



Audited Financial Statements
for the 44nd Fiscal Period
(from January 1, 2025 to June 30, 2025)

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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 June 30, 2025, 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 June 30, 2025, 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, including those applicable to audits of financial statements of public interest entities, 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 June 30, 2025 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 June 30, 2025 are 19,800 thousand yen and 4,896 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

September 25, 2025

Natsuki Saiki

Designated Engagement Partner
Certified Public Accountant

Daisuke Unagami

Designated Engagement Partner
Certified Public Accountant

INVINCIBLE INVESTMENT CORPORATION

BALANCE SHEET

June 30, 2025

	As of		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
ASSETS			
Current assets:			
Cash and bank deposits (Notes 6 and 17)	¥ 31,964,082	¥ 29,949,793	\$ 206,821
Cash and bank deposits in trust (Notes 6 and 17) ..	13,319,608	12,855,155	88,772
Rental receivables	7,508,438	7,722,980	53,331
Deposits paid	1,956,046	2,275,778	15,715
Prepaid expenses	1,343,561	1,438,177	9,931
Income taxes receivable	533	4,803	33
Consumption taxes receivable	2,426,309	-	-
Other	-	856	5
Total current assets	58,518,580	54,247,545	374,611
Non-current assets:			
Property and equipment (Notes 7 and 8):			
Buildings, at cost	19,535,441	19,967,492	137,887
Buildings and accompanying facilities, at cost	5,364,450	5,611,595	38,751
Structures, at cost	15,194	15,194	104
Tools, furniture and fixtures, at cost	1,824,351	2,692,655	18,594
Construction in progress	2,534,073	2,233,066	15,420
Buildings in trust, at cost	216,673,380	217,753,523	1,503,718
Buildings and accompanying facilities in trust, at cost	45,182,601	46,218,864	319,169
Structures in trust, at cost	349,920	389,172	2,687
Tools, furniture and fixtures in trust, at cost	4,935,442	5,347,534	36,927
Land in trust	322,877,727	322,877,727	2,229,664
Construction in progress in trust	383,192	784,938	5,420
Subtotal	619,675,776	623,891,765	4,308,347
Less: Accumulated depreciation	(61,376,016)	(66,505,161)	(459,258)
Total property and equipment, net	558,299,759	557,386,604	3,849,089
Intangible assets:			
Leasehold rights	10,637,811	10,637,811	73,460
Leasehold rights in trust	29,763,513	29,724,915	205,268
Total intangible assets	40,401,325	40,362,727	278,728
Investments and other assets:			
Investment securities (Notes 18 and 23)	17,856,387	17,856,387	123,309
Guarantee deposits	1,431,014	1,431,014	9,882
Long-term prepaid expenses	2,338,693	2,114,611	14,602
Derivatives assets (Note 19)	997,866	1,603,889	11,075
Other	32,667	32,667	225
Total investments and other assets	22,656,629	23,038,571	159,095
Total non-current assets	621,357,714	620,787,903	4,286,913
Deferred assets:			
Investment corporation bond issuance costs	128,668	110,578	763
Total deferred assets	128,668	110,578	763
TOTAL ASSETS	¥ 680,004,964	¥ 675,146,027	\$ 4,662,288

	As of		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
LIABILITIES			
Current liabilities:			
Accounts payable	¥ 1,456,179	¥ 824,238	\$ 5,691
Short-term loans payable (Notes 10 and 17)	3,425,000	-	-
Current portion of investment corporation bonds (Notes 9 and 17)	-	5,000,000	34,528
Current portion of long-term loans payable (Notes 10 and 17)	40,599,000	25,042,000	172,930
Accounts payable-other	10,023	10,321	71
Accrued expenses	427,817	467,500	3,228
Income taxes payable	605	605	4
Consumption taxes payable	-	1,409,971	9,736
Advances received	680,701	315,180	2,176
Deposits received	116,710	26,070	180
Total current liabilities	46,716,036	33,095,888	228,546
Non-current liabilities:			
Investment corporation bonds (Notes 9 and 17) ..	24,100,000	19,100,000	131,896
Long-term loans payable (Notes 10 and 17)	255,073,000	269,312,000	1,859,761
Tenant leasehold and security deposits in trust (Note 17)	1,592,780	1,594,607	11,011
Derivatives liabilities (Note 19)	459,389	-	-
Asset retirement obligations (Note 20)	675,199	679,929	4,695
Total non-current liabilities	281,900,368	290,686,536	2,007,365
TOTAL LIABILITIES	328,616,405	323,782,424	2,235,912
NET ASSETS (Note 11)			
Unitholders' equity:			
Unitholders' capital	326,079,727	326,079,727	2,251,776
Surplus:			
Capital surplus	6,264,432	6,264,432	43,259
Allowance for temporary difference adjustment (Note 4)	(6,130)	(6,130)	(42)
Other deduction of capital surplus	(5,524,006)	(5,524,006)	(38,146)
Total deduction of capital surplus	(5,530,137)	(5,530,137)	(38,188)
Capital surplus (net)	734,294	734,294	5,070
Voluntary reserve			
Retained earnings	23,765,358	22,976,459	158,666
Total surplus	24,499,653	23,710,754	163,736
Total unitholders' equity	350,579,380	349,790,481	2,415,513
Valuation and translation adjustments:			
Deferred gains or losses on hedges	809,178	1,573,121	10,863
Total valuation and translation adjustments	809,178	1,573,121	10,863
TOTAL NET ASSETS	351,388,558	351,363,602	2,426,376
TOTAL LIABILITIES AND NET ASSETS	¥ 680,004,964	¥ 675,146,027	\$ 4,662,288

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 June 30, 2025

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Operating revenue			
Rental revenue—real estate (Note 13)	¥ 23,205,026	¥ 19,841,850	\$ 137,019
Management contract revenue (Note 14)	1,657,420	4,172,732	28,815
Dividend income	692,711	1,093,248	7,549
Total operating revenue	25,555,158	25,107,832	173,384
Operating expenses			
Property related expenses (Note 13)	6,325,294	6,575,459	45,407
Management contract expenses (Note 14)	768,653	788,087	5,442
Asset management fees	450,000	550,000	3,798
Directors' compensation	4,800	4,800	33
Asset custody fees	32,940	33,752	233
Administrative service fees	62,429	53,077	366
Other	159,373	167,206	1,154
Total operating expenses	7,803,491	8,172,382	56,435
Operating income	17,751,667	16,935,449	116,949
Non-operating income			
Interest income	3,483	31,377	216
Interest on tax refund	-	3,639	25
Gain on derivatives	-	67,845	468
Other	84	311	2
Total non-operating income	3,568	103,174	712
Non-operating expenses			
Interest expenses	1,398,268	1,690,058	11,670
Foreign exchange losses	167,864	218,907	1,511
Interest expenses on investment corporation bonds	135,371	142,392	983
Amortization of investment corporation bond issuance costs	18,029	18,090	124
Loan-related costs	718,621	602,080	4,157
Loss on derivatives	8,075	-	-
Investment unit issuance costs	170,193	-	-
Other	-	118	0
Total non-operating expenses	2,616,425	2,671,649	18,449
Ordinary income	15,138,810	14,366,975	99,212
Extraordinary income			
Subsidy income	-	99,854	689
Total extraordinary income	-	99,854	689
Extraordinary losses			
Loss on reduction entry of non-current assets (Note 5)	-	99,854	689
Total extraordinary losses	-	99,854	689
Income before income taxes	15,138,810	14,366,975	99,212
Income taxes (Note 15):			
Current	605	605	4
Total income taxes	605	605	4
Net income	15,138,205	14,366,370	99,208
Retained earnings brought forward	8,627,153	8,610,089	59,457
Unappropriated retained earnings (Note 12)	¥ 23,765,358	¥ 22,976,459	\$ 158,666

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 June 30, 2025

	Unitholders' equity					
	Unitholders' capital	Surplus				
		Capital surplus	Capital surplus			Capital surplus (net)
			Deduction of capital surplus			
			Allowance for temporary difference adjustment	Other deduction of capital surplus	Deduction of capital surplus	
(in thousands of yen)						
Balance as of July 1, 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	-	-	-	-	-	-
Balance as of December 31, 2024	¥ 326,079,727	¥ 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, 2025	¥ 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 July 1, 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
Changes during the period						
Distributions from surplus	(15,155,269)	(15,155,269)	(15,155,269)			(15,155,269)
Net income	14,366,370	14,366,370	14,366,370			14,366,370
Changes other than unitholders' equity (net)				763,942	763,942	763,942
Total changes during the period	(788,899)	(788,899)	(788,899)	763,942	763,942	(24,956)
Balance as of June 30, 2025	¥ 22,976,459	¥ 23,710,754	¥ 349,790,481	¥ 1,573,121	¥ 1,573,121	¥ 351,363,602

	Unitholders' equity					
	Surplus					
		Capital surplus				
Unitholders' capital		Deduction of capital surplus				
	Capital surplus	Allowance for temporary difference adjustment	Other deduction of capital surplus	Deduction of capital surplus	Capital surplus (net)	
	(in thousands of U.S. dollars)					
Balance as of January 1, 2025	\$ 2,251,776	\$ 43,259	\$ (42)	\$ (38,146)	\$ (38,188)	\$ 5,070
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, 2025	\$ 2,251,776	\$ 43,259	\$ (42)	\$ (38,146)	\$ (38,188)	\$ 5,070

	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 January 1, 2025	\$ 164,114	\$ 169,184	\$ 2,420,961	\$ 5,587	\$ 5,587	\$ 2,426,548
Changes during the period						
Distributions from surplus	(104,656)	(104,656)	(104,656)			(104,656)
Net income	99,208	99,208	99,208			99,208
Changes other than unitholders' equity (net)				5,275	5,275	5,275
Total changes during the period	(5,447)	(5,447)	(5,447)	5,275	5,275	(172)
Balance as of June 30, 2025	\$ 158,666	\$ 163,736	\$ 2,415,513	\$ 10,863	\$ 10,863	\$ 2,426,376

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

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CASH FLOWS For the six months ended June 30, 2025

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash flows from operating activities:			
Income before income taxes	¥ 15,138,810	¥ 14,366,975	\$ 99,212
Depreciation and amortization	4,990,615	5,172,471	35,719
Loss on reduction entry of non-current assets	-	99,854	689
Investment unit issuance costs	170,193	-	-
Amortization of investment corporation bond issuance costs	18,029	18,090	124
Loan-related costs	718,621	602,080	4,157
Amortization of tenant leasehold and security deposits in trust	(196)	(489)	(3)
Interest income	(3,483)	(31,377)	(216)
Interest expenses	1,533,640	1,832,451	12,654
Foreign exchange losses (gains)	33	88	0
Loss (gain) on derivatives	8,075	(67,845)	(468)
Decrease (increase) in rental receivables	(1,467,605)	(214,541)	(1,481)
Decrease (increase) in deposits paid	458,193	(319,731)	(2,207)
Decrease (increase) in receivable income taxes	(508)	(4,270)	(29)
Decrease (increase) in consumption taxes receivable	(2,426,309)	2,426,309	16,755
Increase (decrease) in accounts payable	251,458	(111,512)	(770)
Increase (decrease) in consumption taxes payable	(1,023,206)	1,409,971	9,736
Increase (decrease) in accrued expenses	13,369	50,019	345
Increase (decrease) in advances received	367,118	(365,521)	(2,524)
Increase (decrease) in deposits received	98,120	(92,528)	(638)
Other, net	139,577	(120,164)	(829)
Subtotal	18,984,548	24,650,329	170,225
Interest income received	3,483	31,377	216
Interest expenses paid	(1,514,581)	(1,840,670)	(12,710)
Income taxes paid	(605)	(605)	(4)
Net cash provided by operating activities	17,472,845	22,840,431	157,726
Cash flows from investing activities:			
Purchases of property and equipment	(1,907,226)	(1,260,074)	(8,701)
Purchases of property and equipment in trust	(93,993,128)	(3,576,196)	(24,695)
Purchases of leasehold rights in trust	(12,444,949)	-	-
Repayments of tenant leasehold and security deposits in trust	(21,799)	(51,156)	(353)
Proceeds from tenant leasehold and security deposits in trust	117,075	53,473	369
Payments of tenant leasehold and security deposits	(40,555)	-	-
Other, net-investing activities	(215,250)	(204,680)	(1,413)
Net cash used in investing activities	(108,505,833)	(5,038,634)	(34,794)
Cash flows from financing activities:			
Proceeds from short-term loans payable	4,925,000	-	-
Repayments of short-term loans payable	(10,313,000)	(3,425,000)	(23,651)
Proceeds from long-term loans payable	71,222,000	26,244,000	181,230
Repayments of long-term loans payable	(16,991,000)	(27,562,000)	(190,332)
Proceeds from issuance of investment corporation bonds	4,173,666	-	-
Redemption of investment corporation bonds	(1,000,000)	-	-
Payments for loan-related costs	(1,156,070)	(382,691)	(2,642)
Payments of distributions of earnings	(12,913,644)	(15,154,760)	(104,652)
Proceeds from issuance of investment units	55,808,936	-	-
Net cash provided by (used in) financing activities	93,755,887	(20,280,451)	(140,048)
Effect of exchange rate change on cash and cash equivalents	(33)	(88)	(0)
Net increase (decrease) in cash and cash equivalents	2,722,866	(2,478,742)	(17,117)
Cash and cash equivalents at beginning of period	42,560,824	45,283,691	312,711
Cash and cash equivalents at end of period (Note 6)	¥ 45,283,691	¥ 42,804,948	\$ 295,593

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 June 30, 2025

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 borrowings 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 borrowings 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 borrowings 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 borrowings 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 borrowings 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 borrowings 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 recognized at fair 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
	June 30, 2025
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 Currencies 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 statement of income and retained earnings.

(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.

No taxes on property and equipment were capitalized for the six months ended June 30, 2025.

(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 thereto represent the arithmetical result of translating Japanese yen into U.S. dollars at the rate of ¥144.81 = US\$1, the effective rate of exchange prevailing at June 30, 2025. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended June 30, 2025 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 Difference Adjustment

For the six months ended December 31, 2024

Changes in the allowance for temporary difference adjustment on the Balance Sheet.

(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 June 30, 2025

Changes in the allowance for temporary difference adjustment on the Balance Sheet.

(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	Reversal during	Ending balance	Reason for reversal
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				during period	period		
Leasehold rights in trust	Amortization of leasehold rights in trust	\$ (906)	\$ (42)	-	-	\$ (42)	-
Total		\$ (906)	\$ (42)	-	-	\$ (42)	

(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		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Buildings and accompanying facilities in trust	¥ -	¥ 99,854	\$ 689

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		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash and bank deposits	¥ 31,964,082	¥ 29,949,793	\$ 206,821
Cash and bank deposits in trust	¥ 13,319,608	¥ 12,855,155	\$ 88,772
Cash and cash equivalents	¥ 45,283,691	¥ 42,804,948	\$ 295,593

7. Property and Equipment

The following tables show the summary of movement in property and equipment for the six months ended June 30, 2025.

	At cost				Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance			
	(in thousands of yen)						
Buildings (1)	¥ 19,535,441	¥ 432,051	¥ -	¥ 19,967,492	¥ 2,686,513	¥ 220,688	¥ 17,280,978
Buildings and accompanying facilities (1)	5,364,450	247,145	-	5,611,595	1,875,494	154,271	3,736,101
Structures	15,194	-	-	15,194	835	341	14,358
Tools, furniture and fixtures (1)	1,824,351	868,304	-	2,692,655	872,134	135,175	1,820,520
Leasehold rights	10,637,811	-	-	10,637,811	-	-	10,637,811
Construction in progress	2,534,073	594,015	895,022	2,233,066	-	-	2,233,066
Buildings in trust	216,673,380	1,080,142	-	217,753,523	40,090,982	3,133,943	177,662,540
Buildings and accompanying facilities in trust (1)	45,182,601	1,136,234	99,972	46,218,864	17,850,816	1,176,328	28,368,047
Structures in trust (1)	349,920	39,252	-	389,172	147,158	9,365	242,014

Tools, furniture and fixtures in trust (1)	4,935,442	412,092	-	5,347,534	2,981,225	299,030	2,366,309
Land in trust	322,877,727	-	-	322,877,727	-	-	322,877,727
Leasehold rights in trust	30,434,507	-	-	30,434,507	709,591	38,597	29,724,915
Construction in progress in trust (1)	383,192	735,438	333,692	784,938	-	-	784,938
Total	¥ 660,748,095	¥ 5,544,676	¥ 1,328,687	¥ 664,964,085	¥ 67,214,752	¥ 5,167,742	¥ 597,749,332

	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 (1)	\$ 134,903	\$ 2,983	\$ -	\$ 137,887	\$ 18,551	\$ 1,523	\$ 119,335
Buildings and accompanying facilities (1)	37,044	1,706	-	38,751	12,951	1,065	25,800
Structures	104	-	-	104	5	2	99
Tools, furniture and fixtures (1)	12,598	5,996	-	18,594	6,022	933	12,571
Leasehold rights	73,460	-	-	73,460	-	-	73,460
Construction in progress	17,499	4,102	6,180	15,420	-	-	15,420
Buildings in trust	1,496,259	7,459	-	1,503,718	276,852	21,641	1,226,866
Buildings and accompanying facilities in trust (1)	312,012	7,846	690	319,169	123,270	8,123	195,898
Structures in trust (1)	2,416	271	-	2,687	1,016	64	1,671
Tools, furniture and fixtures in trust (1)	34,082	2,845	-	36,927	20,587	2,064	16,340
Land in trust	2,229,664	-	-	2,229,664	-	-	2,229,664
Leasehold rights in trust	210,168	-	-	210,168	4,900	266	205,268
Construction in progress in trust (1)	2,646	5,078	2,304	5,420	-	-	5,420
Total	\$ 4,562,862	\$ 38,289	\$ 9,175	\$ 4,591,976	\$ 464,158	\$ 35,686	\$ 4,127,818

Notes:

1. The primary reason for the increase in the current period is attributable to construction work classified as capital expenditures.

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 December 31, 2024 and June 30, 2025.

Residential

	As of / For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 33,897,885	¥ 33,677,378	\$ 232,562
Net increase (decrease) during period	(220,507)	18,119	125
Balance at the end of period	33,677,378	33,695,497	232,687
Fair value	¥ 49,089,000	¥ 49,198,000	\$ 339,741

Retail facilities

	As of / For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 1,575,668	¥ 1,558,613	\$ 10,763
Net increase (decrease) during period	(17,055)	(17,055)	(117)
Balance at the end of period	1,558,613	1,541,557	10,645
Fair value	¥ 2,380,000	¥ 2,380,000	\$ 16,435

Hotels

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

	2024	2025	2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 457,767,512	¥ 560,547,827	\$ 3,870,919
Net increase (decrease) during period	102,780,314	(1,053,556)	(7,275)
Balance at the end of period	560,547,827	559,494,270	3,863,643
Fair value	¥ 716,023,756	¥ 724,069,651	\$ 5,000,135

Total

	As of / For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 493,241,067	¥ 595,783,818	\$ 4,114,245
Net increase (decrease) during period	102,542,751	(1,052,491)	(7,268)
Balance at the end of period	595,783,818	594,731,326	4,106,976
Fair value	¥ 767,492,756	¥ 775,647,651	\$ 5,356,312

Notes:

1. Fair value has been determined based on the appraisals or research provided by independent real estate appraisers.
2. The primary increase during the previous period is attributable to the acquisition of hotels and construction work classified as capital expenditures, while the primary decrease is attributable to depreciation expense. The primary increase during the current period is attributable to construction work classified as capital expenditures, while the primary decrease is attributable to depreciation expense.
3. For rental revenues and expenses for the six months ended December 31, 2024 and June 30, 2025, please refer to "Note 13: Rental 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 June 30, 2025.

For the six months ended June 30, 2025

	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	6,905	6,905	0.800
5th unsecured investment corporation bond (Issued on October 28, 2019 and due on October 26, 2029) (1)(5)	2,000,000	2,000,000	13,811	13,811	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	8,286	8,286	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	34,528	34,528	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	8,286	8,286	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	11,739	11,739	1.200
10th unsecured investment corporation bond (Issued on December 14, 2023 and due on December 14, 2028)	1,800,000	1,800,000	12,430	12,430	1.297

(1)(6)					
11th unsecured investment corporation bond (Issued on February 9, 2024 and due on February 9, 2029)	6,000,000	6,000,000	41,433	41,433	1.470
(2)(6)					
12th unsecured investment corporation bond (Issued on September 12, 2024 and due on September 12, 2029)	4,200,000	4,200,000	29,003	29,003	1.300
(2)(6)					
Total investment corporation bonds	24,100,000	24,100,000	166,424	166,424	

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 borrowings.
- (5) The funds are mainly used for capital expenditures.
- (6) The funds are mainly used to redeem investment corporation bonds and repay existing borrowings.
- (7) Repayment schedule of investment corporation bonds for the next five years after each balance sheet date are as follows:

		As of	
		June 30, 2025	June 30, 2025
		(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥	5,000,000	\$ 34,528
1-2 years		-	-
2-3 years		2,200,000	15,192
3-4 years		9,500,000	65,603
4-5 years		7,400,000	51,101

10. Loans Payable

The following table shows the details of loans payable for the six months ended June 30, 2025

Classificati on	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Avergae interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Short-term loans payable	Mizuho Bank, Ltd.	1,075,000	-	1,075,000	-	7,423	-	7,423	-	0.804	31-Jul-25 (3)	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	826,000	-	826,000	-	5,704	-	5,704	-	0.804	31-Jul-25 (3)		
	Sumitomo Mitsui Banking Corporation	813,000	-	813,000	-	5,614	-	5,614	-	0.804	31-Jul-25 (3)		
	Sumitomo Mitsui Trust Bank, Limited	711,000	-	711,000	-	4,909	-	4,909	-	0.804	31-Jul-25 (3)		
	Total short-term loans payable	3,425,000	-	3,425,000	-	23,651	-	23,651	-				
Long-term loans payable	Kinaboshi Bank, Ltd.	961,000	-	-	961,000	6,636	-	-	6,636	1.404	29-Mar-29		
	Mizuho Bank, Ltd.	2,171,400	-	2,171,400	-	14,994	-	14,994	-	0.956	16-Jan-25		
	MUFG Bank, Ltd.	1,464,800	-	1,464,800	-	10,115	-	10,115	-	0.956	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	1,331,200	-	9,192	-	9,192	-	0.956	16-Jan-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	628,600	-	4,340	-	4,340	-	0.956	16-Jan-25		
	SBI Shinsei Bank, Limited	200,000	-	200,000	-	1,381	-	1,381	-	0.956	16-Jan-25		
	Mizuho Bank, Ltd.	2,170,400	-	-	2,170,400	14,987	-	-	14,987	1.304	16-Jul-25		
	MUFG Bank, Ltd.	1,464,800	-	-	1,464,800	10,115	-	-	10,115	1.304	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	-	1,331,200	9,192	-	-	9,192	1.304	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	-	628,600	4,340	-	-	4,340	1.304	16-Jul-25		
	SBI Shinsei Bank, Limited	200,000	-	-	200,000	1,381	-	-	1,381	1.304	16-Jul-25		
	Mizuho Bank, Ltd.	1,212,000	-	1,212,000	-	8,369	-	8,369	-	0.956	16-Jan-25		
	MUFG Bank, Ltd.	986,000	-	986,000	-	6,808	-	6,808	-	0.956	16-Jan-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	986,000	-	6,808	-	6,808	-	0.956	16-Jan-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	Sumitomo Mitsui Trust Bank, Limited	684,000	-	684,000	-	4,723	-	4,723	-	0.956	16-Jan-25	(2)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	300,000	-	300,000	-	2,071	-	2,071	-	0.956	16-Jan-25		
	AEON Bank, Ltd.	300,000	-	300,000	-	2,071	-	2,071	-	0.956	16-Jan-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	100,000	-	690	-	690	-	0.956	16-Jan-25		
	Aozora Bank, Ltd.	375,000	-	375,000	-	2,589	-	2,589	-	0.956	16-Jan-25		
	Mizuho Bank, Ltd.	1,211,000	-	-	1,211,000	8,362	-	-	8,362	1.304	16-Jul-25		
	MUFG Bank, Ltd.	986,000	-	-	986,000	6,808	-	-	6,808	1.304	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	-	986,000	6,808	-	-	6,808	1.304	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	-	684,000	4,723	-	-	4,723	1.304	16-Jul-25		
	Development Bank of Japan Inc.	300,000	-	-	300,000	2,071	-	-	2,071	1.304	16-Jul-25		
	AEON Bank, Ltd.	300,000	-	-	300,000	2,071	-	-	2,071	1.304	16-Jul-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	690	-	-	690	1.304	16-Jul-25		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,589	-	-	2,589	1.304	16-Jul-25		
	The Tokyo Star Bank, Limited	700,000	-	-	700,000	4,833	-	-	4,833	1.304	16-Jul-25		
	Saijū San Bank, Ltd.	1,000,000	-	1,000,000	-	6,905	-	6,905	-	1.196	15-Apr-25		
	THE NISHI-NIPPON CITY BANK, LTD.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.304	15-Oct-25		
	Sumitomo Mitsui Trust Bank, Limited	3,050,000	-	3,050,000	-	21,062	-	21,062	-	0.643	06-Jan-25		
	Meiji Bank, Ltd.	961,000	-	961,000	-	6,636	-	6,636	-	0.643	06-Jan-25		
	The Kiyo Bank, Ltd.	480,000	-	480,000	-	3,314	-	3,314	-	0.643	06-Jan-25		
	Mizuho Bank, Ltd.	634,000	-	634,000	-	4,378	-	4,378	-	0.487	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	Resona Bank, Limited.	300,000	-	300,000	-	2,071	-	2,071	-	0.487	16-Mar-25	(2)	Unsecured and unguarante ed
	Developme nt Bank of Japan Inc.	1,000,000	-	1,000,000	-	6,905	-	6,905	-	0.487	16-Mar-25		
	The Bank of Fukuoka, Ltd.	333,000	-	333,000	-	2,299	-	2,299	-	0.487	16-Mar-25		
	The Nomura Trust and Banking Co., Ltd.	333,000	-	333,000	-	2,299	-	2,299	-	0.487	16-Mar-25		
	The Shizuoka Bank, Ltd.	200,000	-	200,000	-	1,381	-	1,381	-	0.487	16-Mar-25		
	The Yanaguchi Bank, Ltd.	411,000	-	411,000	-	2,838	-	2,838	-	0.487	16-Mar-25		
	Mizuho Bank, Ltd.	582,000	-	582,000	-	4,019	-	4,019	-	1.098	16-Mar-25		
	MUFG Bank, Ltd.	628,000	-	628,000	-	4,336	-	4,336	-	1.098	16-Mar-25		
	Sumitomo Mitsui Trust Bank, Limited	1,090,000	-	1,090,000	-	7,527	-	7,527	-	1.098	16-Mar-25		
	SBI Shinsei Bank, Limited	570,000	-	570,000	-	3,936	-	3,936	-	1.098	16-Mar-25		
	Resona Bank, Limited.	500,000	-	500,000	-	3,452	-	3,452	-	1.098	16-Mar-25		
	The Nomura Trust and Banking Co., Ltd.	270,000	-	270,000	-	1,864	-	1,864	-	1.098	16-Mar-25		
	Aozora Bank, Ltd.	1,000,000	-	1,000,000	-	6,905	-	6,905	-	1.098	16-Mar-25		
	The Shizuoka Bank, Ltd.	270,000	-	270,000	-	1,864	-	1,864	-	1.098	16-Mar-25		
	The Kagawa Bank, Ltd.	500,000	-	500,000	-	3,452	-	3,452	-	1.098	16-Mar-25		
	The Yanaguchi Bank, Ltd.	550,000	-	550,000	-	3,798	-	3,798	-	1.098	16-Mar-25		
	Aichi Bank, Ltd.	961,000	-	961,000	-	6,636	-	6,636	-	1.098	16-Mar-25		
	The Tokyo Star Bank, Limited	600,000	-	-	600,000	4,143	-	-	4,143	0.954	20-Jul-25		
	The Tokyo Star Bank, Limited	1,190,000	-	-	1,190,000	8,217	-	-	8,217	1.104	13-Oct-27		
	Mizuho Bank, Ltd.	3,001,500	-	-	3,001,500	20,727	-	-	20,727	0.712	14-Mar-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	MUFG Bank, Ltd.	1,326,000	-	-	1,326,000	9,156	-	-	9,156	0.712	14-Mar-26	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Trust Bank, Limited	2,293,500	-	-	2,293,500	15,837	-	-	15,837	0.712	14-Mar-26		
	Developme nt Bank of Japan Inc.	900,000	-	-	900,000	6,215	-	-	6,215	0.712	14-Mar-26		
	MUFG Bank, Ltd.	765,000	-	-	765,000	5,282	-	-	5,282	0.707	14-Mar-26		
	The Chiba Bank, Ltd.	981,000	-	-	981,000	6,774	-	-	6,774	0.707	14-Mar-26		
	Developme nt Bank of Japan Inc.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.073	19-Jun-26		
	MUFG Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.073	27-Jun-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	8,431	-	-	8,431	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,665	-	-	7,665	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,895	-	-	6,895	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	3,072	-	-	3,072	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	40,200	-	-	40,200	0.696	16-Jul-26		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	39,938	-	-	39,938	0.696	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	31,776	-	-	31,776	0.696	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	15,364	-	-	15,364	0.696	16-Jul-26		
	Developme nt Bank of Japan Inc.	333,000	-	-	333,000	2,299	-	-	2,299	0.696	16-Jul-26		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	645	-	-	645	0.696	16-Jul-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	8,431	-	-	8,431	1.395	14-Jul-28		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,665	-	-	7,665	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,895	-	-	6,895	1.395	14-Jul-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	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	3,072	-	-	3,072	1.395	14-Jul-28	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	40,200	-	-	40,200	1.395	14-Jul-28		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	39,938	-	-	39,938	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	31,776	-	-	31,776	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	15,364	-	-	15,364	1.395	14-Jul-28		
	Developme nt Bank of Japan Inc.	333,000	-	-	333,000	2,299	-	-	2,299	1.395	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	645	-	-	645	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	296,800	-	-	296,800	2,049	-	-	2,049	0.904	16-Jul-26		
	MUFG Bank, Ltd.	227,700	-	-	227,700	1,572	-	-	1,572	0.904	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	224,100	-	-	224,100	1,547	-	-	1,547	0.904	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	203,000	-	-	203,000	1,401	-	-	1,401	0.904	16-Jul-26		
	Mizuho Bank, Ltd.	1,519,600	-	-	1,519,600	10,493	-	-	10,493	0.904	16-Jul-26		
	MUFG Bank, Ltd.	1,165,900	-	-	1,165,900	8,051	-	-	8,051	0.904	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,147,300	-	-	1,147,300	7,922	-	-	7,922	0.904	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,039,500	-	-	1,039,500	7,178	-	-	7,178	0.904	16-Jul-26		
	Developme nt Bank of Japan Inc.	296,100	-	-	296,100	2,044	-	-	2,044	0.904	16-Jul-26		
	Mizuho Bank, Ltd.	2,454,000	-	-	2,454,000	16,946	-	-	16,946	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,784,600	-	-	1,784,600	12,323	-	-	12,323	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,784,600	-	-	1,784,600	12,323	-	-	12,323	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,586,300	-	-	1,586,300	10,954	-	-	10,954	0.691	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	The Tokyo Star Bank, Limited	793,100	-	-	793,100	5,476	-	-	5,476	0.691	16-Jul-26	(2)	Unsecured and unguarante ed
	Aozora Bank, Ltd.	793,100	-	-	793,100	5,476	-	-	5,476	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	3,681,000	-	-	3,681,000	25,419	-	-	25,419	1.069	14-Jul-28		
	MUFG Bank, Ltd.	2,677,000	-	-	2,677,000	18,486	-	-	18,486	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,677,000	-	-	2,677,000	18,486	-	-	18,486	1.069	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,379,500	-	-	2,379,500	16,431	-	-	16,431	1.069	14-Jul-28		
	Developme nt Bank of Japan Inc.	2,974,400	-	-	2,974,400	20,540	-	-	20,540	1.069	14-Jul-28		
	The Tokyo Star Bank, Limited	1,189,700	-	-	1,189,700	8,215	-	-	8,215	1.069	14-Jul-28		
	Aozora Bank, Ltd.	1,189,700	-	-	1,189,700	8,215	-	-	8,215	1.069	14-Jul-28		
	The Ogasaki Kyoritsu Bank, Ltd.	806,000	-	-	806,000	5,565	-	-	5,565	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	20,716	-	-	20,716	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	6,947,000	-	-	6,947,000	47,973	-	-	47,973	0.894	16-Jul-27		
	MUFG Bank, Ltd.	5,133,100	-	-	5,133,100	35,447	-	-	35,447	0.894	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	6,717,200	-	-	6,717,200	46,386	-	-	46,386	0.894	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	2,679,950	-	-	2,679,950	18,506	-	-	18,506	0.894	16-Jul-27		
	Developme nt Bank of Japan Inc.	2,100,000	-	-	2,100,000	14,501	-	-	14,501	0.894	16-Jul-27		
	The Nomura Trust and Banking Co., Ltd.	756,000	-	-	756,000	5,220	-	-	5,220	0.894	16-Jul-27		
	Mizuho Bank, Ltd.	875,000	-	-	875,000	6,042	-	-	6,042	0.879	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	875,000	-	-	875,000	6,042	-	-	6,042	0.879	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	745,500	-	-	745,500	5,148	-	-	5,148	0.879	16-Jul-27		

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.	2,977,500	-	-	2,977,500	20,561	-	-	20,561	1.327	16-Jul-28	(2)	Unsecured and unguarante ed
	MUFG Bank, Ltd.	2,199,900	-	-	2,199,900	15,191	-	-	15,191	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,878,800	-	-	2,878,800	19,879	-	-	19,879	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	1,148,550	-	-	1,148,550	7,931	-	-	7,931	1.327	16-Jul-28		
	Developme nt Bank of Japan Inc.	900,000	-	-	900,000	6,215	-	-	6,215	1.327	16-Jul-28		
	Mizuho Bank, Ltd.	375,000	-	-	375,000	2,589	-	-	2,589	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	375,000	-	-	375,000	2,589	-	-	2,589	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	319,500	-	-	319,500	2,206	-	-	2,206	1.327	16-Jul-28		
	SBI Shinsai Bank, Limited	3,197,000	-	-	3,197,000	22,077	-	-	22,077	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	1,900,000	-	-	1,900,000	13,120	-	-	13,120	1.054	14-Jul-28		
	Mizuho Bank, Ltd.	4,321,000	-	-	4,321,000	29,839	-	-	29,839	1.373	29-Nov-29		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	11,207	-	-	11,207	1.265	14-Mar-28		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	9,442	-	-	9,442	1.265	14-Mar-28		
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,926	-	-	8,926	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	5,055	-	-	5,055	1.265	14-Mar-28		
	Aozawa Bank, Ltd.	237,000	-	-	237,000	1,636	-	-	1,636	1.265	14-Mar-28		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	386	-	-	386	1.265	14-Mar-28		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,869	-	-	5,869	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	28,830	-	-	28,830	1.265	14-Mar-28		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	11,207	-	-	11,207	1.359	14-Mar-29		

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.	1,367,300	-	-	1,367,300	9,442	-	-	9,442	1.359	14-Mar-29	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,926	-	-	8,926	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	5,055	-	-	5,055	1.359	14-Mar-29		
	Developme nt Bank of Japan Inc.	335,000	-	-	335,000	2,313	-	-	2,313	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	386	-	-	386	1.359	14-Mar-29		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,869	-	-	5,869	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	28,830	-	-	28,830	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	2,576,000	-	-	2,576,000	17,788	-	-	17,788	1.373	14-Mar-30		
	MUFG Bank, Ltd.	2,168,000	-	-	2,168,000	14,971	-	-	14,971	1.373	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	2,050,000	-	-	2,050,000	14,156	-	-	14,156	1.373	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	1,161,000	-	-	1,161,000	8,017	-	-	8,017	1.373	14-Mar-30		
	Developme nt Bank of Japan Inc.	265,000	-	-	265,000	1,829	-	-	1,829	1.373	14-Mar-30		
	Sai ju Sai Bank, Ltd.	662,000	-	-	662,000	4,571	-	-	4,571	1.373	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	88,000	-	-	88,000	607	-	-	607	1.373	14-Mar-30		
	Resona Bank, Limited.	1,200,000	-	1,200,000	-	8,286	-	8,286	-	0.798	16-Mar-25		
	SBI Shinsei Bank, Limited	369,000	-	-	369,000	2,548	-	-	2,548	1.052	14-Mar-27		
	The Tokyo Star Bank, Limited	2,440,000	-	-	2,440,000	16,849	-	-	16,849	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	333,000	-	-	333,000	2,299	-	-	2,299	1.373	14-Mar-30		
	MUFG Bank, Ltd.	233,000	-	-	233,000	1,609	-	-	1,609	1.373	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	363,000	-	-	363,000	2,506	-	-	2,506	1.373	14-Mar-30		

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.	100,000	-	-	100,000	690	-	-	690	1.373	14-Mar-30	(2)	Unsecured and unguarante ed
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,416	-	-	2,416	1.359	14-Mar-29		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.359	14-Mar-29		
	The Tochihi Bank, Ltd.	901,000	-	-	901,000	6,221	-	-	6,221	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,416	-	-	2,416	1.212	14-Mar-28		
	SBI Shinsei Bank, Limited	281,000	-	-	281,000	1,940	-	-	1,940	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.052	14-Mar-27		
	The Bank of Fukuoka, Ltd.	465,000	-	-	465,000	3,211	-	-	3,211	1.052	14-Mar-27		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.052	14-Mar-27		
	THE NISHI-NI PPON CITY BANK, LTD.	500,000	-	-	500,000	3,452	-	-	3,452	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	845,000	-	-	845,000	5,835	-	-	5,835	0.973	14-Mar-26		
	The Bank of Fukuoka, Ltd.	393,000	-	-	393,000	2,713	-	-	2,713	0.973	14-Mar-26		
	Sai ju Sai Bank, Ltd.	1,700,000	-	-	1,700,000	11,739	-	-	11,739	1.373	14-Mar-30		
	SBI Shinsei Bank, Limited	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.375	16-Jul-29		
	Mizuho Bank, Ltd.	1,131,000	-	-	1,131,000	7,810	-	-	7,810	1.473	16-Jul-31		
	MUFG Bank, Ltd.	1,470,000	-	-	1,470,000	10,151	-	-	10,151	1.473	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	1,390,000	-	-	1,390,000	9,598	-	-	9,598	1.473	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	788,000	-	-	788,000	5,441	-	-	5,441	1.473	16-Jul-31		
	Developme nt Bank of Japan Inc.	300,000	-	-	300,000	2,071	-	-	2,071	1.473	16-Jul-31		
	Mizuho Bank, Ltd.	377,000	-	-	377,000	2,603	-	-	2,603	1.373	16-Jul-30		

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	SBI Shinsei Bank, Limited	823,000	-	-	823,000	5,683	-	-	5,683	1.373	16-Jul-30	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	490,000	-	-	490,000	3,383	-	-	3,383	1.373	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	463,000	-	-	463,000	3,197	-	-	3,197	1.373	16-Jul-30		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,589	-	-	2,589	1.373	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	263,000	-	-	263,000	1,816	-	-	1,816	1.373	16-Jul-30		
	Mizuho Bank, Ltd.	375,400	-	-	375,400	2,592	-	-	2,592	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	20,716	-	-	20,716	1.375	16-Jul-29		
	MUFG Bank, Ltd.	490,800	-	-	490,800	3,389	-	-	3,389	1.375	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	464,200	-	-	464,200	3,205	-	-	3,205	1.375	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	261,600	-	-	261,600	1,806	-	-	1,806	1.375	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	690	-	-	690	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	20,716	-	-	20,716	1.230	14-Jul-28		
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000	2,071	-	-	2,071	1.230	14-Jul-28		
	Mizuho Bank, Ltd.	5,900,000	-	-	5,900,000	40,743	-	-	40,743	1.473	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	37,290	-	-	37,290	1.473	16-Jul-31		
	MUFG Bank, Ltd.	5,067,000	-	-	5,067,000	34,990	-	-	34,990	1.473	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	18,645	-	-	18,645	1.473	16-Jul-31		
	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	10,358	-	-	10,358	1.473	16-Jul-31		
	The Yamaguchi Bank, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.473	16-Jul-31		
	The Tochigi Bank, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.473	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	The Kagawa Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.473	16-Jul-31	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	5,866,000	-	-	5,866,000	40,508	-	-	40,508	1.373	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	37,290	-	-	37,290	1.373	16-Jul-30		
	MUFG Bank, Ltd.	3,567,000	-	-	3,567,000	24,632	-	-	24,632	1.373	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	18,645	-	-	18,645	1.373	16-Jul-30		
	Developme nt Bank of Japan Inc.	1,500,000	-	-	1,500,000	10,358	-	-	10,358	1.373	16-Jul-30		
	San ju San Bank, Ltd.	700,000	-	-	700,000	4,833	-	-	4,833	1.373	16-Jul-30		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.373	16-Jul-30		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.373	16-Jul-30		
	Suruga Bank Ltd.	2,000,000	-	-	2,000,000	13,811	-	-	13,811	1.375	16-Jul-29		
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.375	16-Jul-29		
	Aichi Bank, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.375	16-Jul-29		
	The San-in Godo Bank, Ltd.	1,000,000	-	-	1,000,000	6,905	-	-	6,905	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	500,000	-	-	500,000	3,452	-	-	3,452	1.375	16-Jul-29		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.375	16-Jul-29		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,452	-	-	3,452	1.375	16-Jul-29		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	10,358	-	-	10,358	1.598	16-Jul-30		
	Mizuho Bank, Ltd.	1,250,000	-	-	1,250,000	8,632	-	-	8,632	1.254	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	1,250,000	-	-	1,250,000	8,632	-	-	8,632	1.254	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	1,060,000	-	-	1,060,000	7,319	-	-	7,319	1.254	14-Mar-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	Mizuho Bank, Ltd.	-	787,400	-	787,400	-	5,437	-	5,437	1.204	14-Mar-31	(2)	Unsecured and unguarante ed
	Sumitomo Mitsui Trust Bank, Limited	-	1,015,600	-	1,015,600	-	7,013	-	7,013	1.204	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	-	680,200	-	680,200	-	4,697	-	4,697	1.204	14-Mar-31		
	The Kiyo Bank, Ltd.	-	500,000	-	500,000	-	3,452	-	3,452	1.204	14-Mar-31		
	The Yamaguchi Bank, Ltd.	-	224,000	-	224,000	-	1,546	-	1,546	1.204	14-Mar-31		
	Aozora Bank, Ltd.	-	88,000	-	88,000	-	607	-	607	1.204	14-Mar-31		
	SBI Shinsei Bank, Limited	-	47,000	-	47,000	-	324	-	324	1.204	14-Mar-31		
	The Nomura Trust and Banking Co., Ltd.	-	100,000	-	100,000	-	690	-	690	1.104	14-Mar-30		
	Mizuho Bank, Ltd.	-	2,596,000	-	2,596,000	-	17,926	-	17,926	1.204	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	-	3,347,000	-	3,347,000	-	23,113	-	23,113	1.204	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	-	1,777,000	-	1,777,000	-	12,271	-	12,271	1.204	14-Mar-31		
	The Yamaguchi Bank, Ltd.	-	737,000	-	737,000	-	5,089	-	5,089	1.204	14-Mar-31		
	Aozora Bank, Ltd.	-	287,000	-	287,000	-	1,981	-	1,981	1.204	14-Mar-31		
	SBI Shinsei Bank, Limited	-	153,000	-	153,000	-	1,056	-	1,056	1.204	14-Mar-31		
	Developme nt Bank of Japan Inc.	-	300,000	-	300,000	-	2,071	-	2,071	1.373	14-Mar-31		
	MUFG Bank, Ltd.	-	2,590,800	-	2,590,800	-	17,891	-	17,891	1.654	14-Mar-31		
	Mizuho Bank, Ltd.	-	365,000	-	365,000	-	2,520	-	2,520	1.204	14-Mar-31		
	MUFG Bank, Ltd.	-	969,000	-	969,000	-	6,691	-	6,691	1.204	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	-	102,000	-	102,000	-	704	-	704	1.204	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	-	327,000	-	327,000	-	2,258	-	2,258	1.204	14-Mar-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	Developme nt Bank of Japan Inc.	-	300,000	-	300,000	-	2,071	-	2,071	1.204	14-Mar-31	(2)	Unsecured and unguarante ed
	SBI Shinsei Bank, Limited	-	171,000	-	171,000	-	1,180	-	1,180	1.204	14-Mar-31		
	Aozora Bank, Ltd.	-	300,000	-	300,000	-	2,071	-	2,071	1.204	14-Mar-31		
	The Yamaguchi Bank, Ltd.	-	961,000	-	961,000	-	6,636	-	6,636	1.204	14-Mar-31		
	The Bank of Fukuoka, Ltd.	-	100,000	-	100,000	-	690	-	690	1.204	14-Mar-31		
	The Kagawa Bank, Ltd.	-	150,000	-	150,000	-	1,035	-	1,035	1.204	14-Mar-31		
	Mizuho Bank, Ltd.	-	851,000	-	851,000	-	5,876	-	5,876	1.104	14-Mar-30		
	Sunimoto Mitsui Banking Corporation	-	239,000	-	239,000	-	1,650	-	1,650	1.104	14-Mar-30		
	Sunimoto Mitsui Trust Bank, Limited	-	763,000	-	763,000	-	5,268	-	5,268	1.104	14-Mar-30		
	Developme nt Bank of Japan Inc.	-	700,000	-	700,000	-	4,833	-	4,833	1.104	14-Mar-30		
	SBI Shinsei Bank, Limited	-	399,000	-	399,000	-	2,755	-	2,755	1.104	14-Mar-30		
	Aozora Bank, Ltd.	-	700,000	-	700,000	-	4,833	-	4,833	1.104	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	-	603,000	-	603,000	-	4,164	-	4,164	1.104	14-Mar-30		
	The Bank of Fukuoka, Ltd.	-	233,000	-	233,000	-	1,609	-	1,609	1.104	14-Mar-30		
	The Shizuoka Bank, Ltd.	-	470,000	-	470,000	-	3,245	-	3,245	1.104	14-Mar-30		
	Aichi Bank, Ltd.	-	961,000	-	961,000	-	6,636	-	6,636	1.104	14-Mar-30		
	The Kagawa Bank, Ltd.	-	350,000	-	350,000	-	2,416	-	2,416	1.104	14-Mar-30		
	Sai ju Sai Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,905	-	6,905	1.204	14-Mar-31		
	Total long-term loans payable	295,672,000	26,244,000	27,562,000	294,354,000	2,041,792	181,230	190,332	2,032,691				
Total loans payable		299,097,000	26,244,000	30,987,000	294,354,000	2,065,444	181,230	213,983	2,032,691				

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 receipt of consumption taxes refunds The principal was repaid on May 30, 2025
- (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	
	June 30, 2025	June 30, 2025
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year.....	¥ 25,042,000	\$ 172,930
1-2 years.....	44,260,200	305,643
2-3 years.....	41,701,750	287,975
3-4 years.....	72,164,050	498,336
4-5 years.....	34,581,000	238,802

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\$345 thousand) as required by Article 67-4 of the Investment Trust Act.

The number of investment units authorized was 20,000,000 units as of December 31, 2024 and June 30, 2025.

The number of investment units issued and outstanding were 7,644,064 units as of December 31, 2024 and June 30, 2025, 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 December 31, 2024 and June 30, 2025.

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Unappropriated retained earnings.....	¥ 23,765,358	¥ 22,976,459	\$ 158,666
Distributions	(15,155,269)	(14,490,028)	(100,062)
Retained earnings / losses carried forward.....	¥ 8,610,089	¥ 8,486,431	\$ 58,603

The distribution in respect of the six months ended June 30, 2025 of ¥1,895 (US\$13.0) per investment unit, amounting to a total distribution of ¥14,490,028 thousand (US\$100,062 thousand) was proposed and approved at the Board of Directors meeting on August 25, 2025. These financial statements do not reflect these distributions payable.

Cash distributions per investment unit were ¥1,982 and ¥1,895 (US\$13.0) for the six months ended December 31, 2024 and June 30, 2025, respectively.

Notes related to provision and reversal of allowance for temporary difference adjustment are as follows.

For the six months ended December 31, 2024

Not Applicable

For the six months ended June 30, 2025

Not Applicable

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

Rental revenue – real estate and expenses related to property rental business for the six months ended December 31, 2024 and June 30, 2025 consist of the following:

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Rental revenue – real estate:			
Rental revenue and common area charges (*)	¥ 22,622,304	¥ 19,153,841	\$ 132,268
Other	582,722	688,009	4,751
Total rental revenue – real estate	¥ 23,205,026	¥ 19,841,850	\$ 137,019
Expenses related to property rental business:			
Facility management fees	¥ 816,183	¥ 946,563	\$ 6,536
Property related taxes	830,226	766,023	5,289
Insurance expense	31,466	33,430	230
Depreciation	4,529,111	4,697,178	32,436
Other	118,307	132,263	913
Total expenses related to property rental business	¥ 6,325,294	¥ 6,575,459	\$ 45,407
Operating income from property leasing activities	¥ 16,879,731	¥ 13,266,391	\$ 91,612
(*)Variable rental revenue of hotels	¥ 12,525,783	¥ 10,911,456	\$ 75,350

14. Management Contract Revenue

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Management contract revenue:			
Hotel management revenue	¥ 5,545,434	¥ 9,181,996	\$ 63,407
Hotel management expenses	3,888,014	5,029,597	34,732
Management contract revenue(*)	¥ 1,657,420	¥ 4,172,732	\$ 28,815
Management contract loss(*)	¥ -	¥ 20,333	\$ 140
Insurance expense	220,994	213,443	1,473
Depreciation	461,503	475,293	3,282
Other	86,155	79,016	545
Total management contract expenses	¥ 768,653	¥ 788,087	\$ 5,442
Operating income (loss) from management contract	¥ 888,767	¥ 3,384,645	\$ 23,373

(*)1) For each property, in the case that Hotel management revenue exceeds Hotel management expenses, such excess is recorded as management contract revenue. In the case that Hotel management expenses exceed Hotel management revenue, such excess is recorded as a management contract loss.

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	
	December 31, 2024	June 30, 2025
	(Rate)	
Statutory tax rates	31.46 %	31.46 %
Deductible cash distributions	(31.49)	(31.49)
Increase (decrease) in valuation allowance	0.61	0.03
Other	(0.57)	0.00
Effective tax rates	0.00 %	0.00 %

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

	As of		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Deferred tax assets:			
Enterprise tax payable	¥ 615	¥ 615	\$ 4
Buildings and other (merger)	175,672	172,687	1,192
Land (merger)	116,724	116,724	806
Net loss carried forward(*1)	1,271,430	1,271,430	8,779
Asset retirement obligations	212,417	213,905	1,477
Fixed-term leasehold	211,094	223,237	1,541
Adjustment of acquisition price (Overseas properties)	433,810	429,896	2,968
Excess depreciation	3,490	3,513	24
Deposits received	6,806	4,126	28
Subtotal - deferred tax assets	2,432,063	2,436,138	16,823
Valuation allowance for tax loss carried forward	(1,271,430)	(1,271,430)	(8,779)
Valuation allowance for the sum of deductible temporary differences	(1,160,633)	(1,164,708)	(8,043)
Subtotal - valuation allowance	(2,432,063)	(2,436,138)	(16,823)
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 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	-	-	-	-	-	-	-

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

For the six months ended June 30, 2025

	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)	-	-	-	-	-	8,779	8,779
Valuation allowance	-	-	-	-	-	(8,779)	(8,779)
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 December 31, 2024 and June 30, 2025 scheduled to be received are summarized as follows:

	As of		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 14,911,689	¥ 13,774,668	\$ 95,122
Due over one year	56,187,554	51,925,651	358,577
Total	¥ 71,099,244	¥ 65,700,319	\$ 453,700

(b) Lease rental expenses

The future minimum rental expenses pursuant to existing rental contracts as of December 31, 2024 and June 30, 2025 scheduled to be paid are summarized as follows:

	As of		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 392,195	¥ 392,399	\$ 2,709
Due over one year	8,849,950	8,661,758	59,814
Total	¥ 9,242,145	¥ 9,054,157	\$ 62,524

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 December 31, 2024 and June 30, 2025. 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								
	December 31, 2024			June 30, 2025			June 30, 2025		
	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	¥ 30,167,614	¥ 12,311,226	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	\$ 123,309	\$ 224,071	\$ 100,762
Total assets	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	\$ 123,309	\$ 224,071	\$ 100,762
Liabilities:									
(2) Current portion of investment corporation bonds ..	-	-	-	5,000,000	4,976,000	(24,000)	34,528	34,362	(165)
(3) Current portion of long-term loans payable	40,599,000	40,599,000	-	25,042,000	25,042,000	-	172,930	172,930	-
(4) Investment corporation bonds	24,100,000	23,594,450	(505,550)	19,100,000	18,535,870	(564,130)	131,896	128,001	(3,895)
(5) Long-term loans payable.....	255,073,000	255,073,000	-	269,312,000	269,312,000	-	1,859,761	1,859,761	-
Total liabilities	¥ 319,772,000	¥ 319,266,450	¥ (505,550)	¥ 318,454,000	¥ 317,865,870	¥ (588,130)	\$ 2,199,116	\$ 2,195,054	\$ (4,061)
(6) Derivatives	¥ 538,477	¥ 538,477	¥ -	¥ 1,603,889	¥ 1,603,889	¥ -	\$ 11,075	\$ 11,075	\$ -

Notes

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

(1) Investment securities

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

(2) Current portion of investment corporation bonds and (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 and (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 “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
	(in thousands of yen)					
As of December 31, 2024:						
Current portion of investment corporation bonds	-	-	-	-	-	-
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
As of June 30, 2025:						
Current portion of investment corporation bonds	5,000,000	-	-	-	-	-
Current portion of long-term loans payable ...	25,042,000	-	-	-	-	-
Investment corporation bonds	-	-	2,200,000	9,500,000	7,400,000	-
Long-term loans payable	-	44,260,200	41,701,750	72,164,050	34,581,000	76,605,000
Total	¥ 30,042,000	¥ 44,260,200	¥ 43,901,750	¥ 81,664,050	¥ 41,981,000	¥ 76,605,000
	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 June 30, 2025:

Current portion of investment corporation bonds	34,528	-	-	-	-	-
Current portion of long-term loans payable ...	172,930	-	-	-	-	-
Investment corporation bonds	-	-	15,192	65,603	51,101	-
Long-term loans payable	-	305,643	287,975	498,336	238,802	529,003
Total	\$ 207,458	\$ 305,643	\$ 303,167	\$ 563,939	\$ 289,904	\$ 529,003

18. Investment Securities

	As of								
	December 31, 2024			June 30, 2025			June 30, 2025		
	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	¥ 30,167,614	¥ 12,311,226	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	\$ 123,309	\$ 224,071	\$ 100,762
Total	¥ 17,856,387	¥ 30,167,614	¥ 12,311,226	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	\$ 123,309	\$ 224,071	\$ 100,762

19. Derivatives

Information on derivative transactions undertaken by the Company as of December 31, 2024 and June 30, 2025 is as follows.

(a) Transactions for which hedge accounting is not applied

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)
			(in thousands of yen)		
Principled accounting method	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 989,200	¥ -	¥ (270,700)

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

As of June 30, 2025:

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)		
Principled accounting method	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 1,121,684	¥ -	¥ 30,768	\$ 7,745	\$ -	\$ 212

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

(b) Transactions for which hedge accounting is applied

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)
			(in thousands of yen)		
Principled accounting method	Interest rate swap transaction floating rate receivable and Fixed rate payable	Long-term borrowings	¥ 179,016,000	¥ 171,314,000	¥ 997,866

Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 4,128,908	¥ 952,248	¥ (188,688)
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(*1) The interest rate swap contract amount is based on the notional principal amount.

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

As of June 30, 2025:

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)		
Principled accounting method	Interest rate swap transaction floating rate receivable and Fixed rate payable	Long-term borrowings	¥ 171,314,000	¥ 162,047,000	¥ 1,530,798	\$ 1,183,026	\$ 1,119,031	\$ 10,571
	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 4,691,932	¥ 1,765,856	¥ 42,322	\$ 32,400	\$ 12,194	\$ 292

(*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 43 years, and uses a discount rate of 1.342% for the calculation of asset retirement obligations. For buildings containing asbestos, the Company estimates the useful life from 7 to 37 years, and uses discount rates between 0.783-2.330%.

Movements of asset retirement obligations for the six months December 31, 2024 and June 30, 2025 are as follows.

	For the six months ended		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Balance at the beginning of the period	¥ 395,487	¥ 675,199	\$ 4,662
Liabilities incurred due to the acquisition of properties	275,342	-	-
Accretion expense	4,369	4,729	32
Balance at the end of the period	¥ 675,199	¥ 679,929	\$ 4,695

21. Revenue Recognition

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

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 yen)
Revenue from sale of real estate property	-	-
Other	238,962	25,555,158

Total	238,962	25,555,158
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(*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" (ASBJ Transferred Guidance No. 10) 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 June 30, 2025

	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	243,769	1,683	25,107,832	173,384
Total	243,769	1,683	25,107,832	173,384

(*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" (ASBJ Transferred Guidance No. 10) 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		
	December 31, 2024	June 30, 2025	June 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Claims generated from contracts with customers (balance at beginning of fiscal year)	¥ 3,113	¥ 42,289	\$ 292
Claims generated from contracts with customers (balance at end of fiscal year)	42,289	50,267	347
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 December 31, 2024 and June 30, 2025 is 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 Customers by Country or Region:

For the six months ended December 31, 2024

(in thousands of yen)

<i>Japan</i>	<i>Grand Cayman</i>	<i>Total</i>
23,897,738	1,657,420	25,555,158

For the six months ended June 30, 2025

(in thousands of yen)

<i>Japan</i>	<i>Grand Cayman</i>	<i>Total</i>
20,935,099	4,172,732	25,107,832

(in thousands of U.S. dollars)

<i>Japan</i>	<i>Grand Cayman</i>	<i>Total</i>
144,569	28,815	173,384

(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 customers for the six-month periods ended December 31, 2024 and June 30, 2025 is as follows:

For the six months ended December 31, 2024

<i>Name of customer</i>	<i>Operating revenues (in thousands of yen)</i>	<i>Related segment</i>
<i>Mystays Hotel Management Co., Ltd.</i>	14,428,921	<i>Real estate investing business</i>

For the six months ended June 30, 2025

<i>Name of customer</i>	<i>Operating revenues (in thousands of yen)</i>	<i>Operating revenues (in thousands of U.S. dollars)</i>	<i>Related segment</i>
<i>Mystays Hotel Management Co., Ltd. (*)</i>	13,277,126	91,686	<i>Real estate investing business</i>

(*) Mystays Hotel Management Co., Ltd. has changed its corporate name to Iconia Hospitality K.K. effective as of July 1, 2025.

23. Profit or Loss from Equity Method Investments, etc

For the six months ended December 31, 2024

(in thousands of yen)

Investments in affiliates	17,856,387
Investments, accounted for using the equity method	17,856,387
Profit from equity method investments	692,711

For the six months ended June 30, 2025

(in thousands of yen) (in thousands of U.S. dollars)

Investments in affiliates	17,856,387	123,309
Investments, accounted for using the equity method	17,856,387	123,309
Profit from equity method investments	1,093,248	7,549

24. Related-Party Transactions

(a) Parent Company and Major Corporate Unitholders

For the six months ended December 31, 2024

	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)
Type of related-party	Ganges TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥31,185,000	-	-
	Hakodate TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥16,830,000	-	-
	Nippori TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥16,335,000	-	-
	Shiretoko TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥14,551,000	-	-
	Rishiri TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥10,652,000	-	-
	Yakushima TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥10,195,000	-	-
	Kawaguchiko TMK(3)	Minato-ku, Tokyo	Investment management business	¥0.1	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥4,672,000	-	-
	Naqua Hotel & Resorts Management Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥10	-	Leaseholder and operator of hotel	Rental revenues	¥1,196,591	Rental receivables	¥163,651
	Island Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥50	-	Leaseholder	Rental revenues	¥1,527,152	Rental receivables	¥33,880
	Osaka Bay Tower LLC(3)	Osaka-shi, Osaka	Hotel management business	¥0.1	-	Leaseholder	Rental revenues	¥1,247,707	Rental receivables	¥585,355
	Mystays Hotel Management Co., Ltd.(3)	Minato-ku, Tokyo	Hotel management business	¥100	-	Leaseholder and operator of hotels	Rental revenues	¥14,428,921	Rental receivables	¥5,923,325

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, a subsidiary of a parent company of the asset manager indirectly owning 100% of issued shares. Accordingly, 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. are considered related parties.

- (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)
D90	Art Hotel Osaka Bay Tower & Solaniwa Onsen	Ganges TMK	31,185,000
D91	Hakodate Kokusai Hotel	Hakodate TMK	16,830,000
D92	Art Hotel Nippori Lungwood	Nippori TMK	16,335,000
D93	Hotel MyStays Kumamoto Riverside	Rishiri TMK	6,831,000
D94	Art Hotel Aomori	Shiretoko TMK	5,672,000
D95	Kamenoi Hotel Izukogen	Yakushima TMK	5,563,000
D96	Art Hotel Oita	Shiretoko TMK	5,484,000
D97	Art Hotel Kokura New Tagawa	Kawaguchiko TMK	4,672,000
D98	Art Hotel Miyazaki Sky Tower	Rishiri TMK	3,821,000
D99	Art Hotel Kagoshima	Shiretoko TMK	3,395,000
D100	Kamenoi Hotel Hikone	Yakushima TMK	2,603,000
D101	Kamenoi Hotel Nara	Yakushima TMK	2,029,000
Total			104,420,000

For the six months ended June 30, 2025

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)
	Naqua Hotel & Resorts Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥10	\$69	-	Laseholder and operator of hotel	Rental revenues	¥509,987	\$3,521	Rental receivables	¥244,325	\$1,687
	Island Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥50	\$345	-	Laseholder	Rental revenues	¥761,455	\$5,258	Rental receivables	¥354,255	\$2,446
	Osaka Bay Tower LLC(2)	Osaka-shi, Osaka	Hotel management business	¥0.1	\$0	-	Laseholder	Rental revenues	¥1,477,549	\$10,203	Rental receivables	¥826,761	\$5,709
	Mystays Hotel Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥100	\$690	-	Laseholder and operator of hotels	Rental revenues	¥13,016,722	\$89,888	Rental receivables	¥5,373,590	\$37,107

Notes:

- 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.
- 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, a subsidiary of a parent company of the asset manager indirectly owning 100% of issued shares. Accordingly, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and Mystays Hotel Management Co., Ltd. are considered related parties. Please note that Mystays Hotel Management Co., Ltd. has changed its corporate name to Iconia Hospitality K.K. effective as of July 1, 2025.

(b) Affiliates

For the six months ended December 31, 2024

Not Applicable

For the six months ended June 30, 2025

Not Applicable

(c) Board of Directors and Major Individual Unitholders

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 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)	¥972,100	Accrued expenses	¥247,500
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥1,100	Accrued expenses	¥880

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 June 30, 2025

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)	¥550,000	\$3,798	Accrued expenses	¥302,500	\$2,088
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥600	\$4	Accrued expenses	¥330	\$2

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 for the six months ended June 30, 2025 is Kingdom TMK. A summary of its financial information is as follows:

	Kingdom TMK		
	As of / For the six months ended		
	September 30, 2024	March 31, 2025	March 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Total specified assets	99,687,573	99,559,123	687,515
Total other assets	4,264,412	5,360,340	37,016
Total current liabilities	65,158,021	65,308,077	450,991
Total non-current liabilities	960,166	960,166	6,630
Total net assets	37,833,797	38,651,219	266,909
Operating revenue	2,258,450	3,242,557	22,391
Income before income taxes	1,414,474	2,232,009	15,413
Net income	1,413,697	2,231,119	15,407

26. Per Unit Information

The following table shows net asset value per unit as of December 31, 2024 and June 30, 2025 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		
	December 31, 2024	June 30, 2025	June 30, 2025
	(Yen)		(U.S. dollars)
Net asset value per unit	¥ 45,954	¥ 45,951	\$ 317
Net income per unit	¥ 1,980	¥ 1,878	\$ 12
Weighted average number of units	7,644,064	7,646,453	-

27. Subsequent Events

(a) New borrowings

In order to raise a part of the funds to be used for the acquisition of the 10 hotel properties acquired on August 27, 2025, the Company decided on the implementation of the following borrowings at its board of directors' meeting held on August 25, 2025 and executed on August 27, 2025.

New Syndicate Loan (019)

Lender	Syndicate formed by Mizuho Bank, Ltd.
Borrowing amount	¥30,200 million
Interest rate, etc.	1.654% Base rate (1-month JPY TIBOR) +0.400% (Fixed at 1.664% through an interest rate swap agreement.) Base rate (1-month JPY TIBOR) +0.450% 1.749% Base rate (1-month JPY TIBOR) +0.450% (Fixed at 1.759% through an interest rate swap agreement.) Base rate (1-month JPY TIBOR) +0.500%
Interest payment date	(i) The last Japanese business day of March, June, September and December before the principal maturity date, beginning with September 30, 2025, and (ii) the principal maturity date (i) The last Japanese business day of each month before the principal maturity date, beginning with September 30, 2025, and (ii) the principal maturity date
Principal repayment method	Lump-sum repayment
Borrowing method	Unsecured / with no guarantee
Borrowing date	August 27, 2025
Maturity dates	July 16, 2029, May 14, 2030, and July 16, 2030

(b) Acquisition of assets (properties)

The Company decided to acquire 10 hotel properties as shown in the following table, of which the total acquisition price is 34,284 millions of yen, on August 25, 2024 and the acquisitions have been closed on August 27, 2025.

Use	Property number	Property name	Location	Construction completion date	Acquisition price (in million of yen) (Note)	Total rentable area (m ²)	Seller	Category of specified asset
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Use	Property number	Property name	Location	Construction completion date	Acquisition price (in million of yen) (Note)	Total rentable area (㎡)	Seller	Category of specified asset
Hotel	D102	Irago Ocean Resort	Tahara-shi, Aichi	May 1968	6,900	17,449.59	Nippori Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D103	Kirishima Kokusai Hotel	Kirishima-shi, Kagoshima	August 1971	6,534	21,321.88	Heijo Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D104	Kamenoi Hotel Toba	Toba-shi, Mie	April 1987	4,732	8,183.80	Yakushima Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D105	Kamenoi Hotel Kusatsu Yubatake	Agatsuma-gun, Gunma	October 1986	4,682	6,223.41	Baika Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D106	Atagawa Ocean Resort	Kamo-gun, Shizuoka	March 1997	4,187	8,453.14	Baika Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D107	Hotel MyStays Atsugi	Atsugi-shi, Kanagawa	July 1996	3,177	3,750.60	Nippori Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D108	Kamenoi Hotel Tsukubasan	Tsukuba-shi, Ibaraki	August 1972	2,999	6,480.04	Albula Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D109	Kamenoi Hotel Kochi	Agawa-gun, Kochi	March 1997	446	7,692.16	Yakushima Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D110	Kamenoi Hotel Chitamiha ma	Chita-gun, Aich	May 1977	372	4,707.24	Yakushima Tokutei Mokuteki Kaisha	Trust beneficial interest
Hotel	D111	Kamenoi Hotel Yanagawa	Yanagawa-shi, Fukuoka	October 1969	255	6,071.61	Yakushima Tokutei Mokuteki	Trust beneficial interest

Use	Property number	Property name	Location	Construction completion date	Acquisition price (in million of yen) (Note)	Total rentable area (m ²)	Seller	Category of specified asset
							Kaisha	

(Note) Acquisition prices do not include adjustments for property taxes or city planning taxes, or national or local consumption taxes; hereinafter the same.

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 Japanese GAAP consistent with international accounting standards, the Accounting Standards Board of Japan (ASBJ) has been considering the development of accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, based on 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.