

Invincible Investment
Corporation

Audited Financial Statements
for the 45th Fiscal Period
(from July 1, 2025 to December 31, 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 December 31, 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 December 31, 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 December 31, 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 December 31, 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

March 27, 2026

Shuji Kaneko

Designated Engagement Partner
Certified Public Accountant

Daisuke Unagami

Designated Engagement Partner
Certified Public Accountant

INVINCIBLE INVESTMENT CORPORATION

BALANCE SHEET

December 31, 2025

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
ASSETS			
Current assets:			
Cash and bank deposits (Notes 6 and 17)	¥ 29,949,793	¥ 24,637,567	\$ 157,368
Cash and bank deposits in trust (Notes 6 and 17) ..	12,855,155	14,762,526	94,293
Rental receivables	7,722,980	9,269,773	59,209
Deposits paid	2,275,778	2,638,068	16,850
Prepaid expenses	1,438,177	1,349,918	8,622
Income taxes receivable.....	4,803	7,924	50
Consumption taxes receivable.....	-	999,948	6,387
Other	856	52	0
Total current assets	54,247,545	53,665,780	342,780
Non-current assets:			
Property and equipment (Notes 7 and 8):			
Buildings, at cost	19,967,492	20,522,689	131,085
Buildings and accompanying facilities, at cost	5,611,595	6,160,169	39,347
Structures, at cost.....	15,194	20,632	131
Tools, furniture and fixtures, at cost	2,692,655	3,727,421	23,808
Construction in progress.....	2,233,066	1,156,140	7,384
Buildings in trust, at cost	217,753,523	237,104,393	1,514,463
Buildings and accompanying facilities in trust, at cost	46,218,864	47,984,912	306,495
Structures in trust, at cost	389,172	2,137,734	13,654
Tools, furniture and fixtures in trust, at cost	5,347,534	6,612,546	42,236
Land in trust	322,877,727	337,086,806	2,153,083
Construction in progress in trust.....	784,938	207,262	1,323
Subtotal	623,891,765	662,720,711	4,233,014
Less: Accumulated depreciation	(66,505,161)	(72,131,160)	(460,725)
Total property and equipment, net	557,386,604	590,589,550	3,772,288
Intangible assets:			
Leasehold rights	10,637,811	10,637,811	67,947
Leasehold rights in trust	29,724,915	29,815,326	190,440
Total intangible assets	40,362,727	40,453,138	258,387
Investments and other assets:			
Investment securities (Notes 18 and 23).....	17,856,387	17,856,387	114,054
Guarantee deposits	1,431,014	1,431,014	9,140
Long-term prepaid expenses	2,114,611	2,019,532	12,899
Derivatives assets (Note 19)	1,603,889	2,955,495	18,877
Other	32,667	32,667	208
Total investments and other assets	23,038,571	24,295,097	155,180
Total non-current assets	620,787,903	655,337,786	4,185,857
Deferred assets:			
Investment corporation bond issuance costs.....	110,578	92,187	588
Total deferred assets	110,578	92,187	588
TOTAL ASSETS	¥ 675,146,027	¥ 709,095,754	\$ 4,529,226

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
LIABILITIES			
Current liabilities:			
Accounts payable	¥ 824,238	¥ 1,136,347	\$ 7,258
Current portion of investment corporation bonds (Notes 9 and 17)	5,000,000	5,000,000	31,936
Current portion of long-term loans payable (Notes 10 and 17)	25,042,000	53,150,200	339,487
Accounts payable-other	10,321	10,935	69
Accrued expenses	467,500	503,315	3,214
Income taxes payable	605	605	3
Consumption taxes payable	1,409,971	-	-
Advances received	315,180	1,197,081	7,646
Deposits received	26,070	29,361	187
Total current liabilities	33,095,888	61,027,845	389,804
Non-current liabilities:			
Investment corporation bonds (Notes 9 and 17) ..	19,100,000	19,100,000	121,997
Long-term loans payable (Notes 10 and 17)	269,312,000	271,403,800	1,733,544
Tenant leasehold and security deposits in trust (Note 17)	1,594,607	1,603,121	10,239
Derivatives liabilities (Note 19)	-	433,342	2,767
Asset retirement obligations (Note 20)	679,929	940,424	6,006
Total non-current liabilities	290,686,536	293,480,688	1,874,557
TOTAL LIABILITIES	323,782,424	354,508,533	2,264,362
NET ASSETS (Note 11)			
Unitholders' equity:			
Unitholders' capital	326,079,727	326,079,727	2,082,778
Surplus:			
Capital surplus	6,264,432	6,264,432	40,012
Allowance for temporary difference adjustment (Note 4)	(6,130)	(6,130)	(39)
Other deduction of capital surplus	(5,524,006)	(5,524,006)	(35,283)
Total deduction of capital surplus	(5,530,137)	(5,530,137)	(35,322)
Capital surplus (net)	734,294	734,294	4,690
Voluntary reserve			
Retained earnings	22,976,459	25,175,428	160,803
Total surplus	23,710,754	25,909,722	165,493
Total unitholders' equity	349,790,481	351,989,450	2,248,271
Valuation and translation adjustments:			
Deferred gains or losses on hedges	1,573,121	2,597,770	16,592
Total valuation and translation adjustments	1,573,121	2,597,770	16,592
TOTAL NET ASSETS	351,363,602	354,587,220	2,264,864
TOTAL LIABILITIES AND NET ASSETS	¥ 675,146,027	¥ 709,095,754	\$ 4,529,226

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

INVINCIBLE INVESTMENT CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
For the six months ended December 31, 2025

	For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Operating revenue			
Rental revenue—real estate (Note 13)	¥ 19,841,850	¥ 26,062,113	\$ 166,467
Management contract revenue (Note 14)	4,172,732	1,870,955	11,950
Dividend income	1,093,248	658,504	4,206
Total operating revenue	25,107,832	28,591,573	182,623
Operating expenses			
Property related expenses (Note 13)	6,575,459	7,549,601	48,221
Management contract expenses (Note 14)	788,087	913,668	5,835
Asset management fees	550,000	550,000	3,513
Directors' compensation	4,800	4,800	30
Asset custody fees	33,752	34,685	221
Administrative service fees	53,077	76,619	489
Other	167,206	152,290	972
Total operating expenses	8,172,382	9,281,665	59,285
Operating income	16,935,449	19,309,907	123,338
Non-operating income			
Interest income	31,377	51,753	330
Foreign exchange gains	-	105,596	674
Interest on tax refund	3,639	2	0
Gain on derivatives	67,845	-	-
Other	311	234	1
Total non-operating income	103,174	157,586	1,006
Non-operating expenses			
Interest expenses	1,690,058	1,886,983	12,052
Foreign exchange losses	218,907	-	-
Interest expenses on investment corporation bonds...	142,392	144,753	924
Amortization of investment corporation bond issuance costs	18,090	18,390	117
Loan-related costs	602,080	659,891	4,214
Loss on derivatives	-	67,873	433
Other	118	-	-
Total non-operating expenses	2,671,649	2,777,891	17,743
Ordinary income	14,366,975	16,689,602	106,601
Extraordinary income			
Subsidy income	99,854	-	-
Total extraordinary income	99,854	-	-
Extraordinary losses			
Loss on reduction entry of non-current assets (Note 5)...	99,854	-	-
Total extraordinary losses	99,854	-	-
Income before income taxes	14,366,975	16,689,602	106,601
Income taxes (Note 15):			
Current	605	605	3
Total income taxes	605	605	3
Net income	14,366,370	16,688,997	106,598
Retained earnings brought forward	8,610,089	8,486,431	54,205
Unappropriated retained earnings (Note 12)	¥ 22,976,459	¥ 25,175,428	\$ 160,803

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

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CHANGES IN NET ASSETS

For the six months ended December 31, 2025

	Unitholders' equity					Capital surplus (net)
	Unitholders' capital	Surplus				
		Capital surplus	Capital surplus			
			Allowance for temporary difference adjustment	Deduction of capital surplus		
				Other deduction of capital surplus	Deduction of capital surplus	
(in thousands of yen)						
Balance as of January 1, 2025	¥ 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
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)						
Total changes during the period	-	-	-	-	-	-
Balance as of December 31, 2025	¥ 326,079,727	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294

	Unitholders' equity		Total unitholders' equity	Valuation and translation adjustments		Total net assets
	Surplus			Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
(in thousands of yen)						
Balance as of January 1, 2025	¥ 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
Changes during the period						
Distributions from surplus	(14,490,028)	(14,490,028)	(14,490,028)			(14,490,028)
Net income	16,688,997	16,688,997	16,688,997			16,688,997
Changes other than unitholders' equity (net)				1,024,649	1,024,649	1,024,649
Total changes during the period	2,198,968	2,198,968	2,198,968	1,024,649	1,024,649	3,223,617
Balance as of December 31, 2025	¥ 25,175,428	¥ 25,909,722	¥ 351,989,450	¥ 2,597,770	¥ 2,597,770	¥ 354,587,220

	Unitholders' equity					Capital surplus (net)
	Surplus					
	Unitholders' capital	Capital surplus				
		Capital surplus	Deduction of capital surplus			
	Allowance for temporary difference adjustment		Other deduction of capital surplus	Deduction of capital surplus		
(in thousands of U.S. dollars)						
Balance as of July 1, 2025	\$ 2,082,778	\$ 40,012	\$ (39)	\$ (35,283)	\$ (35,322)	\$ 4,690
Changes during the period						
Distributions from surplus						
Net income						
Changes other than unitholders' equity (net)	-	-	-	-	-	-
Total changes during the period	-	-	-	-	-	-
Balance as of December 31, 2025	\$ 2,082,778	\$ 40,012	\$ (39)	\$ (35,283)	\$ (35,322)	\$ 4,690

	Unitholders' equity		Valuation and translation adjustments			Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Retained earnings	Total surplus				
(in thousands of U.S. dollars)						
Balance as of July 1, 2025	\$ 146,758	\$ 151,448	2,234,226	\$ 10,048	\$ 10,048	\$ 2,244,274
Changes during the period						
Distributions from surplus	(92,552)	(92,552)	(92,552)			(92,552)
Net income	106,598	106,598	106,598			106,598
Changes other than unitholders' equity (net)				6,544	6,544	6,544
Total changes during the period	14,045	14,045	14,045	6,544	6,544	20,590
Balance as of December 31, 2025	\$ 160,803	\$ 165,493	\$ 2,248,271	\$ 16,592	\$ 16,592	\$ 2,264,864

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

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CASH FLOWS For the six months ended December 31, 2025

	For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash flows from operating activities:			
Income before income taxes	¥ 14,366,975	¥ 16,689,602	\$ 106,601
Depreciation and amortization	5,172,471	5,672,219	36,230
Loss on reduction entry of non-current assets	99,854	-	-
Amortization of investment corporation bond issuance costs	18,090	18,390	117
Loan-related costs	602,080	659,891	4,214
Amortization of tenant leasehold and security deposits in trust	(489)	(691)	(4)
Interest income	(31,377)	(51,753)	(330)
Interest expenses	1,832,451	2,031,736	12,977
Foreign exchange losses (gains)	88	(89)	(0)
Loss (gain) on derivatives	(67,845)	67,873	433
Decrease (increase) in rental receivables	(214,541)	(1,546,793)	(9,879)
Decrease (increase) in deposits paid	(319,731)	(362,289)	(2,314)
Decrease (increase) in receivable income taxes	(4,270)	(3,120)	(19)
Decrease (increase) in consumption taxes receivable	2,426,309	(999,948)	(6,387)
Increase (decrease) in accounts payable	(111,512)	72,124	460
Increase (decrease) in consumption taxes payable	1,409,971	(1,409,971)	(9,005)
Increase (decrease) in accrued expenses	50,019	17,946	114
Increase (decrease) in advances received	(365,521)	881,901	5,632
Increase (decrease) in deposits received	(92,528)	5,179	33
Other, net	(120,164)	84,648	540
Subtotal	24,650,329	21,826,856	139,415
Interest income received	31,377	51,753	330
Interest expenses paid	(1,840,670)	(2,013,863)	(12,863)
Income taxes paid	(605)	(605)	(3)
Net cash provided by operating activities	22,840,431	19,864,140	126,878
Cash flows from investing activities:			
Purchases of property and equipment	(1,260,074)	(1,065,534)	(6,805)
Purchases of property and equipment in trust	(3,576,196)	(37,269,914)	(238,055)
Purchases of leasehold rights in trust	-	(129,647)	(828)
Repayments of tenant leasehold and security deposits in trust	(51,156)	(27,524)	(175)
Proceeds from tenant leasehold and security deposits in trust	53,473	36,729	234
Other, net-investing activities	(204,680)	(3,224)	(20)
Net cash used in investing activities	(5,038,634)	(38,459,115)	(245,650)
Cash flows from financing activities:			
Repayments of short-term loans payable	(3,425,000)	-	-
Proceeds from long-term loans payable	26,244,000	43,237,000	276,168
Repayments of long-term loans payable	(27,562,000)	(13,037,000)	(83,271)
Payments for loan-related costs	(382,691)	(520,787)	(3,326)
Payments of distributions of earnings	(15,154,760)	(14,489,181)	(92,547)
Net cash provided by (used in) financing activities	(20,280,451)	15,190,031	97,023
Effect of exchange rate change on cash and cash equivalents	(88)	89	0
Net increase (decrease) in cash and cash equivalents	(2,478,742)	(3,404,854)	(21,747)
Cash and cash equivalents at beginning of period	45,283,691	42,804,948	273,409
Cash and cash equivalents at end of period (Note 6)	¥ 42,804,948	¥ 39,400,094	\$ 251,661

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

INVINCIBLE INVESTMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

As of and for the six months ended December 31, 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 ¥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 ¥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:

	<u>For the six months ended</u>
	<u>December 31, 2025</u>
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.

Tax on property and equipment capitalized as part of the acquisition cost of properties amounted to ¥28,769 thousand (US\$183 thousand) for the six months ended December 31, 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 ¥156.56 = US\$1, the effective rate of exchange prevailing at December 31, 2025. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended December 31, 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 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)	

(b). Method of reversal

(i) Leasehold rights in trust

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

For the six months ended December 31, 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	\$ (838)	\$ (39)	-	-	\$ (39)	-
Total		\$ (838)	\$ (39)	-	-	\$ (39)	

(b). Method of reversal

(i) Leasehold rights in trust

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

5. Advanced Depreciation

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

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Buildings and accompanying facilities in trust	¥ 99,854	¥ 313,283	\$ 2,001

6. Cash and Cash Equivalents

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

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash and bank deposits	¥ 29,949,793	¥ 24,637,567	\$ 157,368
Cash and bank deposits in trust	¥ 12,855,155	¥ 14,762,526	\$ 94,293
Cash and cash equivalents	¥ 42,804,948	¥ 39,400,094	\$ 251,661

7. Property and Equipment

The following tables show the summary of movement in property and equipment for the six months ended December 31, 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)	¥ 19,967,492	¥ 555,197	¥ -	¥ 20,522,689	¥ 2,912,549	¥ 226,035	¥ 17,610,139
Buildings and accompanying facilities (1)	5,611,595	548,573	-	6,160,169	2,044,943	169,448	4,115,226
Structures (1)	15,194	5,438	-	20,632	1,299	464	19,332
Tools, furniture and fixtures (1)	2,692,655	1,034,766	-	3,727,421	1,040,788	168,653	2,686,633
Leasehold rights	10,637,811	-	-	10,637,811	-	-	10,637,811
Construction in progress (1)	2,233,066	183,224	1,260,150	1,156,140	-	-	1,156,140
Buildings in trust (1)	217,753,523	19,350,870	-	237,104,393	43,521,802	3,430,819	193,582,591
Buildings and accompanying facilities in trust (1)	46,218,864	1,766,048	-	47,984,912	19,058,088	1,207,271	28,926,824
Structures in trust (1)	389,172	1,748,562	-	2,137,734	187,633	40,475	1,950,101

Tools, furniture and fixtures in trust (1)	5,347,534	1,265,012	-	6,612,546	3,364,054	382,829	3,248,491
Land in trust (1)	322,877,727	14,209,079	-	337,086,806	-	-	337,086,806
Leasehold rights in trust	30,434,507	129,647	-	30,564,155	748,828	39,237	29,815,326
Construction in progress in trust (1)	784,938	200,262	777,938	207,262	-	-	207,262
Total	¥ 664,964,085	¥ 40,996,683	¥ 2,038,089	¥ 703,922,678	¥ 72,879,989	¥ 5,665,236	¥ 631,042,689

	At cost						
	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment
(in thousands of U.S. dollars)							
Buildings (1)	\$ 127,538	\$ 3,546	\$ -	\$ 131,085	\$ 18,603	\$ 1,443	\$ 112,481
Buildings and accompanying facilities (1)	35,843	3,503	-	39,347	13,061	1,082	26,285
Structures (1)	97	34	-	131	8	2	123
Tools, furniture and fixtures (1)	17,198	6,609	-	23,808	6,647	1,077	17,160
Leasehold rights	67,947	-	-	67,947	-	-	67,947
Construction in progress (1)	14,263	1,170	8,048	7,384	-	-	7,384
Buildings in trust (1)	1,390,863	123,600	-	1,514,463	277,988	21,913	1,236,475
Buildings and accompanying facilities in trust (1)	295,215	11,280	-	306,495	121,730	7,711	184,765
Structures in trust (1)	2,485	11,168	-	13,654	1,198	258	12,455
Tools, furniture and fixtures in trust (1)	34,156	8,080	-	42,236	21,487	2,445	20,749
Land in trust (1)	2,062,325	90,758	-	2,153,083	-	-	2,153,083
Leasehold rights in trust	194,395	828	-	195,223	4,783	250	190,440
Construction in progress in trust (1)	5,013	1,279	4,968	1,323	-	-	1,323
Total	\$ 4,247,343	\$ 261,859	\$ 13,017	\$ 4,496,184	\$ 465,508	\$ 36,185	\$ 4,030,676

Notes:

1. The primary reason for the increase in the current period is attributable to the acquisition of new hotels and 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 June 30, 2025 and December 31, 2025.

Residential

	As of / For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
		(in thousands of U.S. dollars)	
Net book value			
Balance at the beginning of period	¥ 33,677,378	¥ 33,695,497	\$ 215,224
Net increase (decrease) during period	18,119	(234,111)	(1,495)
Balance at the end of period	33,695,497	33,461,385	213,728
Fair value	¥ 49,198,000	¥ 49,418,000	\$ 315,648

Retail facilities

	As of / For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
		(in thousands of U.S. dollars)	
Net book value			
Balance at the beginning of period	¥ 1,558,613	¥ 1,541,557	\$ 9,846
Net increase (decrease) during period	(17,055)	(13,037)	(83)
Balance at the end of period	1,541,557	1,528,520	9,763
Fair value	¥ 2,380,000	¥ 2,150,000	\$ 13,732

Hotels

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

	2025	2025	2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 560,547,827	¥ 559,494,270	\$ 3,573,673
Net increase (decrease) during period	(1,053,556)	35,195,108	224,802
Balance at the end of period	559,494,270	594,689,379	3,798,475
Fair value	¥ 724,069,651	¥ 779,493,856	\$ 4,978,882

Total

	As of / For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 595,783,818	¥ 594,731,326	\$ 3,798,743
Net increase (decrease) during period	(1,052,491)	34,947,959	223,224
Balance at the end of period	594,731,326	629,679,286	4,021,967
Fair value	¥ 775,647,651	¥ 831,061,856	\$ 5,308,264

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 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 the acquisition of hotels and 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 June 30, 2025 and December 31, 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 December 31, 2025.

For the six months ended December 31, 2025

	<i>Beginning balance</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Ending balance</i>	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	6,387	6,387	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	12,774	12,774	0.900
6th unsecured investment corporation bond (Issued on March 13, 2020 and due on March 13, 2030) (1)(4)	1,200,000	1,200,000	7,664	7,664	0.850
7th unsecured investment corporation bond (Issued on May 25, 2023 and due on May 25, 2026) (1)(6)	5,000,000	5,000,000	31,936	31,936	1.000
8th unsecured investment corporation bond (Issued on May 25, 2023 and due on May 25, 2028) (1)(6)	1,200,000	1,200,000	7,664	7,664	1.200
9th unsecured investment corporation bond (Issued on September 21, 2023 and due on September 21, 2028) (1)(6)	1,700,000	1,700,000	10,858	10,858	1.200
10th unsecured investment corporation bond (Issued on December 14, 2023 and due on December 14, 2028)	1,800,000	1,800,000	11,497	11,497	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	38,323	38,323	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	26,826	26,826	1.300
(2)(6)					
Total investment corporation bonds	24,100,000	24,100,000	153,934	153,934	

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	
	December 31,	December 31,
	2025	2025
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥ 5,000,000	\$ 31,936
1-2 years	-	-
2-3 years	5,700,000	36,407
3-4 years	12,200,000	77,925
4-5 years	1,200,000	7,664

10. Loans Payable

The following table shows the details of loans payable for the six months ended December 31, 2025

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	Kiraboshi Bank, Ltd.	961,000	-	-	961,000	6,138	-	-	6,138	1.666	29-Mar-29	(2)	Unsecured and unguarante ed
	Mizuho Bank, Ltd.	2,170,400	-	2,170,400	-	13,863	-	13,863	-	1.304	16-Jul-25		
	MUFG Bank, Ltd.	1,464,800	-	1,464,800	-	9,356	-	9,356	-	1.304	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	1,331,200	-	1,331,200	-	8,502	-	8,502	-	1.304	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	628,600	-	628,600	-	4,015	-	4,015	-	1.304	16-Jul-25		
	SBI Shinsei Bank, Limited	200,000	-	200,000	-	1,277	-	1,277	-	1.304	16-Jul-25		
	Mizuho Bank, Ltd.	1,211,000	-	1,211,000	-	7,735	-	7,735	-	1.304	16-Jul-25		
	MUFG Bank, Ltd.	986,000	-	986,000	-	6,297	-	6,297	-	1.304	16-Jul-25		
	Sumitomo Mitsui Banking Corporation	986,000	-	986,000	-	6,297	-	6,297	-	1.304	16-Jul-25		
	Sumitomo Mitsui Trust Bank, Limited	684,000	-	684,000	-	4,368	-	4,368	-	1.304	16-Jul-25		
	Development Bank of Japan Inc.	300,000	-	300,000	-	1,916	-	1,916	-	1.304	16-Jul-25		
	AEON Bank, Ltd.	300,000	-	300,000	-	1,916	-	1,916	-	1.304	16-Jul-25		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	100,000	-	638	-	638	-	1.304	16-Jul-25		
	Aozora Bank, Ltd.	375,000	-	375,000	-	2,395	-	2,395	-	1.304	16-Jul-25		
	The Tokyo Star Bank, Limited	700,000	-	700,000	-	4,471	-	4,471	-	1.304	16-Jul-25		
	THE NISHI-NIPP ON CITY BANK, LTD.	1,000,000	-	1,000,000	-	6,387	-	6,387	-	1.302	15-Oct-25		
The Tokyo Star Bank, Limited	600,000	-	600,000	-	3,832	-	3,832	-	0.954	20-Jul-25			
The Tokyo Star Bank, Limited	1,190,000	-	-	1,190,000	7,600	-	-	7,600	1.366	13-Oct-27			
Mizuho Bank, Ltd.	3,001,500	-	-	3,001,500	19,171	-	-	19,171	0.712	14-Mar-26			

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	MUFG Bank, Ltd.	1,326,000	-	-	1,326,000	8,469	-	-	8,469	0.712	14-Mar-26	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	2,293,500	-	-	2,293,500	14,649	-	-	14,649	0.712	14-Mar-26		
	Development Bank of Japan Inc.	900,000	-	-	900,000	5,748	-	-	5,748	0.712	14-Mar-26		
	MUFG Bank, Ltd.	765,000	-	-	765,000	4,886	-	-	4,886	0.707	14-Mar-26		
	The Chiba Bank, Ltd.	981,000	-	-	981,000	6,265	-	-	6,265	0.707	14-Mar-26		
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.363	19-Jul-26		
	MUFG Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.363	27-Jul-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,798	-	-	7,798	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,089	-	-	7,089	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,377	-	-	6,377	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	2,842	-	-	2,842	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	37,183	-	-	37,183	0.696	16-Jul-26		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	36,941	-	-	36,941	0.696	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	29,391	-	-	29,391	0.696	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	14,211	-	-	14,211	0.696	16-Jul-26		
	Development Bank of Japan Inc.	333,000	-	-	333,000	2,126	-	-	2,126	0.696	16-Jul-26		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	597	-	-	597	0.696	16-Jul-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,798	-	-	7,798	1.395	14-Jul-28		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	7,089	-	-	7,089	1.395	14-Jul-28		
Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,377	-	-	6,377	1.395	14-Jul-28			

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	445,000	-	-	445,000	2,842	-	-	2,842	1.395	14-Jul-28	(2)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	37,183	-	-	37,183	1.395	14-Jul-28		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	36,941	-	-	36,941	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	29,391	-	-	29,391	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	14,211	-	-	14,211	1.395	14-Jul-28		
	Development Bank of Japan Inc.	333,000	-	-	333,000	2,126	-	-	2,126	1.395	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	597	-	-	597	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	296,800	-	-	296,800	1,895	-	-	1,895	1.166	16-Jul-26		
	MUFG Bank, Ltd.	227,700	-	-	227,700	1,454	-	-	1,454	1.166	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	224,100	-	-	224,100	1,431	-	-	1,431	1.166	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	203,000	-	-	203,000	1,296	-	-	1,296	1.166	16-Jul-26		
	Mizuho Bank, Ltd.	1,519,600	-	-	1,519,600	9,706	-	-	9,706	1.166	16-Jul-26		
	MUFG Bank, Ltd.	1,165,900	-	-	1,165,900	7,446	-	-	7,446	1.166	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,147,300	-	-	1,147,300	7,328	-	-	7,328	1.166	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,039,500	-	-	1,039,500	6,639	-	-	6,639	1.166	16-Jul-26		
	Development Bank of Japan Inc.	296,100	-	-	296,100	1,891	-	-	1,891	1.166	16-Jul-26		
	Mizuho Bank, Ltd.	2,454,000	-	-	2,454,000	15,674	-	-	15,674	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,784,600	-	-	1,784,600	11,398	-	-	11,398	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,784,600	-	-	1,784,600	11,398	-	-	11,398	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,586,300	-	-	1,586,300	10,132	-	-	10,132	0.691	16-Jul-26		

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	The Tokyo Star Bank, Limited	793,100	-	-	793,100	5,065	-	-	5,065	0.691	16-Jul-26	(2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	793,100	-	-	793,100	5,065	-	-	5,065	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	3,681,000	-	-	3,681,000	23,511	-	-	23,511	1.069	14-Jul-28		
	MUFG Bank, Ltd.	2,677,000	-	-	2,677,000	17,098	-	-	17,098	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,677,000	-	-	2,677,000	17,098	-	-	17,098	1.069	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,379,500	-	-	2,379,500	15,198	-	-	15,198	1.069	14-Jul-28		
	Development Bank of Japan Inc.	2,974,400	-	-	2,974,400	18,998	-	-	18,998	1.069	14-Jul-28		
	The Tokyo Star Bank, Limited	1,189,700	-	-	1,189,700	7,599	-	-	7,599	1.069	14-Jul-28		
	Aozora Bank, Ltd.	1,189,700	-	-	1,189,700	7,599	-	-	7,599	1.069	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	806,000	-	-	806,000	5,148	-	-	5,148	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	19,161	-	-	19,161	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	6,947,000	-	-	6,947,000	44,372	-	-	44,372	0.894	16-Jul-27		
	MUFG Bank, Ltd.	5,133,100	-	-	5,133,100	32,786	-	-	32,786	0.894	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	6,717,200	-	-	6,717,200	42,904	-	-	42,904	0.894	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	2,679,950	-	-	2,679,950	17,117	-	-	17,117	0.894	16-Jul-27		
	Development Bank of Japan Inc.	2,100,000	-	-	2,100,000	13,413	-	-	13,413	0.894	16-Jul-27		
	The Nomura Trust and Banking Co., Ltd.	756,000	-	-	756,000	4,828	-	-	4,828	0.894	16-Jul-27		
	Mizuho Bank, Ltd.	875,000	-	-	875,000	5,588	-	-	5,588	0.879	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	875,000	-	-	875,000	5,588	-	-	5,588	0.879	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	745,500	-	-	745,500	4,761	-	-	4,761	0.879	16-Jul-27		

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	Mizuho Bank, Ltd.	2,977,500	-	-	2,977,500	19,018	-	-	19,018	1.327	16-Jul-28	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	2,199,900	-	-	2,199,900	14,051	-	-	14,051	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,878,800	-	-	2,878,800	18,387	-	-	18,387	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	1,148,550	-	-	1,148,550	7,336	-	-	7,336	1.327	16-Jul-28		
	Development Bank of Japan Inc.	900,000	-	-	900,000	5,748	-	-	5,748	1.327	16-Jul-28		
	Mizuho Bank, Ltd.	375,000	-	-	375,000	2,395	-	-	2,395	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	375,000	-	-	375,000	2,395	-	-	2,395	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	319,500	-	-	319,500	2,040	-	-	2,040	1.327	16-Jul-28		
	SBI Shinsei Bank, Limited	3,197,000	-	-	3,197,000	20,420	-	-	20,420	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	1,900,000	-	-	1,900,000	12,135	-	-	12,135	1.054	14-Jul-28		
	Mizuho Bank, Ltd.	4,321,000	-	-	4,321,000	27,599	-	-	27,599	1.663	29-Nov-29		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	10,365	-	-	10,365	1.265	14-Mar-28		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,733	-	-	8,733	1.265	14-Mar-28		
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,256	-	-	8,256	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,676	-	-	4,676	1.265	14-Mar-28		
	Aozora Bank, Ltd.	237,000	-	-	237,000	1,513	-	-	1,513	1.265	14-Mar-28		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	357	-	-	357	1.265	14-Mar-28		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,429	-	-	5,429	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	26,667	-	-	26,667	1.265	14-Mar-28		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	10,365	-	-	10,365	1.359	14-Mar-29		

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,733	-	-	8,733	1.359	14-Mar-29	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	8,256	-	-	8,256	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,676	-	-	4,676	1.359	14-Mar-29		
	Development Bank of Japan Inc.	335,000	-	-	335,000	2,139	-	-	2,139	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	357	-	-	357	1.359	14-Mar-29		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,429	-	-	5,429	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	26,667	-	-	26,667	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	2,576,000	-	-	2,576,000	16,453	-	-	16,453	1.663	14-Mar-30		
	MUFG Bank, Ltd.	2,168,000	-	-	2,168,000	13,847	-	-	13,847	1.663	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	2,050,000	-	-	2,050,000	13,094	-	-	13,094	1.663	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	1,161,000	-	-	1,161,000	7,415	-	-	7,415	1.663	14-Mar-30		
	Development Bank of Japan Inc.	265,000	-	-	265,000	1,692	-	-	1,692	1.663	14-Mar-30		
	Sai jū San Bank, Ltd.	662,000	-	-	662,000	4,228	-	-	4,228	1.663	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	88,000	-	-	88,000	562	-	-	562	1.663	14-Mar-30		
	SBI Shinsei Bank, Limited	369,000	-	-	369,000	2,356	-	-	2,356	1.052	14-Mar-27		
	The Tokyo Star Bank, Limited	2,440,000	-	-	2,440,000	15,585	-	-	15,585	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	333,000	-	-	333,000	2,126	-	-	2,126	1.663	14-Mar-30		
	MUFG Bank, Ltd.	233,000	-	-	233,000	1,488	-	-	1,488	1.663	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	363,000	-	-	363,000	2,318	-	-	2,318	1.663	14-Mar-30		
Development Bank of Japan Inc.	100,000	-	-	100,000	638	-	-	638	1.663	14-Mar-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	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,235	-	-	2,235	1.359	14-Mar-29	(2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.359	14-Mar-29		
	The Tochigi Bank, Ltd.	901,000	-	-	901,000	5,754	-	-	5,754	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,235	-	-	2,235	1.212	14-Mar-28		
	SBI Shinsei Bank, Limited	281,000	-	-	281,000	1,794	-	-	1,794	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.052	14-Mar-27		
	The Bank of Fukuoka, Ltd.	465,000	-	-	465,000	2,970	-	-	2,970	1.052	14-Mar-27		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.052	14-Mar-27		
	THE NISHI-NIPPON CITY BANK, LTD.	500,000	-	-	500,000	3,193	-	-	3,193	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	845,000	-	-	845,000	5,397	-	-	5,397	1.263	14-Mar-26		
	The Bank of Fukuoka, Ltd.	393,000	-	-	393,000	2,510	-	-	2,510	1.263	14-Mar-26		
	San ju San Bank, Ltd.	1,700,000	-	-	1,700,000	10,858	-	-	10,858	1.663	14-Mar-30		
	SBI Shinsei Bank, Limited	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.375	16-Jul-29		
	Mizuho Bank, Ltd.	1,131,000	-	-	1,131,000	7,224	-	-	7,224	1.763	16-Jul-31		
	MUFG Bank, Ltd.	1,470,000	-	-	1,470,000	9,389	-	-	9,389	1.763	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	1,390,000	-	-	1,390,000	8,878	-	-	8,878	1.763	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	788,000	-	-	788,000	5,033	-	-	5,033	1.763	16-Jul-31		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,916	-	-	1,916	1.763	16-Jul-31		
Mizuho Bank, Ltd.	377,000	-	-	377,000	2,408	-	-	2,408	1.663	16-Jul-30			
SBI Shinsei Bank, Limited	823,000	-	-	823,000	5,256	-	-	5,256	1.663	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	MUFG Bank, Ltd.	490,000	-	-	490,000	3,129	-	-	3,129	1.663	16-Jul-30	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	463,000	-	-	463,000	2,957	-	-	2,957	1.663	16-Jul-30		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,395	-	-	2,395	1.663	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	263,000	-	-	263,000	1,679	-	-	1,679	1.663	16-Jul-30		
	Mizuho Bank, Ltd.	375,400	-	-	375,400	2,397	-	-	2,397	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	19,161	-	-	19,161	1.375	16-Jul-29		
	MUFG Bank, Ltd.	490,800	-	-	490,800	3,134	-	-	3,134	1.375	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	464,200	-	-	464,200	2,964	-	-	2,964	1.375	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	261,600	-	-	261,600	1,670	-	-	1,670	1.375	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	638	-	-	638	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	19,161	-	-	19,161	1.230	14-Jul-28		
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000	1,916	-	-	1,916	1.230	14-Jul-28		
	Mizuho Bank, Ltd.	5,900,000	-	-	5,900,000	37,685	-	-	37,685	1.763	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	34,491	-	-	34,491	1.763	16-Jul-31		
	MUFG Bank, Ltd.	5,067,000	-	-	5,067,000	32,364	-	-	32,364	1.763	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	17,245	-	-	17,245	1.763	16-Jul-31		
	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	9,580	-	-	9,580	1.763	16-Jul-31		
	The Yamaguchi Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.763	16-Jul-31		
The Tochigi Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.763	16-Jul-31			
The Kagawa Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.763	16-Jul-31			

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	Mizuho Bank, Ltd.	5,866,000	-	-	5,866,000	37,468	-	-	37,468	1.663	16-Jul-30	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	34,491	-	-	34,491	1.663	16-Jul-30		
	MUFG Bank, Ltd.	3,567,000	-	-	3,567,000	22,783	-	-	22,783	1.663	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	17,245	-	-	17,245	1.663	16-Jul-30		
	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	9,580	-	-	9,580	1.663	16-Jul-30		
	Sai-ju San Bank, Ltd.	700,000	-	-	700,000	4,471	-	-	4,471	1.663	16-Jul-30		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.663	16-Jul-30		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.663	16-Jul-30		
	Suruga Bank Ltd.	2,000,000	-	-	2,000,000	12,774	-	-	12,774	1.375	16-Jul-29		
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.375	16-Jul-29		
	Aichi Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.375	16-Jul-29		
	The San-in Codo Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	500,000	-	-	500,000	3,193	-	-	3,193	1.375	16-Jul-29		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.375	16-Jul-29		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.375	16-Jul-29		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	9,580	-	-	9,580	1.598	16-Jul-30		
	Mizuho Bank, Ltd.	1,250,000	-	-	1,250,000	7,984	-	-	7,984	1.516	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	1,250,000	-	-	1,250,000	7,984	-	-	7,984	1.516	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	1,060,000	-	-	1,060,000	6,770	-	-	6,770	1.516	14-Mar-31		
	Mizuho Bank, Ltd.	787,400	-	-	787,400	5,029	-	-	5,029	1.466	14-Mar-31		

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	1,015,600	-	-	1,015,600	6,486	-	-	6,486	1.466	14-Mar-31	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	680,200	-	-	680,200	4,344	-	-	4,344	1.466	14-Mar-31		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,193	-	-	3,193	1.466	14-Mar-31		
	The Yamaguchi Bank, Ltd.	224,000	-	-	224,000	1,430	-	-	1,430	1.466	14-Mar-31		
	Aozora Bank, Ltd.	88,000	-	-	88,000	562	-	-	562	1.466	14-Mar-31		
	SBI Shinsei Bank, Limited	47,000	-	-	47,000	300	-	-	300	1.466	14-Mar-31		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	638	-	-	638	1.366	14-Mar-30		
	Mizuho Bank, Ltd.	2,596,000	-	-	2,596,000	16,581	-	-	16,581	1.466	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	3,347,000	-	-	3,347,000	21,378	-	-	21,378	1.466	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	1,777,000	-	-	1,777,000	11,350	-	-	11,350	1.466	14-Mar-31		
	The Yamaguchi Bank, Ltd.	737,000	-	-	737,000	4,707	-	-	4,707	1.466	14-Mar-31		
	Aozora Bank, Ltd.	287,000	-	-	287,000	1,833	-	-	1,833	1.466	14-Mar-31		
	SBI Shinsei Bank, Limited	153,000	-	-	153,000	977	-	-	977	1.466	14-Mar-31		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,916	-	-	1,916	1.663	14-Mar-31		
	MUFG Bank, Ltd.	2,590,800	-	-	2,590,800	16,548	-	-	16,548	1.654	14-Mar-31		
	Mizuho Bank, Ltd.	365,000	-	-	365,000	2,331	-	-	2,331	1.466	14-Mar-31		
	MUFG Bank, Ltd.	969,000	-	-	969,000	6,189	-	-	6,189	1.466	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	102,000	-	-	102,000	651	-	-	651	1.466	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	327,000	-	-	327,000	2,088	-	-	2,088	1.466	14-Mar-31		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,916	-	-	1,916	1.466	14-Mar-31		

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	171,000	-	-	171,000	1,092	-	-	1,092	1.466	14-Mar-31	(2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	300,000	-	-	300,000	1,916	-	-	1,916	1.466	14-Mar-31		
	The Yamaguchi Bank, Ltd.	961,000	-	-	961,000	6,138	-	-	6,138	1.466	14-Mar-31		
	The Bank of Fukuoka, Ltd.	100,000	-	-	100,000	638	-	-	638	1.466	14-Mar-31		
	The Kagawa Bank, Ltd.	150,000	-	-	150,000	958	-	-	958	1.466	14-Mar-31		
	Mizuho Bank, Ltd.	851,000	-	-	851,000	5,435	-	-	5,435	1.366	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	239,000	-	-	239,000	1,526	-	-	1,526	1.366	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	763,000	-	-	763,000	4,873	-	-	4,873	1.366	14-Mar-30		
	Development Bank of Japan Inc.	700,000	-	-	700,000	4,471	-	-	4,471	1.366	14-Mar-30		
	SBI Shinsei Bank, Limited	399,000	-	-	399,000	2,548	-	-	2,548	1.366	14-Mar-30		
	Aozora Bank, Ltd.	700,000	-	-	700,000	4,471	-	-	4,471	1.366	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	603,000	-	-	603,000	3,851	-	-	3,851	1.366	14-Mar-30		
	The Bank of Fukuoka, Ltd.	233,000	-	-	233,000	1,488	-	-	1,488	1.366	14-Mar-30		
	The Shizuoka Bank, Ltd.	470,000	-	-	470,000	3,002	-	-	3,002	1.366	14-Mar-30		
	Aichi Bank, Ltd.	961,000	-	-	961,000	6,138	-	-	6,138	1.366	14-Mar-30		
	The Kagawa Bank, Ltd.	350,000	-	-	350,000	2,235	-	-	2,235	1.366	14-Mar-30		
	Sai-ju San Bank, Ltd.	1,000,000	-	-	1,000,000	6,387	-	-	6,387	1.466	14-Mar-31		
	Mizuho Bank, Ltd.	-	2,536,000	-	2,536,000	-	16,198	-	16,198	1.266	16-Jul-29		
	MUFG Bank, Ltd.	-	1,838,000	-	1,838,000	-	11,739	-	11,739	1.266	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	-	1,738,000	-	1,738,000	-	11,101	-	11,101	1.266	16-Jul-29		

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Sumitomo Mitsui Trust Bank, Limited	-	984,000	-	984,000	-	6,285	-	6,285	1.266	16-Jul-29	(2)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	-	281,000	-	281,000	-	1,794	-	1,794	1.266	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	-	100,000	-	100,000	-	638	-	638	1.266	16-Jul-29		
	Mizuho Bank, Ltd.	-	845,400	-	845,400	-	5,399	-	5,399	1.366	16-Jul-30		
	MUFG Bank, Ltd.	-	762,800	-	762,800	-	4,872	-	4,872	1.366	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	-	729,200	-	729,200	-	4,657	-	4,657	1.366	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	-	328,600	-	328,600	-	2,098	-	2,098	1.366	16-Jul-30		
	Development Bank of Japan Inc.	-	300,000	-	300,000	-	1,916	-	1,916	1.366	16-Jul-30		
	SBI Shinsei Bank, Limited	-	200,000	-	200,000	-	1,277	-	1,277	1.366	16-Jul-30		
	Aozora Bank, Ltd.	-	94,000	-	94,000	-	600	-	600	1.366	16-Jul-30		
	The Tokyo Star Bank, Limited	-	700,000	-	700,000	-	4,471	-	4,471	1.466	16-Jul-31		
	The Tokyo Star Bank, Limited	-	600,000	-	600,000	-	3,832	-	3,832	1.466	16-Jul-31		
	Mizuho Bank, Ltd.	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.664	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.664	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	-	1,500,000	-	1,500,000	-	9,580	-	9,580	1.664	16-Jul-29		
	Development Bank of Japan Inc.	-	850,000	-	850,000	-	5,429	-	5,429	1.664	16-Jul-29		
	Sai-ju San Bank, Ltd.	-	400,000	-	400,000	-	2,554	-	2,554	1.664	16-Jul-29		
	The Bank of Fukuoka, Ltd.	-	250,000	-	250,000	-	1,596	-	1,596	1.664	16-Jul-29		
The Shizuoka Bank, Ltd.	-	500,000	-	500,000	-	3,193	-	3,193	1.664	16-Jul-29			
The Yamagata Bank, Ltd.	-	500,000	-	500,000	-	3,193	-	3,193	1.664	16-Jul-29			

Classification	Name of lender	Beginning balance	Increase	Decrease	Ending Balance	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (%) (1)	Maturity date	Use of proceeds	Remarks
		(in thousands of yen)				(in thousands of U.S. dollars)							
Long-term loans payable	Mizuho Bank, Ltd.	-	1,350,000	-	1,350,000	-	8,622	-	8,622	1.759	14-Mar-30	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.759	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	-	2,400,000	-	2,400,000	-	15,329	-	15,329	1.759	14-Mar-30		
	The Bank of Fukuoka, Ltd.	-	250,000	-	250,000	-	1,596	-	1,596	1.759	14-Mar-30		
	Mizuho Bank, Ltd.	-	1,150,000	-	1,150,000	-	7,345	-	7,345	1.366	16-Jul-30		
	MUFG Bank, Ltd.	-	1,100,000	-	1,100,000	-	7,026	-	7,026	1.366	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	-	1,100,000	-	1,100,000	-	7,026	-	7,026	1.366	16-Jul-30		
	Development Bank of Japan Inc.	-	850,000	-	850,000	-	5,429	-	5,429	1.366	16-Jul-30		
	Suruga Bank Ltd.	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.366	16-Jul-30		
	The Yanaguchi Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,387	-	6,387	1.366	16-Jul-30		
	Aichi Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,387	-	6,387	1.366	16-Jul-30		
	The Tochigi Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,387	-	6,387	1.366	16-Jul-30		
	The Kagawa Bank, Ltd.	-	1,000,000	-	1,000,000	-	6,387	-	6,387	1.366	16-Jul-30		
	MUFG Bank, Ltd.	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.654	16-Jul-29		
	Mizuho Bank, Ltd.	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.316	14-Mar-30		
	MUFG Bank, Ltd.	-	2,000,000	-	2,000,000	-	12,774	-	12,774	1.598	14-Mar-30		
	MUFG Bank, Ltd.	-	500,000	-	500,000	-	3,193	-	3,193	1.316	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	-	500,000	-	500,000	-	3,193	-	3,193	1.316	14-Mar-30		
Total long-term loans payable		294,354,000	43,237,000	13,037,000	324,554,000	1,880,135	276,168	83,271	2,073,032				
Total loans payable		294,354,000	43,237,000	13,037,000	324,554,000	1,880,135	276,168	83,271	2,073,032				

Notes:

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

	As of	
	December 31, 2025	December 31, 2025
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥ 53,150,200	\$ 339,487
1-2 years	34,133,750	218,023
2-3 years	67,264,050	429,637
3-4 years	49,573,000	316,638
4-5 years	67,552,000	431,476

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\$319 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 June 30, 2025 and December 31, 2025.

The number of investment units issued and outstanding were 7,646,453 units as of June 30, 2025 and December 31, 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 June 30, 2025 and December 31, 2025.

	For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Unappropriated retained earnings	¥ 22,976,459	¥ 25,175,428	\$ 160,803
Distributions	(14,490,028)	(16,715,146)	(106,765)
Retained earnings / losses carried forward	¥ 8,486,431	¥ 8,460,281	\$ 54,038

The distribution in respect of the six months ended December 31, 2025 of ¥2,186 (US\$13.9) per investment unit, amounting to a total distribution of ¥16,715,146 thousand (US\$106,765 thousand) was proposed and approved at the Board of Directors meeting on February 26, 2026. These financial statements do not reflect these distributions payable.

Cash distributions per investment unit were ¥1,895 and ¥2,186 (US\$13.9) for the six months ended June 30, 2025 and December 31, 2025, respectively.

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

For the six months ended June 30, 2025

Not Applicable

For the six months ended December 31, 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 June 30, 2025 and December 31, 2025 consist of the following:

	For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Rental revenue – real estate:			
Rental revenue and common area charges (*)	¥ 19,153,841	¥ 25,362,336	\$ 161,997
Other	688,009	699,777	4,469
Total rental revenue – real estate	¥ 19,841,850	¥ 26,062,113	\$ 166,467
Expenses related to property rental business:			
Facility management fees	¥ 946,563	¥ 1,109,931	\$ 7,089
Property related taxes	766,023	1,093,127	6,982
Insurance expense	33,430	81,386	519
Depreciation	4,697,178	5,146,387	32,871
Other	132,263	118,767	758
Total expenses related to property rental business	¥ 6,575,459	¥ 7,549,601	\$ 48,221
Operating income from property leasing activities	¥ 13,266,391	¥ 18,512,512	\$ 118,245
(*)Variable rental revenue of hotels	¥ 10,911,456	¥ 14,928,970	\$ 95,356

14. Management Contract Revenue

	For the six months ended		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Management contract revenue:			
Hotel management revenue	¥ 9,181,996	¥ 5,928,825	\$ 37,869
Hotel management expenses	5,029,597	4,192,313	26,777
Other revenue	-	656	4
Management contract revenue(*1)	¥ 4,172,732	¥ 1,870,955	\$ 11,950
Management contract loss(*1)	¥ 20,333	¥ 133,787	\$ 854
Facility management fees	-	13,211	84
Insurance expense	213,443	175,709	1,122
Depreciation	475,293	525,831	3,358
Other	79,016	65,128	415
Total management contract expenses	¥ 788,087	¥ 913,668	\$ 5,835
Operating income (loss) from management contract	¥ 3,384,645	¥ 957,286	\$ 6,114

(*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	
	June 30, 2025	December 31, 2025
	(Rate)	
Statutory tax rates	31.46 %	31.46 %
Deductible cash distributions	(31.49)	(31.50)
Increase (decrease) in valuation allowance	0.03	0.52
Other	0.00	(0.48)
Effective tax rates	0.00 %	0.00 %

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

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Deferred tax assets:			
Enterprise tax payable	¥ 615	¥ 615	\$ 3
Buildings and other (merger)	172,687	169,509	1,082
Land (merger)	116,724	116,724	745
Net loss carried forward(*1)	1,271,430	1,271,430	8,121
Asset retirement obligations	213,905	295,857	1,889
Fixed-term leasehold	223,237	235,581	1,504
Adjustment of acquisition price (Overseas properties)	429,896	425,983	2,720
Excess depreciation	3,513	3,490	22
Deposits received	4,126	3,322	21
Subtotal - deferred tax assets	2,436,138	2,522,516	16,112
Valuation allowance for tax loss carried forward	(1,271,430)	(1,271,430)	(8,121)
Valuation allowance for the sum of deductible temporary differences	(1,164,708)	(1,251,086)	(7,991)
Subtotal - valuation allowance	(2,436,138)	(2,522,516)	(16,112)
Total - deferred tax assets	-	-	-

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

For the six months ended June 30, 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	-	-	-	-	-	-	-

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

For the six months ended December 31, 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)	-	-	-	-	-	8,121	8,121
Valuation allowance	-	-	-	-	-	(8,121)	(8,121)
Deferred tax assets	-	-	-	-	-	-	-

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

16. Leases

(a) Lease rental revenues

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

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 13,774,668	¥ 14,446,345	\$ 92,273
Due over one year	51,925,651	59,535,608	380,273
Total	¥ 65,700,319	¥ 73,981,954	\$ 472,546

(b) Lease rental expenses

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

	As of		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 392,399	¥ 392,399	\$ 2,506
Due over one year	8,661,758	8,465,558	54,072
Total	¥ 9,054,157	¥ 8,857,957	\$ 56,578

17. Financial Instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

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

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

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

(iii) Supplemental information for financial instruments

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

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair values and valuation differences of financial instruments for which fair value is available as of June 30, 2025 and December 31, 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								
	June 30, 2025			December 31, 2025			December 31, 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	¥ 32,447,763	¥ 14,591,375	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	\$ 114,054	\$ 212,375	\$ 98,320
Total assets	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	\$ 114,054	\$ 212,375	\$ 98,320
Liabilities:									
(2) Current portion of investment corporation bonds	5,000,000	4,976,000	(24,000)	5,000,000	4,986,000	(14,000)	31,936	31,847	(89)
(3) Current portion of long-term loans payable	25,042,000	25,042,000	-	53,150,200	53,150,200	-	339,487	339,487	-
(4) Investment corporation bonds	19,100,000	18,535,870	(564,130)	19,100,000	18,381,830	(718,170)	121,997	117,410	(4,587)
(5) Long-term loans payable	269,312,000	269,312,000	-	271,403,800	271,403,800	-	1,733,544	1,733,544	-
Total liabilities	¥ 318,454,000	¥ 317,865,870	¥ (588,130)	¥ 348,654,000	¥ 347,921,830	¥ (732,170)	\$ 2,226,967	\$ 2,222,290	\$ (4,676)
(6) Derivatives	¥ 1,603,889	¥ 1,603,889	¥ -	¥ 2,522,153	¥ 2,522,153	¥ -	\$ 16,109	\$ 16,109	\$ -

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 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
As of December 31, 2025:						
Current portion of investment corporation bonds	5,000,000	-	-	-	-	-
Current portion of long-term loans payable	53,150,200	-	-	-	-	-
Investment corporation bonds	-	-	5,700,000	12,200,000	1,200,000	-
Long-term loans payable	-	34,133,750	67,264,050	49,573,000	67,552,000	52,881,000
Total	¥ 58,150,200	¥ 34,133,750	¥ 72,964,050	¥ 61,773,000	¥ 68,752,000	¥ 52,881,000
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of U.S. dollars)					

As of December 31, 2025:

Current portion of investment corporation bonds	31,936	-	-	-	-	-
Current portion of long-term loans payable ...	339,487	-	-	-	-	-
Investment corporation bonds	-	-	36,407	77,925	7,664	-
Long-term loans payable	-	218,023	429,637	316,638	431,476	337,768
Total	\$ 371,424	\$ 218,023	\$ 466,045	\$ 394,564	\$ 439,141	\$ 337,768

18. Investment Securities

	As of								
	June 30, 2025			December 31, 2025			December 31, 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	¥ 32,447,763	¥ 14,591,375	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	\$ 114,054	\$ 212,375	\$ 98,320
Total	¥ 17,856,387	¥ 32,447,763	¥ 14,591,375	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	\$ 114,054	\$ 212,375	\$ 98,320

19. Derivatives

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

(a) Transactions for which hedge accounting is not applied

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)
			(in thousands of yen)		
Principled accounting method	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 1,121,684	¥ -	¥ 30,768

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

As of December 31, 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	¥ 952,248	¥ -	¥ (75,617)	\$ 6,082	\$ -	\$ (482)

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

(b) Transactions for which hedge accounting is applied

As of June 30, 2025:

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	¥ 171,314,000	¥ 162,047,000	¥ 1,530,798

Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 4,691,932	¥ 1,765,856	¥ 42,322
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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 December 31, 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	¥ 185,314,000	¥ 141,021,800	¥ 2,955,495	\$ 1,183,661	\$ 900,752	\$ 18,877
	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 3,477,028	¥ 904,266	¥ (357,724)	\$ 22,208	\$ 5,775	\$ (2,284)

(*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 42 years, and uses discount rates between 0.783-3.369%.

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

	For the six months ended			
	June 30, 2025	December 31, 2025	December 31, 2025	
		(in thousands of yen)		(in thousands of U.S. dollars)
Balance at the beginning of the period	¥ 675,199	¥ 679,929	\$ 4,342	
Liabilities incurred due to the acquisition of properties	-	253,512	1,619	
Accretion expense	4,729	6,982	44	
Balance at the end of the period	¥ 679,929	¥ 940,424	\$ 6,006	

21. Revenue Recognition

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

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 yen)
Revenue from sale of real estate property	-	-
Other	243,769	25,107,832

Total	243,769	25,107,832
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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 December 31, 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	291,686	1,863	28,591,573	182,623
Total	291,686	1,863	28,591,573	182,623

(*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		
	June 30, 2025	December 31, 2025	December 31, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Claims generated from contracts with customers (balance at beginning of fiscal year)	¥ 42,289	¥ 50,267	\$ 321
Claims generated from contracts with customers (balance at end of fiscal year)	50,267	39,230	250
Contract assets (balance at beginning of fiscal year)	-	-	-
Contract assets (balance at end of fiscal year)	-	-	-
Contract liabilities (balance at beginning of fiscal year)	-	-	-
Contract liabilities (balance at end of fiscal year)	-	-	-

(i)Transaction value allocated to remaining performance obligations

Not Applicable

22. Segment Information

Segment information for the six months ended June 30, 2025 and December 31, 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 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

For the six months ended December 31, 2025

(in thousands of yen)

<i>Japan</i>	<i>Grand Cayman</i>	<i>Total</i>
26,720,618	1,870,955	28,591,573

(in thousands of U.S. dollars)

<i>Japan</i>	<i>Grand Cayman</i>	<i>Total</i>
170,673	11,950	182,623

(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 June 30, 2025 and December 31, 2025 is as follows:

For the six months ended June 30, 2025

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

For the six months ended December 31, 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>Iconia Hospitality K.K.</i>	16,601,669	106,040	<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 June 30, 2025

(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	1,093,248

For the six months ended December 31, 2025

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

Investments in affiliates	17,856,387	114,054
Investments, accounted for using the equity method	17,856,387	114,054
Profit from equity method investments	658,504	4,206

24. Related-Party Transactions

(a) Parent Company and Major Corporate Unitholders

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)			Type of transactions	Amounts (1)	Balance sheet account	Amounts(1)
								(in thousands of yen)		(in thousands of yen)
Type of related-party	Naqua Hotel & Resorts Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥10	-	Leaseholder and operator of hotel	Rental revenues	¥509,987	Rental receivables	¥244,325
	Island Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥50	-	Leaseholder	Rental revenues	¥761,455	Rental receivables	¥354,255
	Osaka Bay Tower LLC(2)	Osaka-shi, Osaka	Hotel management business	¥0.1	-	Leaseholder	Rental revenues	¥1,477,549	Rental receivables	¥826,761
	Mystays Hotel Management Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥100	-	Leaseholder and operator of hotels	Rental revenues	¥13,016,722	Rental receivables	¥5,373,590

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.

For the six months ended December 31, 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)
Type of related-party	Nippori TMK	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥10,077,000	\$64,365	-	-	-
	Hejo TMK	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥6,534,000	\$41,734	-	-	-
	Yakushima TMK	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥5,805,000	\$37,078	-	-	-
	Baika TMK	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥8,869,000	\$56,649	-	-	-
	Albula TMK	Minato-ku, Tokyo	Investment management business	¥0.1	\$0	-	Seller of real estate trust beneficiary rights	Acquisition of real estate trust beneficiary rights(2)(4)	¥2,999,000	\$19,155	-	-	-

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	\$63	-	Lesseeholder and operator of hotel	Rental revenues	¥1,195,932	\$7,638	Rental receivables	¥219,869	\$1,404
	Island Co., Ltd.(2)	Minato-ku, Tokyo	Hotel management business	¥50	\$320	-	Lesseeholder	Rental revenues	¥1,692,098	\$10,807	Rental receivables	¥33,880	\$216
	Osaka Bay Tower LLC(2)	Osaka-shi, Osaka	Hotel management business	¥0.1	\$0	-	Lesseeholder	Rental revenues	¥1,808,487	\$11,551	Rental receivables	¥631,676	\$4,034
	Iconia Hospitality K.K.(2)	Minato-ku, Tokyo	Hotel management business	¥100	\$638	-	Lesseeholder and operator of hotels	Rental revenues	¥16,373,766	\$104,584	Rental receivables	¥7,539,035	\$48,154

Notes:

- Consumption taxes are not included in the transaction amount, but are included in the balance at the end of periods.
- 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.
- Nippori TMK, Heijo TMK, Yakushima TMK, Baika TMK, Albula TMK, Naqua Hotel & Resorts Management Co., Ltd, Island Co., Ltd., Osaka Bay Tower LLC and Iconia Hospitality K.K. 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, Nippori TMK, Heijo TMK, Yakushima TMK, Baika TMK, Albula TMK, Naqua Hotel & Resorts Management Co., Ltd, Island Co., Ltd., Osaka Bay Tower LLC and Iconia Hospitality K.K. are considered related parties.
- The transaction amount is stated based on the transaction price under the purchase and sale agreement of trust beneficiary interests, and does not include the expenses in the transaction, property tax, city planning tax, and consumption taxes.

Acquisition of real estate trust beneficiary interests are relating to below

Property No.	Property name	Seller	Acquisition cost (in thousands of yen)	Acquisition cost (in thousands of US dollars)
D102	Irago Ocean Resort	Nippori TMK	6,900,000	44,072
D103	Kirishima Kokusai Hotel	Heijo TMK	6,534,000	41,734
D104	Kamenoi Hotel Toba	Yakushima TMK	4,732,000	30,224
D105	Kamenoi Hotel Kusatsu Yubatake	Baika TMK	4,682,000	29,905
D106	Atagawa Ocean Resort	Baika TMK	4,187,000	26,743
D107	Hotel MyStays Atsugi	Nippori TMK	3,177,000	20,292
D108	Kamenoi Hotel Tsukubasan	Albula TMK	2,999,000	19,155
D109	Kamenoi Hotel Kochi	Yakushima TMK	446,000	2,848
D110	Kamenoi Hotel Chitanihama	Yakushima TMK	372,000	2,376
D111	Kamenoi Hotel Yanagawa	Yakushima TMK	255,000	1,628
		Total	34,284,000	218,983

(b) Affiliates

For the six months ended June 30, 2025

Not Applicable

For the six months ended December 31, 2025

Not Applicable

(c) Board of Directors and Major Individual Unitholders

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 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)	¥550,000	Accrued expenses	¥302,500
				Payment of institution management fee to Consonant Investment Management Co.,	¥600	Accrued expenses	¥330

				Ltd.(2)		
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Notes:

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

For the six months ended December 31, 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)	¥721,420	\$4,607	Accrued expenses	¥302,500	\$1,932
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥1,100	\$7	Accrued expenses	¥880	\$5

Notes:

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

25. Parent Company and/or Significant Affiliates

(a) Information on the parent company

Not Applicable.

(b) Summary of financial statements of the significant affiliates

The significant affiliates for the six months ended December 31, 2025 is Kingdom TMK. A summary of its financial information is as follows:

	Kingdom TMK		
	As of / For the six months ended		
	March 31, 2025	September 30, 2025	September 30, 2025
	(in thousands of yen)		(in thousands of U.S. dollars)
Total specified assets	99,559,123	99,271,552	634,079
Total other assets	5,360,340	12,579,665	80,350
Total current liabilities	65,308,077	120,556	770
Total non-current liabilities	960,166	73,966,674	472,449
Total net assets	38,651,219	37,763,987	241,210
Operating revenue	3,242,557	2,465,985	15,751
Income before income taxes	2,232,009	1,344,841	8,589
Net income	2,231,119	1,343,887	8,583

26. Per Unit Information

The following table shows net asset value per unit as of June 30, 2025 and December 31, 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		
	June 30, 2025	December 31, 2025	December 31, 2025
	(Yen)		(U.S. dollars)
Net asset value per unit	¥ 45,951	¥ 46,372	\$ 296
Net income per unit	¥ 1,878	¥ 2,182	\$ 13
Weighted average number of units	7,646,453	7,646,453	-

27. Subsequent Events

Not Applicable.

28. Unapplied Accounting Standard

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

(1) Overview

As part of efforts to make 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.