
Long-term loans payable	-	25,042,000	44,260,200	41,701,750	68,864,050	17,020,000
Total	¥ 45,553,000	¥ 30,042,000	¥ 44,260,200	¥ 43,901,750	¥ 78,364,050	¥ 20,220,000

As of December 31, 2024:						
Current portion of long-term loans payable ...	40,599,000	-	-	-	-	-
Investment corporation bonds	-	5,000,000	-	5,700,000	12,200,000	1,200,000
Long-term loans payable	-	53,150,200	34,133,750	67,264,050	32,096,000	68,429,000
Total	¥ 40,599,000	¥ 58,150,200	¥ 34,133,750	¥ 72,964,050	¥ 44,296,000	¥ 69,629,000

	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, 2024:						
Current portion of long-term loans payable ...	256,663	-	-	-	-	-
Investment corporation bonds	-	31,609	-	36,034	77,127	7,586
Long-term loans payable	-	336,010	215,790	425,237	202,908	432,602
Total	\$ 256,663	\$ 367,620	\$ 215,790	\$ 461,272	\$ 280,035	\$ 440,188

18. Investment securities

	As of								
	June 30, 2024			December 31, 2024			December 31, 2024		
	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	¥ 24,420,215	¥ 6,563,828	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	\$ 112,886	\$ 190,716	\$ 77,830
Total	¥ 17,856,387	¥ 24,420,215	¥ 6,563,828	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	\$ 112,886	\$ 190,716	\$ 77,830

19. Derivatives

Information on derivative transactions undertaken by the Company as of June 30, 2024 and December 31, 2024 is as follows.

(a) Transactions for which hedge accounting is not applied

As of June 30, 2024:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		
			Total	Over 1 year	Fair Value (*1)
			(in thousands of yen)		
Principle accounting method	currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 758,400	¥ -	¥ (204,039)

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

As of December 31, 2024:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount					
			Total	Over 1 year	Fair Value (*1)	Total	Over 1 year	Fair Value (*2)
			(in thousands of yen)			(in thousands of U.S. dollars)		

Principle accounting method	currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥	989,200	¥	-	¥	(270,700)	\$	6,253	\$	-	\$	(1,711)
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(*1) Calculation of fair value is based on information provided by financial institutions.

(b) Transactions for which hedge accounting is applied

As of June 30, 2024:

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	¥ 145,001,750	¥ 126,560,750	¥ 526,904
	currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 5,243,108 (*3)	¥ 2,336,588	¥ (430,048) (*3)

(*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.

(*3) Of the total contract amount of ¥1,114,200 thousand(US\$6,917 thousand), hedge accounting has been partially applied, and a portion of the fair value loss of ¥292,119 thousand(US\$1,813 thousand) has been deferred.

As of December 31, 2024:

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	¥ 179,016,000	¥ 171,314,000	¥ 997,866	\$ 1,131,723	\$ 1,083,031	\$ 6,308
	currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 4,128,908	¥ 952,248	¥ (188,688)	\$ 26,102	\$ 6,020	\$ (1,192)

(*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.

20. Asset Retirement Obligations

The Company recognizes asset retirement obligations associated with restoration obligations upon expiration of the fixed term land lease agreements with some landowners and those associated with contractual and legal obligations for asbestos removal. The Company estimates the useful life of applicable assets as the remaining period of the fixed-term land lease agreements 43years, and uses 1.342% discount rates for the calculation of asset retirement obligations. For buildings containing asbestos, The Company estimates the useful life to be 7-37 years, and uses a 0.783 – 2.330% discount rate.

Movements of asset retirement obligations For the six months June 30, 2024 and December 31, 2024 are as follows.

For the six months ended

	June 30, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Balance at the beginning of the period	¥ 393,202	¥ 395,487	\$ 2,500
Liabilities incurred due to the acquisition of properties	-	275,342	1,740
Accretion expense	2,285	4,369	27
Balance at the end of the period	¥ 395,487	¥ 675,199	\$ 4,268

21. Revenue Recognition

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

For the six months ended June 30, 2024

	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	26,509	21,136,007
Total	26,509	21,136,007

(*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, 2024

	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	238,962	1,510	25,555,158	161,557
Total	238,962	1,510	25,555,158	161,557

(*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, 2024	December 31, 2024	December 31, 2024
	(in thousands of yen)		(in thousands of U.S. dollars)
Claims generated from contracts with customers (balance at beginning of fiscal year)	¥ 2,876	¥ 3,113	\$ 19
Claims generated from contracts with customers (balance at end of fiscal year)	3,113	42,289	267
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

22. Segment Information

Segment information For the six months ended June 30, 2024 and December 31, 2024, 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, 2024

(in thousands of yen)

Japan	Grand Cayman	Total
16,361,734	4,774,272	21,136,007

For the six months ended December 31, 2024

(in thousands of yen)

Japan	Grand Cayman	Total
23,897,738	1,657,420	25,555,158

(in thousands of U.S. dollars)

Japan	Grand Cayman	Total
151,079	10,478	161,557

(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, 2024 and December 31, 2024 were as follows:

For the six months ended June 30, 2024

Name of client	Operating Revenues (in thousands of yen)	Related segment
Mystays Hotel Management Co., Ltd.	10,584,789	Real estate investing business

For the six months ended December 31, 2024

Name of client	Operating Revenues (in thousands of yen)	Operating Revenues (in thousands of U.S. dollars)	Related segment
Mystays Hotel Management Co., Ltd.	14,428,921	91,218	Real estate investing business

23. Profit or Loss from Equity Method, etc

For the six months ended June 30, 2024

(in thousands of yen)

Investments in affiliates	17,856,387
Investments, if equity method was adopted	17,856,387
Investment gains (losses), if equity method was adopted	1,053,822

For the six months ended December 31, 2024

(in thousands of yen)

(in thousands of US dollars)

Investments in affiliates	17,856,387	112,886
Investments, if equity method was adopted	17,856,387	112,886
Investment gains (losses), if equity method was adopted	692,711	4,379

24. Related-Party Transactions

(a) Parent Company and Major Corporate Unitholders

For the six months ended June 30, 2024

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)	Balance sheet account	Amounts(1)
	(in thousands of yen)	(in thousands of yen)								
		<i>Naqua Hotel & Resorts Management Co., Ltd.(2)</i>	<i>Minato-ku, Tokyo</i>	<i>Hotel management business</i>	¥10	-	<i>Leaseholder and operator of hotel</i>	<i>Rental revenues</i>	¥614,990	<i>Rental receivables</i>
	<i>Island Co., Ltd.(2)</i>	<i>Minato-ku, Tokyo</i>	<i>Hotel management business</i>	¥50	-	<i>Leaseholder and operator of hotel</i>	<i>Rental revenues</i>	¥627,322	<i>Rental receivables</i>	¥265,933
	<i>Mystays Hotel Management Co., Ltd.(2)</i>	<i>Minato-ku, Tokyo</i>	<i>Hotel management business</i>	¥100	-	<i>Leaseholder and operator of hotel</i>	<i>Rental revenues</i>	¥10,584,789	<i>Rental receivables</i>	¥3,952,343

Notes:

- Consumption taxes are not included in the transaction amount, but are included in the balance at the end of periods.
- Naqua Hotel & Management Resorts Management Co. Ltd, Island Co. Ltd and Mystays Hotel Management, Co. Ltd has no relationship to be stated, they receive investment through funds that are managed by FIG, until May 15, 2024, (Eastern Standard Time) a subsidiary of Softbank Group; a parent company of the asset manager directly and indirectly owning 100% of issued shares, after May 15, 2024, (Eastern Standard Time) a subsidiary of 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, Island Co. Ltd and Mystays Hotel Management, Co. Ltd as a related party.

For the six months ended December 31, 2024

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	Ganges TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥31,185,000	\$197,148	-	-	-
	Hakodate TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥16,830,000	\$106,397	-	-	-
	Nippori TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥16,335,000	\$103,268	-	-	-
	Shiretoko TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥14,551,000	\$91,990	-	-	-
	Rishiri TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥10,652,000	\$67,341	-	-	-
	Yakushima TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥10,195,000	\$64,451	-	-	-
	Kawaguchiko TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥4,672,000	\$29,535	-	-	-
	Naqua Hotel & Resorts Management Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥10	\$63	-	Leaseholder and operator of hotel	Rental revenues	¥1,196,591	\$7,564	Rental receivables	¥163,651	\$1,034
	Island Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥50	\$316	-	Leaseholder	Rental revenues	¥1,527,152	\$9,654	Rental receivables	¥33,880	\$214
	Osaka Bay Tower LLC(3)	Osaka-shi, Osaka	Hotel management business	¥0.1	\$0	-	Leaseholder	Rental revenues	¥1,247,707	\$7,887	Rental receivables	¥585,355	\$3,700
	Mystays Hotel Management Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥100	\$632	-	Leaseholder and operator of hotel	Rental revenues	¥14,428,921	\$91,218	Rental receivables	¥5,923,325	\$37,446

Notes:

- (1) Consumption taxes are not included in the transaction amount, but are included in the balance at the end of periods.
- (2) Terms and conditions are decided pursuant to the Asset Manager's Regulations on Transactions with Sponsor-related Persons and the Management Manual regarding Transactions with Sponsor-related Persons.
- (3) Ganges TMK, Hakodate TMK, Nippori TMK, Shiretoko TMK, Rishiri TMK, Yakushima TMK, Kawaguchiko TMK, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and Mystays Hotel Management Co., Ltd. has no relationship to be stated, they receive investment through funds that are managed by FIG, until May 15, 2024, (Eastern Standard Time) a subsidiary of Softbank Group; a parent company of the asset manager directly and indirectly owning 100% of issued shares, after May 15, 2024, (Eastern Standard Time) a subsidiary of a parent company of the asset manager directly and indirectly owning 100% of issued shares. Accordingly, we treat, Ganges TMK, Hakodate TMK, Nippori TMK, Shiretoko TMK, Rishiri TMK, Yakushima TMK, Kawaguchiko TMK, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and Mystays Hotel Management Co., Ltd. as a related party.
- (4) The transaction amount is stated based on the transaction price under the purchase and sale agreement of trust beneficiary interests, and does not include the expenses in the transaction, property tax, city planning tax, and consumption taxes.

Acquisition of real estate trust beneficiary interests are relating to below

Property No.	Property name	Seller	Acquisition cost (in thousands of yen)	Acquisition cost (in thousands of US dollars)
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Ganges TMK	31,185,000	197,148
D91	Hakodate Kokusai Hotel	Hakodate TMK	16,830,000	106,397
D92	Art Hotel Nippori Lungwood	Nippori TMK	16,335,000	103,268
D93	Hotel MyStays Kumamoto Riverside	Rishiri TMK	6,831,000	43,184
D94	Art Hotel Aomori	Shiretoko TMK	5,672,000	35,857
D95	Kamenoi Hotel Izukogen	Yakushima TMK	5,563,000	35,168
D96	Art Hotel Oita	Shiretoko TMK	5,484,000	34,669
D97	Art Hotel Kokura New Tagawa	Kawaguchiko TMK	4,672,000	29,535
D98	Art Hotel Miyazaki Sky Tower	Rishiri TMK	3,821,000	24,156

Property No.	Property name	Seller	Acquisition cost (in thousands of yen)	Acquisition cost (in thousands of US dollars)
D99	Art Hotel Kagoshima	Shiretoko TMK	3,395,000	21,462
D100	Kamenoi Hotel Hikone	Yakushima TMK	2,603,000	16,455
D101	Kamenoi Hotel Nara	Yakushima TMK	2,029,000	12,827
Total			104,420,000	660,134

(b) Affiliates

For the six months ended June 30, 2024

Not Applicable

For the six months ended December 31, 2024

Not Applicable

(c) Board of Directors and Major Individual Unitholders

For the six months ended June 30, 2024

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)	¥450,000	Accrued expenses	¥247,500
				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, 2024

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 Management Co., Ltd.	-	Payment of the assets management fee to Consonant Investment Management Co., Ltd.(1)	¥972,100	\$6,145	Accrued expenses	¥247,500	\$1,564
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥1,100	\$6	Accrued expenses	¥880	\$5

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.

25. 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, 2024 is Kingdom TMK. Summary of financial information is as follows:

	Kingdom TMK		
	As of / For the six months ended		
	March 31, 2024	September 30, 2024	September 30, 2024
	(in thousands of yen)		(in thousands of US dollars)
Total specified assets	99,778,965	99,687,573	630,216
Total other assets	6,099,989	4,264,412	26,959
Total current liabilities	65,567,969	65,158,021	411,923
Total non-current liabilities	975,166	960,166	6,070
Total net assets	39,335,818	37,833,797	239,181
Operating revenue	2,868,509	2,258,450	14,277
Income before income taxes	2,153,976	1,414,474	8,942
Net income	2,150,657	1,413,697	8,937

26. Per Unit Information

The following table shows net asset value per unit as of June 30, 2024 and December 31, 2024 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, 2024	December 31, 2024	December 31, 2024
	(Yen)	(Yen)	(U.S. dollars)
Net asset value per unit	¥ 43,455	¥ 45,954	\$ 290
Net income per unit	¥ 1,914	¥ 1,980	\$ 12
Weighted average number of units	6,737,121	7,644,064	-

27. Subsequent Events

Not Applicable.

28. Unapplied Accounting Standard

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

As part of efforts to make the Japanese GAAP internationally consistent, the Accounting Standards Board of Japan (ASBJ) has been considering to develop accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards.

The basic policy is to base the accounting standards on the single accounting model of IFRS 16, by not adopting all the provisions of IFRS 16, but adopting only the main provisions, which will result in simple and convenient accounting standards that will basically not require any amendments even if a company uses the provisions of IFRS 16 for its non-consolidated financial statements.

As for the accounting treatment of lessees, the single accounting model will be applied to the method of allocating lease expenses to lessees in which depreciation expenses for right-of-use assets and interest expenses for lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease, same as IFRS 16.

(2) Scheduled date of the application

The Company will adopt the accounting standard, etc. from the beginning of the period ending December 31, 2027.

(3) Impact of the application of the respective accounting standard, etc.

The Company is currently evaluating the effect on its financial statements by applying the "Accounting Standard for Leases", etc.