Invincible Investment Corporation

Audited Financial Statements for the 46th Fiscal Period

(from January 1, 2026 to June 30, 2026)

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Independent Auditor's Report

The Board of Directors
Invincible Investment Corporation

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Invincible Investment Corporation (the Company), which comprise the balance sheet as at June 30, 2026, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

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

Responsibilities of Management and the Supervisory Director for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the six-month period ended June 30, 2026 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the financial statements.

Fee-related Information

The fees for the audits of the financial statements of the Company and other services provided by us and other EY member firms for the six-month period ended June 30, 2026 are 19,800 thousand yen and 4,896 thousand yen, respectively.

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

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

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 28, 2026

Shuji Kaneko

Designated Engagement Partner
Certified Public Accountant

Daisuke Unagami

Designated Engagement Partner
Certified Public Accountant

INVINCIBLE INVESTMENT CORPORATION

BALANCE SHEET

June 30, 2026

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
ASSETS			
Current assets:			
Cash and bank deposits (Notes 6 and 17)	¥ 24,637,567	¥ 31,570,517	$ 194,411
Cash and bank deposits in trust (Notes 6 and 17)	14,762,526	13,728,677	84,541
Rental receivables	9,269,773	8,672,397	53,404
Deposits paid	2,638,068	2,659,723	16,378
Prepaid expenses	1,349,918	1,007,365	6,203
Income taxes receivable	7,924	8,425	51
Consumption taxes receivable	999,948	-	-
Other	52	62	0
Total current assets	53,665,780	57,647,169	354,992
Non-current assets:			
Property and equipment (Notes 7 and 8):			
Buildings, at cost	20,522,689	21,228,787	130,727
Buildings and accompanying facilities, at cost	6,160,169	6,209,787	38,239
Structures, at cost	20,632	154,967	954
Tools, furniture and fixtures, at cost	3,727,421	3,800,998	23,406
Construction in progress	1,156,140	807,101	4,970
Buildings in trust, at cost	237,104,393	238,600,812	1,469,307
Buildings and accompanying facilities in trust, at cost	47,984,912	49,102,349	302,372
Structures in trust, at cost	2,137,734	2,175,850	13,398
Tools, furniture and fixtures in trust, at cost	6,612,546	7,076,618	43,577
Land in trust	337,086,806	337,086,806	2,075,785
Construction in progress in trust	207,262	926,696	5,706
Subtotal	662,720,711	667,170,777	4,108,447
Less: Accumulated depreciation	(72,131,160)	(77,977,626)	(480,187)
Total property and equipment, net	590,589,550	589,193,151	3,628,260
Intangible assets:			
Leasehold rights	10,637,811	10,637,811	65,507
Leasehold rights in trust	29,815,326	29,776,729	183,365
Total intangible assets	40,453,138	40,414,540	248,873
Investments and other assets:			
Investment securities (Notes 18 and 23)	17,856,387	14,669,498	90,334
Guarantee deposits	1,431,014	1,431,014	8,812
Long-term prepaid expenses	2,019,532	1,670,216	10,285
Derivatives assets (Note 19)	2,955,495	3,021,573	18,606
Other	32,667	32,667	201
Total investments and other assets	24,295,097	20,824,970	128,240
Total non-current assets	655,337,786	650,432,662	4,005,373
Deferred assets:			
Investment corporation bond issuance costs	92,187	74,936	461
Total deferred assets	92,187	74,936	461
TOTAL ASSETS	¥ 709,095,754	¥ 708,154,769	$ 4,360,827

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
LIABILITIES			
Current liabilities:			
Accounts payable	¥ 1,136,347	¥ 1,595,462	$ 9,824
Current portion of investment corporation bonds (Notes 9 and 17)	5,000,000	-	-
Current portion of long-term loans payable (Notes 10 and 17)	53,150,200	44,260,200	272,554
Accounts payable-other	10,935	12,472	76
Accrued expenses	503,315	529,462	3,260
Income taxes payable	605	605	3
Consumption taxes payable	-	1,460,779	8,995
Advances received	1,197,081	328,512	2,022
Deposits received	29,361	29,787	183
Total current liabilities	61,027,845	48,217,282	296,922
Non-current liabilities:			
Investment corporation bonds (Notes 9 and 17)	19,100,000	19,100,000	117,618
Long-term loans payable (Notes 10 and 17)	271,403,800	285,293,800	1,756,843
Tenant leasehold and security deposits in trust (Note 17)	1,603,121	1,448,682	8,921
Derivatives liabilities (Note 19)	433,342	292,493	1,801
Asset retirement obligations (Note 20)	940,424	948,301	5,839
Total non-current liabilities	293,480,688	307,083,278	1,891,023
TOTAL LIABILITIES	354,508,533	355,300,560	2,187,946
NET ASSETS (Note 11)			
Unitholders' equity:			
Unitholders' capital	326,079,727	326,079,727	2,008,003
Surplus:			
Capital surplus	6,264,432	6,264,432	38,576
Allowance for temporary difference adjustment (Note 4)	(6,130)	(6,130)	(37)
Other deduction of capital surplus	(5,524,006)	(5,524,006)	(34,016)
Total deduction of capital surplus	(5,530,137)	(5,530,137)	(34,054)
Capital surplus (net)	734,294	734,294	4,521
Voluntary reserve			
Retained earnings	25,175,428	23,189,930	142,803
Total surplus	25,909,722	23,924,224	147,325
Total unitholders' equity	351,989,450	350,003,952	2,155,329
Valuation and translation adjustments:			
Deferred gains or losses on hedges	2,597,770	2,850,256	17,551
Total valuation and translation adjustments	2,597,770	2,850,256	17,551
TOTAL NET ASSETS	354,587,220	352,854,208	2,172,881
TOTAL LIABILITIES AND NET ASSETS	¥ 709,095,754	¥ 708,154,769	$ 4,360,827

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

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF INCOME AND RETAINED EARNINGS

For the six months ended June 30, 2026

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Operating revenue			
Rental revenue－real estate (Note 13)	¥ 26,062,113	¥ 20,947,046	$ 128,992
Management contract revenue (Note 14)	1,870,955	4,869,052	29,983
Dividend income	658,504	973,230	5,993
Total operating revenue	28,591,573	26,789,329	164,969
Operating expenses			
Property related expenses (Note 13)	7,549,601	7,473,580	46,022
Management contract expenses (Note 14)	913,668	830,258	5,112
Asset management fees	550,000	650,000	4,002
Directors' compensation	4,800	4,800	29
Asset custody fees	34,685	35,112	216
Administrative service fees	76,619	66,263	408
Other	152,290	165,027	1,016
Total operating expenses	9,281,665	9,225,041	56,807
Operating income	19,309,907	17,564,287	108,161
Non-operating income			
Interest income	51,753	55,035	338
Foreign exchange gains	105,596	110,020	677
Interest on tax refund	2	5,051	31
Other	234	1,739	10
Total non-operating income	157,586	171,846	1,058
Non-operating expenses			
Interest expenses	1,886,983	2,175,803	13,398
Interest expenses on investment corporation bonds	144,753	137,187	844
Amortization of investment corporation bond issuance costs	18,390	17,250	106
Loan-related costs	659,891	606,191	3,732
Loss on derivatives	67,873	69,448	427
Total non-operating expenses	2,777,891	3,005,881	18,510
Ordinary income	16,689,602	14,730,253	90,709
Extraordinary income			
Subsidy income	-	90,399	556
Total extraordinary income	-	90,399	556
Extraordinary losses			
Loss on reduction entry of non-current assets (Note 5)	-	90,399	556
Total extraordinary losses	-	90,399	556
Income before income taxes	16,689,602	14,730,253	90,709
Income taxes (Note 15):			
Current	605	605	3
Total income taxes	605	605	3
Net income	16,688,997	14,729,648	90,705
Retained earnings brought forward	8,486,431	8,460,281	52,098
Unappropriated retained earnings (Note 12)	¥ 25,175,428	¥ 23,189,930	$ 142,803

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 June 30, 2026

	Unitholders' equity					
		Surplus				
		Capital surplus				
			Deduction of capital surplus			
	Unitholders' capital	Capital surplus	Allowance for temporary difference adjustment	Other deduction of capital surplus	Deduction of capital surplus	Capital surplus (net)
	(in thousands of yen)					
Balance as of July 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 December 31, 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, 2026	¥ 326,079,727	¥ 6,264,432	¥ (6,130)	¥ (5,524,006)	¥ (5,530,137)	¥ 734,294

	Unitholders' equity			Valuation and translation adjustments		
	Surplus					
	Retained earnings	Total surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
	(in thousands of yen)					
Balance as of July 1, 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
Changes during the period						
Distributions from surplus	(16,715,146)	(16,715,146)	(16,715,146)			(16,715,146)
Net income	14,729,648	14,729,648	14,729,648			14,729,648
Changes other than unitholders' equity (net)				252,486	252,486	252,486
Total changes during the period	(1,985,497)	(1,985,497)	(1,985,497)	252,486	252,486	(1,733,011)
Balance as of June 30, 2026	¥ 23,189,930	¥ 23,924,224	¥ 350,003,952	¥ 2,850,256	¥ 2,850,256	¥ 352,854,208

	Unitholders' equity					
		Surplus				
		Capital surplus				
			Deduction of capital surplus			
	Unitholders' capital	Capital surplus	Allowance for temporary difference adjustment	Other deduction of capital surplus	Deduction of capital surplus	Capital surplus (net)
	(in thousands of U.S. dollars)					
Balance as of January 1, 2026	$ 2,008,003	$ 38,576	$ (37)	$ (34,016)	$ (34,054)	$ 4,521
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, 2026	$ 2,008,003	$ 38,576	$ (37)	$ (34,016)	$ (34,054)	$ 4,521

	Unitholders' equity			Valuation and translation adjustments		
	Surplus					
	Retained earnings	Total surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
	(in thousands of U.S. dollars)					
Balance as of January 1, 2026	$ 155,030	$ 159,552	$ 2,167,556	$ 15,997	$ 15,997	$ 2,183,553
Changes during the period						
Distributions from surplus	(102,932)	(102,932)	(102,932)			(102,932)
Net income	90,705	90,705	90,705			90,705
Changes other than unitholders' equity (net)				1,554	1,554	1,554
Total changes during the period	(12,226)	(12,226)	(12,226)	1,554	1,554	(10,671)
Balance as of June 30, 2026	$ 142,803	$ 147,325	$ 2,155,329	$ 17,551	$ 17,551	$ 2,172,881

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

INVINCIBLE INVESTMENT CORPORATION

STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash flows from operating activities:			
Income before income taxes	¥ 16,689,602	¥ 14,730,253	$ 90,709
Depreciation and amortization	5,672,219	5,892,939	36,288
Loss on reduction entry of non-current assets	-	90,399	556
Amortization of investment corporation bond issuance costs	18,390	17,250	106
Loan-related costs	659,891	606,191	3,732
Amortization of tenant leasehold and security deposits in trust	(691)	(881)	(5)
Interest income	(51,753)	(55,035)	(338)
Interest expenses	2,031,736	2,312,990	14,243
Foreign exchange losses (gains)	(89)	(44)	(0)
Loss (gain) on derivatives	67,873	69,448	427
Decrease (increase) in rental receivables	(1,546,793)	597,376	3,678
Decrease (increase) in deposits paid	(362,289)	(21,655)	(133)
Decrease (increase) in receivable income taxes	(3,120)	(501)	(3)
Decrease (increase) in consumption taxes receivable	(999,948)	999,948	6,157
Increase (decrease) in accounts payable	72,124	290,765	1,790
Increase (decrease) in consumption taxes payable	(1,409,971)	1,460,779	8,995
Increase (decrease) in accrued expenses	17,946	41,412	255
Increase (decrease) in advances received	881,901	(868,568)	(5,348)
Increase (decrease) in deposits received	5,179	(3,139)	(19)
Other, net	84,648	530,656	3,267
Subtotal	21,826,856	26,690,585	164,361
Interest income received	51,753	55,035	338
Interest expenses paid	(2,013,863)	(2,329,691)	(14,346)
Income taxes paid	(605)	(605)	(3)
Net cash provided by operating activities	19,864,140	24,415,325	150,349
Cash flows from investing activities:			
Purchases of property and equipment	(1,065,534)	(615,673)	(3,791)
Purchases of property and equipment in trust	(37,269,914)	(3,756,441)	(23,132)
Purchases of leasehold rights in trust	(129,647)	-	-
Repayments of tenant leasehold and security deposits in trust	(27,524)	(174,938)	(1,077)
Proceeds from tenant leasehold and security deposits in trust	36,729	21,380	131
Proceeds from redemption of investment securities	-	3,185,000	19,613
Other, net-investing activities	(3,224)	(315,154)	(1,940)
Net cash used in investing activities	(38,459,115)	(1,655,826)	(10,196)
Cash flows from financing activities:			
Proceeds from long-term loans payable	43,237,000	17,005,000	104,717
Repayments of long-term loans payable	(13,037,000)	(12,005,000)	(73,926)
Redemption of investment corporation bonds	-	(5,000,000)	(30,790)
Payments for loan-related costs	(520,787)	(147,495)	(908)
Payments of distributions of earnings	(14,489,181)	(16,712,947)	(102,918)
Net cash provided by (used in) financing activities	15,190,031	(16,860,443)	(103,826)
Effect of exchange rate change on cash and cash equivalents	89	44	0
Net increase (decrease) in cash and cash equivalents	(3,404,854)	5,899,100	36,326
Cash and cash equivalents at beginning of period	42,804,948	39,400,094	242,626
Cash and cash equivalents at end of period (Note 6)	¥ 39,400,094	¥ 45,299,194	$ 278,953

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

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:

	For the six months ended
	June30, 2026
Buildings	16-50
Buildings and accompanying facilities	6-29
Structures	7-20
Tools, furniture and fixtures	2-18
Buildings in trust	5-67
Buildings and accompanying facilities in trust	3-33
Structures in trust	7-55
Tools, furniture and fixtures in trust	2-20

(f) Intangible Assets

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

(g) Long-term Prepaid Expenses

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

(h) Investment Corporation Bond Issuance Costs

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

(i) Allowance for Doubtful Accounts

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

(j) Conversion of Assets and Liabilities in Foreign Currencies into Japanese Yen

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

(k) Impairment of Fixed Assets

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

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

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

(m) Income Taxes

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

(n) Consumption Taxes

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

(o) Taxes on Property and Equipment

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

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

No taxes on property and equipment were capitalized for the six months ended June 30, 2026.

(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 ¥162.39 = US$1, the effective rate of exchange prevailing at June 30, 2026. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended June 30, 2026 is solely for the convenience of readers outside Japan. Such translations should not be construed as representations that the Japanese yen amounts represent, or have been, or could be converted into, U.S. dollars at that or any other rate.

4. Allowance for Temporary Difference Adjustment

For the six months ended December 31, 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 June 30, 2026

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 during period	Reversal during period	Ending balance	Reason for reversal
Leasehold rights in trust	Amortization of leasehold rights in trust	$ (808)	$ (37)	-	-	$ (37)	-
Total		$ (808)	$ (37)	-	-	$ (37)	

(b). Method of reversal

(i) Leasehold rights in trust

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

5. Advanced Depreciation

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

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Buildings and accompanying facilities in trust	¥ 313,283	¥ 403,682	$ 2,485

6. Cash and Cash Equivalents

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

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Cash and bank deposits	¥ 24,637,567	¥ 31,570,517	$ 194,411
Cash and bank deposits in trust	¥ 14,762,526	¥ 13,728,677	$ 84,541
Cash and cash equivalents	¥ 39,400,094	¥ 45,299,194	$ 278,953

7. Property and Equipment

The following tables show the summary of movement in property and equipment for the six months ended June 30, 2026.

	At cost						
	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation	Depreciation for the period	Net property and equipment
	(in thousands of yen)						
Buildings (1)	¥ 20,522,689	¥ 706,098	¥ -	¥ 21,228,787	¥ 3,147,874	¥ 235,324	¥ 18,080,913
Buildings and accompanying facilities (1)	6,160,169	49,618	-	6,209,787	2,172,647	127,704	4,037,140
Structures (1)	20,632	134,335	-	154,967	5,351	4,051	149,616
Tools, furniture and fixtures (1)	3,727,421	73,576	-	3,800,998	1,235,233	194,445	2,565,764
Leasehold rights	10,637,811	-	-	10,637,811	-	-	10,637,811
Construction in progress (1)	1,156,140	63,262	412,300	807,101	-	-	807,101
Buildings in trust (1)	237,104,393	1,496,418	-	238,600,812	47,089,210	3,567,408	191,511,601
Buildings and accompanying facilities in trust (1)	47,984,912	1,207,835	90,399	49,102,349	20,298,940	1,240,851	28,803,409
Structures in trust (1)	2,137,734	38,115	-	2,175,850	242,141	54,507	1,933,708
Tools, furniture and fixtures in trust (1)	6,612,546	464,071	-	7,076,618	3,786,226	422,171	3,290,391
Land in trust (1)	337,086,806	-	-	337,086,806	-	-	337,086,806
Leasehold rights in trust	30,564,155	-	-	30,564,155	787,426	38,597	29,776,729
Construction in progress in trust (1)	207,262	926,073	206,639	926,696	-	-	926,696
Total	¥ 703,922,678	¥ 5,159,404	¥ 709,338	¥ 708,372,744	¥ 78,765,052	¥ 5,885,062	¥ 629,607,692

	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)	$ 126,379	$ 4,348	$ -	$ 130,727	$ 19,384	$ 1,449	$ 111,342
Buildings and accompanying facilities (1)	37,934	305	-	38,239	13,379	786	24,860
Structures (1)	127	827	-	954	32	24	921
Tools, furniture and fixtures (1)	22,953	453	-	23,406	7,606	1,197	15,800
Leasehold rights	65,507	-	-	65,507	-	-	65,507
Construction in progress (1)	7,119	389	2,538	4,970	-	-	4,970
Buildings in trust (1)	1,460,092	9,214	-	1,469,307	289,976	21,968	1,179,331
Buildings and accompanying facilities in trust (1)	295,491	7,437	556	302,372	125,001	7,641	177,371
Structures in trust (1)	13,164	234	-	13,398	1,491	335	11,907
Tools, furniture and fixtures in trust (1)	40,720	2,857	-	43,577	23,315	2,599	20,262
Land in trust (1)	2,075,785	-	-	2,075,785	-	-	2,075,785
Leasehold rights in trust	188,214	-	-	188,214	4,848	237	183,365
Construction in progress in trust (1)	1,276	5,702	1,272	5,706	-	-	5,706
Total	$ 4,334,766	$ 31,771	$ 4,368	$ 4,362,169	$ 485,036	$ 36,240	$ 3,877,133

Notes:

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

8. Fair Value of Investment and Rental Properties

The following tables show the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended December 31, 2025 and June 30, 2026.

Residential

	As of / For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 33,695,497	¥ 33,461,385	$ 206,055
Net increase (decrease) during period	(234,111)	(140,717)	(866)
Balance at the end of period	33,461,385	33,320,668	205,189
Fair value	¥ 49,418,000	¥ 49,537,000	$ 305,049

Retail facilities

	As of / For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 1,541,557	¥ 1,528,520	$ 9,412
Net increase (decrease) during period	(13,037)	(17,087)	(105)
Balance at the end of period	1,528,520	1,511,432	9,307
Fair value	¥ 2,150,000	¥ 2,150,000	$ 13,239

Hotels

	As of / For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 559,494,270	¥ 594,689,379	$ 3,662,105
Net increase (decrease) during period	35,195,108	(1,647,587)	(10,145)
Balance at the end of period	594,689,379	593,041,792	3,651,960
Fair value	¥ 779,493,856	¥ 796,608,326	$ 4,905,525

Total

	As of / For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Net book value			
Balance at the beginning of period	¥ 594,731,326	¥ 629,679,286	$ 3,877,574
Net increase (decrease) during period	34,947,959	(1,805,392)	(11,117)
Balance at the end of period	629,679,286	627,873,893	3,866,456
Fair value	¥ 831,061,856	¥ 848,295,326	$ 5,223,815

Notes:

1. Fair value has been determined based on the appraisals or research provided by independent real estate appraisers.

2. The primary increase during the previous period is attributable to the acquisition of hotels and construction work classified as capital expenditures, while the primary decrease is attributable to depreciation expense. The primary increase during the current period is attributable to the construction work classified as capital expenditures, while the primary decrease is attributable to depreciation expense.

3. For rental revenues and expenses for the six months ended December 31, 2025 and June 30, 2026, please refer to "Note 13: Rental Revenues—Real Estate and Expenses Related to Property Rental Business"

9. Investment Corporation Bonds

The following table shows the details of investment corporation bonds for the six months ended June 30, 2026.

For the six months ended June 30, 2026

	Beginning balance	*Ending balance*	*Beginning balance*	*Ending balance*	Interest rate (%)
	(in thousands of yen)		*(in thousands of U.S. dollars)*		
2nd unsecured investment corporation bond (Issued on May 25, 2018 and due on May 25, 2028) (1)(3)	1,000,000	1,000,000	6,158	6,158	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	12,316	12,316	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	7,389	7,389	0.850
7th unsecured investment corporation bond (Issued on May 25, 2023 and due on May 25, 2026) (1)(6)	5,000,000	-	30,790	-	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	7,389	7,389	1.200
9th unsecured investment corporation bond (Issued on September 21, 2023 and due on September 21, 2028) (1)(4)	1,700,000	1,700,000	10,468	10,468	1.200
10th unsecured investment corporation bond (Issued on December 14, 2023 and due on December 14, 2028) (1)(4)	1,800,000	1,800,000	11,084	11,084	1.297
11th unsecured investment corporation bond (Issued on February 9, 2024 and due on February 9, 2029) (2)(6)	6,000,000	6,000,000	36,948	36,948	1.470
12th unsecured investment corporation bond (Issued on September 12, 2024 and due on September 12, 2029) (1)(6)	4,200,000	4,200,000	25,863	25,863	1.300
Total investment corporation bonds	24,100,000	19,100,000	148,408	117,618	

Notes:

(1) The bonds were issued with pari passu conditions among specified investment corporation bonds.

(2) The bonds were issued with pari passu conditions among investment corporation bonds.

(3) The funds are mainly used to acquire properties in trust.

(4) The funds are mainly used to repay existing borrowings.

(5) The funds are mainly used for capital expenditures

(6) The funds are mainly used to redeem investment corporation bonds and repay existing borrowings.

(7) Repayment schedule of investment corporation bonds for the next five years after each balance sheet date are as follows:

	As of	
	June 30, 2026	**June 30, 2026**
	(in thousands of yen)	**(in thousands of U.S. dollars)**
Within 1 year	¥ -	$ -
1-2 years	2,200,000	13,547
2-3 years	9,500,000	58,501
3-4 years	7,400,000	45,569
4-5 years	-	-

10. Loans Payable

The following table shows the details of loans payable for the six months ended June 30, 2026

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 (3)(4)	Kiraboshi Bank, Ltd.	961,000	-	-	961,000	5,917	-	-	5,917	1.967	29-Mar-29	(2)	Unsecured and unguaranteed
	The Tokyo Star Bank, Limited	1,190,000	-	-	1,190,000	7,328	-	-	7,328	1.667	13-Oct-27		
	Mizuho Bank, Ltd.	3,001,500	-	3,001,500	-	18,483	-	18,483	-	0.712	14-Mar-26		
	MUFG Bank, Ltd.	1,326,000	-	1,326,000	-	8,165	-	8,165	-	0.712	14-Mar-26		
	Sumitomo Mitsui Trust Bank, Limited	2,293,500	-	2,293,500	-	14,123	-	14,123	-	0.712	14-Mar-26		
	Development Bank of Japan Inc.	900,000	-	900,000	-	5,542	-	5,542	-	0.712	14-Mar-26		
	MUFG Bank, Ltd.	765,000	-	765,000	-	4,710	-	4,710	-	0.707	14-Mar-26		
	The Chiba Bank, Ltd.	981,000	-	981,000	-	6,041	-	6,041	-	0.707	14-Mar-26		
	Development Bank of Japan Inc.	1,000,000	-	1,000,000	-	6,158	-	6,158	-	1.583	19-Jun-26		
	MUFG Bank, Ltd.	500,000	-	500,000	-	3,079	-	3,079	-	1.583	27-Jun-26		
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,518	-	-	7,518	0.691	16-Jul-26		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	6,835	-	-	6,835	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,148	-	-	6,148	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	2,740	-	-	2,740	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	35,848	-	-	35,848	0.696	16-Jul-26		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	35,614	-	-	35,614	0.696	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	28,336	-	-	28,336	0.696	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	13,701	-	-	13,701	0.696	16-Jul-26		
	Development Bank of Japan Inc.	333,000	-	-	333,000	2,050	-	-	2,050	0.696	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 (3)(4)	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	575	-	-	575	0.696	16-Jul-26	(2)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	1,221,000	-	-	1,221,000	7,518	-	-	7,518	1.395	14-Jul-28		
	MUFG Bank, Ltd.	1,110,000	-	-	1,110,000	6,835	-	-	6,835	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	998,500	-	-	998,500	6,148	-	-	6,148	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	445,000	-	-	445,000	2,740	-	-	2,740	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	5,821,500	-	-	5,821,500	35,848	-	-	35,848	1.395	14-Jul-28		
	MUFG Bank, Ltd.	5,783,500	-	-	5,783,500	35,614	-	-	35,614	1.395	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	4,601,500	-	-	4,601,500	28,336	-	-	28,336	1.395	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,225,000	-	-	2,225,000	13,701	-	-	13,701	1.395	14-Jul-28		
	Development Bank of Japan Inc.	333,000	-	-	333,000	2,050	-	-	2,050	1.395	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	93,500	-	-	93,500	575	-	-	575	1.395	14-Jul-28		
	Mizuho Bank, Ltd.	296,800	-	-	296,800	1,827	-	-	1,827	1.467	16-Jul-26		
	MUFG Bank, Ltd.	227,700	-	-	227,700	1,402	-	-	1,402	1.467	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	224,100	-	-	224,100	1,380	-	-	1,380	1.467	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	203,000	-	-	203,000	1,250	-	-	1,250	1.467	16-Jul-26		
	Mizuho Bank, Ltd.	1,519,600	-	-	1,519,600	9,357	-	-	9,357	1.467	16-Jul-26		
	MUFG Bank, Ltd.	1,165,900	-	-	1,165,900	7,179	-	-	7,179	1.467	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,147,300	-	-	1,147,300	7,065	-	-	7,065	1.467	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,039,500	-	-	1,039,500	6,401	-	-	6,401	1.467	16-Jul-26		
	Development Bank of Japan Inc.	296,100	-	-	296,100	1,823	-	-	1,823	1.467	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 (3)(4)	Mizuho Bank, Ltd.	2,454,000	-	-	2,454,000	15,111	-	-	15,111	0.691	16-Jul-26	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	1,784,600	-	-	1,784,600	10,989	-	-	10,989	0.691	16-Jul-26		
	Sumitomo Mitsui Banking Corporation	1,784,600	-	-	1,784,600	10,989	-	-	10,989	0.691	16-Jul-26		
	Sumitomo Mitsui Trust Bank, Limited	1,586,300	-	-	1,586,300	9,768	-	-	9,768	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	793,100	-	-	793,100	4,883	-	-	4,883	0.691	16-Jul-26		
	Aozora Bank, Ltd.	793,100	-	-	793,100	4,883	-	-	4,883	0.691	16-Jul-26		
	Mizuho Bank, Ltd.	3,681,000	-	-	3,681,000	22,667	-	-	22,667	1.069	14-Jul-28		
	MUFG Bank, Ltd.	2,677,000	-	-	2,677,000	16,485	-	-	16,485	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,677,000	-	-	2,677,000	16,485	-	-	16,485	1.069	14-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	2,379,500	-	-	2,379,500	14,652	-	-	14,652	1.069	14-Jul-28		
	Development Bank of Japan Inc.	2,974,400	-	-	2,974,400	18,316	-	-	18,316	1.069	14-Jul-28		
	The Tokyo Star Bank, Limited	1,189,700	-	-	1,189,700	7,326	-	-	7,326	1.069	14-Jul-28		
	Aozora Bank, Ltd.	1,189,700	-	-	1,189,700	7,326	-	-	7,326	1.069	14-Jul-28		
	The Ogaki Kyoritsu Bank, Ltd.	806,000	-	-	806,000	4,963	-	-	4,963	1.069	14-Jul-28		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	18,474	-	-	18,474	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	6,947,000	-	-	6,947,000	42,779	-	-	42,779	0.894	16-Jul-27		
	MUFG Bank, Ltd.	5,133,100	-	-	5,133,100	31,609	-	-	31,609	0.894	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	6,717,200	-	-	6,717,200	41,364	-	-	41,364	0.894	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	2,679,950	-	-	2,679,950	16,503	-	-	16,503	0.894	16-Jul-27		
	Development Bank of Japan Inc.	2,100,000	-	-	2,100,000	12,931	-	-	12,931	0.894	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 (3)(4)	The Nomura Trust and Banking Co., Ltd.	756,000	-	-	756,000	4,655	-	-	4,655	0.894	16-Jul-27	(2)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	875,000	-	-	875,000	5,388	-	-	5,388	0.879	16-Jul-27		
	Sumitomo Mitsui Banking Corporation	875,000	-	-	875,000	5,388	-	-	5,388	0.879	16-Jul-27		
	Sumitomo Mitsui Trust Bank, Limited	745,500	-	-	745,500	4,590	-	-	4,590	0.879	16-Jul-27		
	Mizuho Bank, Ltd.	2,977,500	-	-	2,977,500	18,335	-	-	18,335	1.327	16-Jul-28		
	MUFG Bank, Ltd.	2,199,900	-	-	2,199,900	13,547	-	-	13,547	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	2,878,800	-	-	2,878,800	17,727	-	-	17,727	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	1,148,550	-	-	1,148,550	7,072	-	-	7,072	1.327	16-Jul-28		
	Development Bank of Japan Inc.	900,000	-	-	900,000	5,542	-	-	5,542	1.327	16-Jul-28		
	Mizuho Bank, Ltd.	375,000	-	-	375,000	2,309	-	-	2,309	1.327	16-Jul-28		
	Sumitomo Mitsui Banking Corporation	375,000	-	-	375,000	2,309	-	-	2,309	1.327	16-Jul-28		
	Sumitomo Mitsui Trust Bank, Limited	319,500	-	-	319,500	1,967	-	-	1,967	1.327	16-Jul-28		
	SBI Shinsei Bank, Limited	3,197,000	-	-	3,197,000	19,687	-	-	19,687	0.691	16-Jul-26		
	The Tokyo Star Bank, Limited	1,900,000	-	-	1,900,000	11,700	-	-	11,700	1.054	14-Jul-28		
	Mizuho Bank, Ltd.	4,321,000	-	-	4,321,000	26,608	-	-	26,608	2.012	29-Nov-29		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	9,993	-	-	9,993	1.265	14-Mar-28		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,419	-	-	8,419	1.265	14-Mar-28		
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	7,960	-	-	7,960	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,508	-	-	4,508	1.265	14-Mar-28		
	Aozora Bank, Ltd.	237,000	-	-	237,000	1,459	-	-	1,459	1.265	14-Mar-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 (3)(4)	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	344	-	-	344	1.265	14-Mar-28	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,234	-	-	5,234	1.265	14-Mar-28		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	25,709	-	-	25,709	1.265	14-Mar-28		
	Mizuho Bank, Ltd.	1,622,900	-	-	1,622,900	9,993	-	-	9,993	1.359	14-Mar-29		
	MUFG Bank, Ltd.	1,367,300	-	-	1,367,300	8,419	-	-	8,419	1.359	14-Mar-29		
	Sumitomo Mitsui Banking Corporation	1,292,700	-	-	1,292,700	7,960	-	-	7,960	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	732,100	-	-	732,100	4,508	-	-	4,508	1.359	14-Mar-29		
	Development Bank of Japan Inc.	335,000	-	-	335,000	2,062	-	-	2,062	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	56,000	-	-	56,000	344	-	-	344	1.359	14-Mar-29		
	MUFG Bank, Ltd.	850,000	-	-	850,000	5,234	-	-	5,234	1.359	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	4,175,000	-	-	4,175,000	25,709	-	-	25,709	1.359	14-Mar-29		
	Mizuho Bank, Ltd.	2,576,000	-	-	2,576,000	15,863	-	-	15,863	2.012	14-Mar-30		
	MUFG Bank, Ltd.	2,168,000	-	-	2,168,000	13,350	-	-	13,350	2.012	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	2,050,000	-	-	2,050,000	12,623	-	-	12,623	2.012	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	1,161,000	-	-	1,161,000	7,149	-	-	7,149	2.012	14-Mar-30		
	Development Bank of Japan Inc.	265,000	-	-	265,000	1,631	-	-	1,631	2.012	14-Mar-30		
	San ju San Bank, Ltd.	662,000	-	-	662,000	4,076	-	-	4,076	2.012	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	88,000	-	-	88,000	541	-	-	541	2.012	14-Mar-30		
	SBI Shinsei Bank, Limited	369,000	-	-	369,000	2,272	-	-	2,272	1.052	14-Mar-27		
	The Tokyo Star Bank, Limited	2,440,000	-	-	2,440,000	15,025	-	-	15,025	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 (3)(4)	Mizuho Bank, Ltd.	333,000	-	-	333,000	2,050	-	-	2,050	2.012	14-Mar-30	(2)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	233,000	-	-	233,000	1,434	-	-	1,434	2.012	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	363,000	-	-	363,000	2,235	-	-	2,235	2.012	14-Mar-30		
	Development Bank of Japan Inc.	100,000	-	-	100,000	615	-	-	615	2.012	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,155	-	-	2,155	1.359	14-Mar-29		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.359	14-Mar-29		
	The Tochigi Bank, Ltd.	901,000	-	-	901,000	5,548	-	-	5,548	1.359	14-Mar-29		
	The Nomura Trust and Banking Co., Ltd.	350,000	-	-	350,000	2,155	-	-	2,155	1.212	14-Mar-28		
	SBI Shinsei Bank, Limited	281,000	-	-	281,000	1,730	-	-	1,730	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.052	14-Mar-27		
	The Bank of Fukuoka, Ltd.	465,000	-	-	465,000	2,863	-	-	2,863	1.052	14-Mar-27		
	Aozora Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.052	14-Mar-27		
	THE NISHI-NIPPON CITY BANK, LTD.	500,000	-	-	500,000	3,079	-	-	3,079	1.052	14-Mar-27		
	The Shizuoka Bank, Ltd.	845,000	-	845,000	-	5,203	-	5,203	-	1.263	14-Mar-26		
	The Bank of Fukuoka, Ltd.	393,000	-	393,000	-	2,420	-	2,420	-	1.263	14-Mar-26		
	San ju San Bank, Ltd.	1,700,000	-	-	1,700,000	10,468	-	-	10,468	2.012	14-Mar-30		
	SBI Shinsei Bank, Limited	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.375	16-Jul-29		
	Mizuho Bank, Ltd.	1,131,000	-	-	1,131,000	6,964	-	-	6,964	2.112	16-Jul-31		
	MUFG Bank, Ltd.	1,470,000	-	-	1,470,000	9,052	-	-	9,052	2.112	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	1,390,000	-	-	1,390,000	8,559	-	-	8,559	2.112	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 (3)(4)	Sumitomo Mitsui Trust Bank, Limited	788,000	-	-	788,000	4,852	-	-	4,852	2.112	16-Jul-31	(2)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,847	-	-	1,847	2.112	16-Jul-31		
	Mizuho Bank, Ltd.	377,000	-	-	377,000	2,321	-	-	2,321	2.012	16-Jul-30		
	SBI Shinsei Bank, Limited	823,000	-	-	823,000	5,068	-	-	5,068	2.012	16-Jul-30		
	MUFG Bank, Ltd.	490,000	-	-	490,000	3,017	-	-	3,017	2.012	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	463,000	-	-	463,000	2,851	-	-	2,851	2.012	16-Jul-30		
	Aozora Bank, Ltd.	375,000	-	-	375,000	2,309	-	-	2,309	2.012	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	263,000	-	-	263,000	1,619	-	-	1,619	2.012	16-Jul-30		
	Mizuho Bank, Ltd.	375,400	-	-	375,400	2,311	-	-	2,311	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	18,474	-	-	18,474	1.375	16-Jul-29		
	MUFG Bank, Ltd.	490,800	-	-	490,800	3,022	-	-	3,022	1.375	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	464,200	-	-	464,200	2,858	-	-	2,858	1.375	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	261,600	-	-	261,600	1,610	-	-	1,610	1.375	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	615	-	-	615	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	3,000,000	-	-	3,000,000	18,474	-	-	18,474	1.230	14-Jul-28		
	The Bank of Fukuoka, Ltd.	300,000	-	-	300,000	1,847	-	-	1,847	1.230	14-Jul-28		
	Mizuho Bank, Ltd.	5,900,000	-	-	5,900,000	36,332	-	-	36,332	2.112	16-Jul-31		
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	33,253	-	-	33,253	2.112	16-Jul-31		
	MUFG Bank, Ltd.	5,067,000	-	-	5,067,000	31,202	-	-	31,202	2.112	16-Jul-31		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	16,626	-	-	16,626	2.112	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 (3)(4)	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	9,237	-	-	9,237	2.112	16-Jul-31	(2)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	2.112	16-Jul-31		
	The Tochigi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	2.112	16-Jul-31		
	The Kagawa Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	2.112	16-Jul-31		
	Mizuho Bank, Ltd.	5,866,000	-	-	5,866,000	36,122	-	-	36,122	2.012	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	5,400,000	-	-	5,400,000	33,253	-	-	33,253	2.012	16-Jul-30		
	MUFG Bank, Ltd.	3,567,000	-	-	3,567,000	21,965	-	-	21,965	2.012	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	2,700,000	-	-	2,700,000	16,626	-	-	16,626	2.012	16-Jul-30		
	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	9,237	-	-	9,237	2.012	16-Jul-30		
	San ju San Bank, Ltd.	700,000	-	-	700,000	4,310	-	-	4,310	2.012	16-Jul-30		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	2.012	16-Jul-30		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	2.012	16-Jul-30		
	Suruga Bank Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.375	16-Jul-29		
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.375	16-Jul-29		
	Aichi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.375	16-Jul-29		
	The San-in Godo Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.375	16-Jul-29		
	SBI Shinsei Bank, Limited	500,000	-	-	500,000	3,079	-	-	3,079	1.375	16-Jul-29		
	The Chiba Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.375	16-Jul-29		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.375	16-Jul-29		
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	9,237	-	-	9,237	1.598	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 (3)(4)	Mizuho Bank, Ltd.	1,250,000	-	-	1,250,000	7,697	-	-	7,697	1.817	14-Mar-31	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	1,250,000	-	-	1,250,000	7,697	-	-	7,697	1.817	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	1,060,000	-	-	1,060,000	6,527	-	-	6,527	1.817	14-Mar-31		
	Mizuho Bank, Ltd.	787,400	-	-	787,400	4,848	-	-	4,848	1.767	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	1,015,600	-	-	1,015,600	6,254	-	-	6,254	1.767	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	680,200	-	-	680,200	4,188	-	-	4,188	1.767	14-Mar-31		
	The Kiyo Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.767	14-Mar-31		
	The Yamaguchi Bank, Ltd.	224,000	-	-	224,000	1,379	-	-	1,379	1.767	14-Mar-31		
	Aozora Bank, Ltd.	88,000	-	-	88,000	541	-	-	541	1.767	14-Mar-31		
	SBI Shinsei Bank, Limited	47,000	-	-	47,000	289	-	-	289	1.767	14-Mar-31		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	615	-	-	615	1.667	14-Mar-30		
	Mizuho Bank, Ltd.	2,596,000	-	-	2,596,000	15,986	-	-	15,986	1.767	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	3,347,000	-	-	3,347,000	20,610	-	-	20,610	1.767	14-Mar-31		
	Sumitomo Mitsui Banking Corporation	1,777,000	-	-	1,777,000	10,942	-	-	10,942	1.767	14-Mar-31		
	The Yamaguchi Bank, Ltd.	737,000	-	-	737,000	4,538	-	-	4,538	1.767	14-Mar-31		
	Aozora Bank, Ltd.	287,000	-	-	287,000	1,767	-	-	1,767	1.767	14-Mar-31		
	SBI Shinsei Bank, Limited	153,000	-	-	153,000	942	-	-	942	1.767	14-Mar-31		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,847	-	-	1,847	2.012	14-Mar-31		
	MUFG Bank, Ltd.	2,590,800	-	-	2,590,800	15,954	-	-	15,954	1.654	14-Mar-31		
	Mizuho Bank, Ltd.	365,000	-	-	365,000	2,247	-	-	2,247	1.767	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 (3)(4)	MUFG Bank, Ltd.	969,000	-	-	969,000	5,967	-	-	5,967	1.767	14-Mar-31	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	102,000	-	-	102,000	628	-	-	628	1.767	14-Mar-31		
	Sumitomo Mitsui Trust Bank, Limited	327,000	-	-	327,000	2,013	-	-	2,013	1.767	14-Mar-31		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,847	-	-	1,847	1.767	14-Mar-31		
	SBI Shinsei Bank, Limited	171,000	-	-	171,000	1,053	-	-	1,053	1.767	14-Mar-31		
	Aozora Bank, Ltd.	300,000	-	-	300,000	1,847	-	-	1,847	1.767	14-Mar-31		
	The Yamaguchi Bank, Ltd.	961,000	-	-	961,000	5,917	-	-	5,917	1.767	14-Mar-31		
	The Bank of Fukuoka, Ltd.	100,000	-	-	100,000	615	-	-	615	1.767	14-Mar-31		
	The Kagawa Bank, Ltd.	150,000	-	-	150,000	923	-	-	923	1.767	14-Mar-31		
	Mizuho Bank, Ltd.	851,000	-	-	851,000	5,240	-	-	5,240	1.667	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	239,000	-	-	239,000	1,471	-	-	1,471	1.667	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	763,000	-	-	763,000	4,698	-	-	4,698	1.667	14-Mar-30		
	Development Bank of Japan Inc.	700,000	-	-	700,000	4,310	-	-	4,310	1.667	14-Mar-30		
	SBI Shinsei Bank, Limited	399,000	-	-	399,000	2,457	-	-	2,457	1.667	14-Mar-30		
	Aozora Bank, Ltd.	700,000	-	-	700,000	4,310	-	-	4,310	1.667	14-Mar-30		
	The Nomura Trust and Banking Co., Ltd.	603,000	-	-	603,000	3,713	-	-	3,713	1.667	14-Mar-30		
	The Bank of Fukuoka, Ltd.	233,000	-	-	233,000	1,434	-	-	1,434	1.667	14-Mar-30		
	The Shizuoka Bank, Ltd.	470,000	-	-	470,000	2,894	-	-	2,894	1.667	14-Mar-30		
	Aichi Bank, Ltd.	961,000	-	-	961,000	5,917	-	-	5,917	1.667	14-Mar-30		
	The Kagawa Bank, Ltd.	350,000	-	-	350,000	2,155	-	-	2,155	1.667	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 (3)(4)	San ju San Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.767	14-Mar-31	(2)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	2,536,000	-	-	2,536,000	15,616	-	-	15,616	1.567	16-Jul-29		
	MUFG Bank, Ltd.	1,838,000	-	-	1,838,000	11,318	-	-	11,318	1.567	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	1,738,000	-	-	1,738,000	10,702	-	-	10,702	1.567	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	984,000	-	-	984,000	6,059	-	-	6,059	1.567	16-Jul-29		
	Aozora Bank, Ltd.	281,000	-	-	281,000	1,730	-	-	1,730	1.567	16-Jul-29		
	The Nomura Trust and Banking Co., Ltd.	100,000	-	-	100,000	615	-	-	615	1.567	16-Jul-29		
	Mizuho Bank, Ltd.	845,400	-	-	845,400	5,205	-	-	5,205	1.667	16-Jul-30		
	MUFG Bank, Ltd.	762,800	-	-	762,800	4,697	-	-	4,697	1.667	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	729,200	-	-	729,200	4,490	-	-	4,490	1.667	16-Jul-30		
	Sumitomo Mitsui Trust Bank, Limited	328,600	-	-	328,600	2,023	-	-	2,023	1.667	16-Jul-30		
	Development Bank of Japan Inc.	300,000	-	-	300,000	1,847	-	-	1,847	1.667	16-Jul-30		
	SBI Shinsei Bank, Limited	200,000	-	-	200,000	1,231	-	-	1,231	1.667	16-Jul-30		
	Aozora Bank, Ltd.	94,000	-	-	94,000	578	-	-	578	1.667	16-Jul-30		
	The Tokyo Star Bank, Limited	700,000	-	-	700,000	4,310	-	-	4,310	1.767	16-Jul-31		
	The Tokyo Star Bank, Limited	600,000	-	-	600,000	3,694	-	-	3,694	1.767	16-Jul-31		
	Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.664	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.664	16-Jul-29		
	Sumitomo Mitsui Trust Bank, Limited	1,500,000	-	-	1,500,000	9,237	-	-	9,237	1.664	16-Jul-29		
	Development Bank of Japan Inc.	850,000	-	-	850,000	5,234	-	-	5,234	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 (3)(4)	San ju San Bank, Ltd.	400,000	-	-	400,000	2,463	-	-	2,463	1.664	16-Jul-29	(2)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	250,000	-	-	250,000	1,539	-	-	1,539	1.664	16-Jul-29		
	The Shizuoka Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.664	16-Jul-29		
	The Yamagata Bank,Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.664	16-Jul-29		
	Mizuho Bank, Ltd.	1,350,000	-	-	1,350,000	8,313	-	-	8,313	1.759	14-Mar-30		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.759	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	2,400,000	-	-	2,400,000	14,779	-	-	14,779	1.759	14-Mar-30		
	The Bank of Fukuoka, Ltd.	250,000	-	-	250,000	1,539	-	-	1,539	1.759	14-Mar-30		
	Mizuho Bank, Ltd.	1,150,000	-	-	1,150,000	7,081	-	-	7,081	1.667	16-Jul-30		
	MUFG Bank, Ltd.	1,100,000	-	-	1,100,000	6,773	-	-	6,773	1.667	16-Jul-30		
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	6,773	-	-	6,773	1.667	16-Jul-30		
	Development Bank of Japan Inc.	850,000	-	-	850,000	5,234	-	-	5,234	1.667	16-Jul-30		
	Suruga Bank Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.667	16-Jul-30		
	The Yamaguchi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.667	16-Jul-30		
	Aichi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.667	16-Jul-30		
	The Tochigi Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.667	16-Jul-30		
	The Kagawa Bank, Ltd.	1,000,000	-	-	1,000,000	6,158	-	-	6,158	1.667	16-Jul-30		
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.654	16-Jul-29		
	Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.617	14-Mar-30		
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	12,316	-	-	12,316	1.598	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 (3)(4)	MUFG Bank, Ltd.	500,000	-	-	500,000	3,079	-	-	3,079	1.617	14-Mar-30	(2)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	3,079	-	-	3,079	1.617	14-Mar-30		
	Mizuho Bank, Ltd.	-	444,000	-	444,000	-	2,734	-	2,734	2.153	14-Mar-29		
	MUFG Bank, Ltd.	-	1,347,000	-	1,347,000	-	8,294	-	8,294	2.153	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	-	340,000	-	340,000	-	2,093	-	2,093	2.153	14-Mar-29		
	Development Bank of Japan Inc.	-	900,000	-	900,000	-	5,542	-	5,542	2.153	14-Mar-29		
	The Bank of Fukuoka, Ltd.	-	393,000	-	393,000	-	2,420	-	2,420	2.153	14-Mar-29		
	The Shizuoka Bank, Ltd.	-	845,000	-	845,000	-	5,203	-	5,203	2.153	14-Mar-29		
	The Chiba Bank, Ltd.	-	981,000	-	981,000	-	6,041	-	6,041	2.153	14-Mar-29		
	Mizuho Bank, Ltd.	-	1,490,000	-	1,490,000	-	9,175	-	9,175	1.467	14-Mar-29		
	Sumitomo Mitsui Trust Bank, Limited	-	1,138,000	-	1,138,000	-	7,007	-	7,007	1.467	14-Mar-29		
	Mizuho Bank, Ltd.	-	1,067,500	-	1,067,500	-	6,573	-	6,573	1.567	14-Mar-30		
	MUFG Bank, Ltd.	-	744,000	-	744,000	-	4,581	-	4,581	1.567	14-Mar-30		
	Sumitomo Mitsui Trust Bank, Limited	-	815,500	-	815,500	-	5,021	-	5,021	1.567	14-Mar-30		
	Mizuho Bank, Ltd.	-	1,700,000	-	1,700,000	-	10,468	-	10,468	1.417	16-Jul-29		
	MUFG Bank, Ltd.	-	1,650,000	-	1,650,000	-	10,160	-	10,160	1.417	16-Jul-29		
	Sumitomo Mitsui Banking Corporation	-	1,650,000	-	1,650,000	-	10,160	-	10,160	1.417	16-Jul-29		
	Development Bank of Japan Inc.	-	1,000,000	-	1,000,000	-	6,158	-	6,158	1.417	16-Jul-29		
	MUFG Bank, Ltd.	-	500,000	-	500,000	-	3,079	-	3,079	1.421	16-Jul-29		
	Total long-term loans payable	324,554,000	17,005,000	12,005,000	329,554,000	1,998,608	104,717	73,926	2,029,398				
Total loans payable		324,554,000	17,005,000	12,005,000	329,554,000	1,998,608	104,717	73,926	2,029,398				

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	
	June 30, 2026	June 30, 2026
	(in thousands of yen)	(in thousands of U.S. dollars)
Within 1 year	¥ 44,260,200	$ 272,554
1-2 years	41,701,750	256,799
2-3 years	80,042,050	492,900
3-4 years	72,185,000	444,516
4-5 years	61,919,000	381,298

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$307 thousand) as required by Article 67-4 of the Investment Trust Act.
The number of investment units authorized was 20,000,000 units as of December 31, 2025 and June 30, 2026.
The number of investment units issued and outstanding were 7,646,453 units as of December 31, 2025 and June 30, 2026.

12. Appropriation of Retained Earnings

In accordance with the distribution policy in Article 17, Paragraph 1, of the Company's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period.
The following table shows the appropriation of retained earnings for the six months ended December 31, 2025 and June 30, 2026.

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Unappropriated retained earnings	¥ 25,175,428	¥ 23,189,930	$ 142,803
Distributions	(16,715,146)	(14,757,654)	(90,877)
Retained earnings / losses carried forward	¥ 8,460,281	¥ 8,432,275	$ 51,926

The distribution in respect of the six months ended June 30, 2026 of ¥1,930 (US$11.8) per investment unit, amounting to a total distribution of ¥14,757,654 thousand (US$90,877 thousand) was proposed and approved at the Board of Directors meeting on August 25, 2026. These financial statements do not reflect these distributions payable.
Cash distributions per investment unit were ¥2,186 and ¥1,930 (US$11.8) for the six months ended December 31, 2025 and June 30, 2026, respectively.

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

For the six months ended December 31, 2025

Not Applicable

Not Applicable

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

Rental revenue – real estate and expenses related to property rental business for the six months ended December 31, 2025 and June 30, 2026 consist of the following:

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Rental revenue – real estate:			
Rental revenue and common area charges (*)	¥ 25,362,336	¥ 20,214,034	$ 124,478
Other	699,777	733,012	4,513
Total rental revenue – real estate	¥ 26,062,113	¥ 20,947,046	$ 128,992
Expenses related to property rental business:			
Facility management fees	¥ 1,109,931	¥ 961,261	$ 5,919
Property related taxes	1,093,127	855,530	5,268
Insurance expense	81,386	93,651	576
Depreciation	5,146,387	5,370,906	33,074
Other	118,767	192,230	1,183
Total expenses related to property rental business	¥ 7,549,601	¥ 7,473,580	$ 46,022
Operating income from property leasing activities	¥ 18,512,512	¥ 13,473,466	$ 82,969
(*)Variable rental revenue of hotels	¥ 14,928,970	¥ 11,638,961	$ 71,672

14. Management Contract Revenue

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Management contract revenue:			
Hotel management revenue	¥ 5,928,825	¥ 10,914,483	$ 67,211
Hotel management expenses	4,192,313	6,045,431	37,227
Other revenue	656	-	-
Management contract revenue(*1)	¥ 1,870,955	¥ 4,869,052	$ 29,983
Management contract loss(*1)	¥ 133,787	¥ -	$ -
Facility management fees	13,211	3,154	19
Insurance expense	175,709	184,656	1,137
Depreciation	525,831	522,033	3,214
Other	65,128	120,414	741
Total management contract expenses	¥ 913,668	¥ 830,258	$ 5,112
Operating income (loss) from management contract	¥ 957,286	¥ 4,038,794	$ 24,870

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

15. Income Taxes

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

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

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

	For the six months ended	
	December 31, 2025	June 30, 2026
	(Rate)	
Statutory tax rates	31.46 %	31.46 %
Deductible cash distributions	(31.50)	(31.52)
Increase (decrease) in valuation allowance	0.52	0.06
Other	(0.48)	0.00
Effective tax rates	0.00 %	0.00 %

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

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Deferred tax assets:			
Enterprise tax payable	¥ 615	¥ 615	$ 3
Buildings and other (merger)	169,509	166,320	1,024
Land (merger)	116,724	116,724	718
Net loss carried forward(*1)	1,271,430	1,270,099	7,821
Asset retirement obligations	295,857	298,335	1,837
Fixed-term leasehold	235,581	247,724	1,525
Adjustment of acquisition price (Overseas properties)	425,983	422,769	2,603
Excess depreciation	3,490	3,490	21
Deposits received	3,322	5,056	31
Subtotal - deferred tax assets	2,522,516	2,531,136	15,586
Valuation allowance for tax loss carried forward	(1,271,430)	(1,270,099)	(7,821)
Valuation allowance for the sum of deductible temporary differences	(1,251,086)	(1,261,036)	(7,765)
Subtotal - valuation allowance	(2,522,516)	(2,531,136)	(15,586)
Total - deferred tax assets	-	-	-

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

For the six months ended December 31, 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 June 30, 2026

	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)	-	-	-	-	1,121,086	149,012	1,270,099
Valuation allowance	-	-	-	-	(1,121,086)	(149,012)	(1,270,099)
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)	-	-	-	-	6,903	917	7,821
Valuation allowance	-	-	-	-	(6,903)	(917)	(7,821)
Deferred tax assets	-	-	-	-	-	-	-

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

16. Leases

(a) Lease rental revenues

The future minimum rental revenues pursuant to existing rental contracts as of December 31, 2025 and June 30, 2026 scheduled to be received are summarized as follows:

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 14,446,345	¥ 16,224,035	$ 99,907
Due over one year	59,535,608	75,413,614	464,398
Total	¥ 73,981,954	¥ 91,637,649	$ 564,305

(b) Lease rental expenses

The future minimum rental expenses pursuant to existing rental contracts as of December 31, 2025 and June 30, 2026 scheduled to be paid are summarized as follows:

	As of		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Due within one year	¥ 392,399	¥ 392,603	$ 2,417
Due over one year	8,465,558	8,277,059	50,970
Total	¥ 8,857,957	¥ 8,669,663	$ 53,387

17. Financial Instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

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

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

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

(iii) Supplemental information for financial instruments

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

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair values and valuation differences of financial instruments for which fair value is available as of December 31, 2025 and June 30, 2026. Furthermore, "cash and deposits" and "short-term loans payable" are omitted as they are settled with cash and in a short span of time and are therefore similar in fair value to the book value. Also, "tenant leasehold and security deposits in trust" is omitted as it lacks in significance.

	As of								
	December 31, 2025			June 30, 2026			June 30, 2026		
	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	¥ 33,249,457	¥ 15,393,069	¥ 14,669,498	¥ 29,763,214	¥ 15,093,715	$ 90,334	$ 183,282	$ 92,947
Total assets	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	¥ 14,669,498	¥ 29,763,214	¥ 15,093,715	$ 90,334	$ 183,282	$ 92,947
Liabilities:									
(2) Current portion of investment corporation bonds	5,000,000	4,986,000	(14,000)	-	-	-	-	-	-
(3) Current portion of long-term loans payable	53,150,200	53,150,200	-	44,260,200	44,260,200	-	272,554	272,554	-
(4) Investment corporation bonds	19,100,000	18,381,830	(718,170)	19,100,000	18,375,880	(724,120)	117,618	113,158	(4,459)
(5) Long-term loans payable	271,403,800	271,403,800	-	285,293,800	285,293,800	-	1,756,843	1,756,843	-
Total liabilities	¥ 348,654,000	¥ 347,921,830	¥ (732,170)	¥ 348,654,000	¥ 347,929,880	¥ (724,120)	$ 2,147,016	$ 2,142,557	$ (4,459)
(6) Derivatives	¥ 2,522,153	¥ 2,522,153	¥ -	¥ 2,729,079	¥ 2,729,079	¥ -	$ 16,805	$ 16,805	$ -

Notes

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

(1) Investment securities

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

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

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

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

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

(6) Derivatives

Please refer to "19. Derivatives" below.

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

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of yen)					
As of December 31, 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
As of June 30, 2026:						
Current portion of investment corporation bonds	-	-	-	-	-	-
Current portion of long-term loans payable	44,260,200	-	-	-	-	-
Investment corporation bonds	-	2,200,000	9,500,000	7,400,000	-	-
Long-term loans payable	-	41,701,750	80,042,050	72,185,000	61,919,000	29,446,000
Total	¥ 44,260,200	¥ 43,901,750	¥ 89,542,050	¥ 79,585,000	¥ 61,919,000	¥ 29,446,000

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of U.S. dollars)					
As of June 30, 2026:						
Current portion of investment corporation bonds	-	-	-	-	-	-
Current portion of long-term loans payable	272,554	-	-	-	-	-
Investment corporation bonds	-	13,547	58,501	45,569	-	-
Long-term loans payable	-	256,799	492,900	444,516	381,298	181,328
Total	$ 272,554	$ 270,347	$ 551,401	$ 490,085	$ 381,298	$ 181,328

18. Investment Securities

	As of								
	December 31, 2025			June 30, 2026			June 30, 2026		
	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	¥ 33,249,457	¥ 15,393,069	¥ 14,669,498	¥ 29,763,214	¥ 15,093,715	$ 90,334	$ 183,282	$ 92,947
Total	¥ 17,856,387	¥ 33,249,457	¥ 15,393,069	¥ 14,669,498	¥ 29,763,214	¥ 15,093,715	$ 90,334	$ 183,282	$ 92,947

19. Derivatives

Information on derivative transactions undertaken by the Company as of December 31, 2025 and June 30, 2026 is as follows.

(a) Transactions for which hedge accounting is not applied

As of December 31, 2025:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value (*1)
			Total	Over 1 year	
			(in thousands of yen)		
Principled accounting method	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 952,248	¥ -	¥ (75,617)

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

As of June 30, 2026:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount		Fair value (*1)	Contract amount		Fair value (*2)
			Total	Over 1 year		Total	Over 1 year	
			(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	¥ 737,336	¥ -	¥ (121,176)	$ 4,540	$ -	$ (746)

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

(b) Transactions for which hedge accounting is applied

As of December 31, 2025:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount(*1)		Fair value (*2)
			Total	Over 1 year	
			(in thousands of yen)		
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
	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 3,477,028	¥ 904,266	¥ (357,724)

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

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

As of June 30, 2026:

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount(*1)		Fair Value (*2)	Contract amount(*1)		Fair value (*2)
			Total	Over 1 year		Total	Over 1 year	
			(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	¥ 181,297,000	¥ 143,156,800	¥ 3,018,592	$ 1,116,429	$ 881,561	$ 18,588
	Currency exchange forward contract USD Sell	Future transactions denominated in a foreign currency	¥ 1,028,520	¥ -	¥ (168,335)	$ 6,333	$ -	$ (1,036)

(*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 December 31, 2025 and June 30, 2026 are as follows.

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Balance at the beginning of the period	¥ 679,929	¥ 940,424	$ 5,791
Liabilities incurred due to the acquisition of properties	253,512	-	-
Accretion expense	6,982	7,876	48
Balance at the end of the period	¥ 940,424	¥ 948,301	$ 5,839

21. Revenue Recognition

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

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 yen)
Revenue from sale of real estate property	-	-
Other	291,686	28,591,573
Total	291,686	28,591,573

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

For the six months ended June 30, 2026

	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	219,952	1,354	26,789,329	164,969
Total	219,952	1,354	26,789,329	164,969

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

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

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

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

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

	For the six months ended		
	December 31, 2025	June 30, 2026	June 30, 2026
	(in thousands of yen)		(in thousands of U.S. dollars)
Claims generated from contracts with customers (balance at beginning of fiscal year)	¥ 50,267	¥ 39,230	$ 241
Claims generated from contracts with customers (balance at end of fiscal year)	39,230	41,697	256
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 i)Transaction value allocated to remaining performance obligations

Not Applicable

22. Segment Information

Segment information for the six months ended December 31, 2025 and June 30, 2026 is as follows :

(a) Operating Segment Information

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

(b) Enterprise-wide Disclosures

(i) Information about Products and Services

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

(ii) Information about Geographic Areas

(1) Revenues from Customers by Country or Region:

For the six months ended December 31, 2025

(in thousands of yen)

Japan	*Grand Cayman*	*Total*
26,720,618	*1,870,955*	*28,591,573*

For the six months ended June 30, 2026

(in thousands of yen)

Japan	*Grand Cayman*	*Total*
21,920,277	*4,869,052*	*26,789,329*

(in thousands of U.S. dollars)

Japan	*Grand Cayman*	*Total*
134,985	*29,983*	*164,969*

(2)Tangible Fixed Assets:

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

(c) Information about Major Customers

Information about major customers for the six-month periods ended December 31, 2025 and June 30, 2026 is as follows:

For the six months ended December 31, 2025

Name of customer	*Operating revenues (in thousands of yen)*	*Related segment*
Iconia Hospitality K.K.	*16,601,669*	*Real estate investing business*

For the six months ended June 30, 2026

Name of customer	*Operating revenues (in thousands of yen)*	*Operating revenues (in thousands of U.S. dollars)*	*Related segment*
Iconia Hospitality K.K.	*14,741,679*	*90,779*	*Real estate investing business*

23. Profit or Loss from Equity Method Investments, etc

For the six months ended December 31, 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	658,504

For the six months ended June 30, 2026

	(in thousands of yen)	(in thousands of U.S. dollars)
Investments in affiliates	14,669,498	90,334
Investments,accounted for using the equity method	14,669,498	90,334
Profit from equity method investments	973,230	5,993

24. Related-Party Transactions

(a) Parent Company and Major Corporate Unitholders

For the six months ended December 31, 2025

Type of related-party	Company name	Location	Business	Share capital (in millions of yen)	Voting interest in the Company	Relationship with the Company	Transactions for the period		Balance at the end of period	
							Type of transactions	Amounts (1) (in thousands of yen)	Balance sheet account	Amounts(1) (in thousands of yen)
	Nippori TMK(3)	*Minato-ku, Tokyo*	*Investment management business*	*¥0.1*	-	*Seller of real estate trust beneficiary rights*	*Acquisition of real estate trust beneficiary rights(2)(4)*	*¥10,077,000*	-	-
	Heijo TMK(3)	*Minato-ku, Tokyo*	*Investment management business*	*¥0.1*	-	*Seller of real estate trust beneficiary rights*	*Acquisition of real estate trust beneficiary rights(2)(4)*	*¥6,534,000*	-	-
	Yakushima TMK(3)	*Minato-ku, Tokyo*	*Investment management business*	*¥0.1*	-	*Seller of real estate trust beneficiary rights*	*Acquisition of real estate trust beneficiary rights(2)(4)*	*¥5,805,000*	-	-
	Baika TMK(3)	*Minato-ku, Tokyo*	*Investment management business*	*¥0.1*	-	*Seller of real estate trust beneficiary rights*	*Acquisition of real estate trust beneficiary rights(2)(4)*	*¥8,869,000*	-	-
	Albula TMK(3)	*Minato-ku, Tokyo*	*Investment management business*	*¥0.1*	-	*Seller of real estate trust beneficiary rights*	*Acquisition of real estate trust beneficiary rights(2)(4)*	*¥2,999,000*	-	-
	Naqua Hotel & Resorts Management Co., Ltd.(3)	*Minato-ku, Tokyo*	*Hotel management business*	*¥10*	-	*Leaseholder and operator of hotel*	*Rental revenues*	*¥1,195,932*	*Rental receivables*	*¥219,869*
	Island Co., Ltd.(3))	*Minato-ku, Tokyo*	*Hotel management business*	*¥50*	-	*Leaseholder*	*Rental revenues*	*¥1,692,098*	*Rental receivables*	*¥33,880*
	Osaka Bay Tower LLC(3)	*Osaka-shi, Osaka*	*Hotel management business*	*¥0.1*	-	*Leaseholder*	*Rental revenues*	*¥1,808,487*	*Rental receivables*	*¥631,676*
	Iconia Hospitality K.K.(3)	*Minato-ku, Tokyo*	*Hotel management business*	*¥100*	-	*Leaseholder and operator of hotels*	*Rental revenues*	*¥16,373,766*	*Rental receivables*	*¥7,539,035*

Notes:

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

(2) Terms and conditions are decided pursuant to the Asset Manager's Regulations on Transactions with Sponsor-related Persons and the Management Manual regarding Transactions with Sponsor-related Persons.

(3) 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.

(4) The transaction amount is stated based on the transaction price under the purchase and sale agreement of trust beneficiary interests, and does not include the expenses in the transaction, property tax, city planning tax, and consumption taxes.

Acquisition of real estate trust beneficiary interests are relating to below

Property No.	Property name	Seller	Acquisition cost (in thousands of yen)
D102	Irago Ocean Resort	Nippori TMK	6,900,000
D103	Kirishima Kokusai Hotel	Heijo TMK	6,534,000
D104	Kamenoi Hotel Toba	Yakushima TMK	4,732,000
D105	Kamenoi Hotel Kusatsu Yubatake	Baika TMK	4,682,000
D106	Atagawa Ocean Resort	Baika TMK	4,187,000
D107	Hotel MyStays Atsugi	Nippori TMK	3,177,000
D108	Kamenoi Hotel Tsukubasan	Albula TMK	2,999,000
D109	Kamenoi Hotel Kochi	Yakushima TMK	446,000
D110	Kamenoi Hotel Chitamihama	Yakushima TMK	372,000
D111	Kamenoi Hotel Yanagawa	Yakushima TMK	255,000
		Total	34,284,000

For the six months ended June 30, 2026

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*	*$61*	-	*Leaseholder and operator of hotel*	*Rental revenues*	*¥562,844*	*$3,466*	*Rental receivables*	*¥270,983*	*$1,668*
	Island Co., Ltd.(2)	*Minato-ku, Tokyo*	*Hotel management business*	*¥50*	*$307*	-	*Leaseholder*	*Rental revenues*	*¥845,075*	*$5,203*	*Rental receivables*	*¥420,714*	*$2,590*
	Osaka Bay Tower LLC(2)	*Osaka-shi, Osaka*	*Hotel management business*	*¥0.1*	*$0*	-	*Leaseholder*	*Rental revenues*	*¥921,694*	*$5,675*	*Rental receivables*	*¥330,026*	*$2,032*
	Iconia Hospitality K.K.(2)	*Minato-ku, Tokyo*	*Hotel management business*	*¥100*	*$615*	-	*Leaseholder and operator of hotels*	*Rental revenues*	*¥14,431,309*	*$88,868*	*Rental receivables*	*¥6,138,042*	*$37,798*

Notes:

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

(2) Naqua Hotel & 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, Naqua Hotel & Resorts Management Co., Ltd., Island Co., Ltd., Osaka Bay Tower LLC and Iconia Hospitality K.K. are considered related parties.

(b) Affiliates

For the six months ended December 31, 2025

Not Applicable

For the six months ended June 30, 2026

Not Applicable

(c) Board of Directors and Major Individual Unitholders

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 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)	¥721,420	Accrued expenses	¥302,500
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥1,100	Accrued expenses	¥880

Notes:

(1) Naoki Fukuda serves as a representative of the Asset Manager and the asset management fee is established in the Articles of Incorporation of the Company.

(2) Naoki Fukuda serves as a representative of Asset Manager and the fee is established in the "Administrative Agency Agreement for Organizational Management" which was agreed between the Asset Manager and the Company.

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

For the six months ended June 30, 2026

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)	¥650,000	$4,002	Accrued expenses	¥357,500	$2,201
				Payment of institution management fee to Consonant Investment Management Co., Ltd.(2)	¥600	$3	Accrued expenses	¥330	$2

Notes:

(1) Naoki Fukuda serves as a representative of the Asset Manager and the asset management fee is established in the Articles of Incorporation of the Company.

(2) Naoki Fukuda serves as a representative of Asset Manager and the fee is established in the "Administrative Agency Agreement for Organizational Management" which was agreed between the Asset Manager and the Company.

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

25. Parent Company and/or Significant Affiliates

(a) Information on the parent company

Not Applicable.

(b) Summary of financial statements of the significant affiliates

The significant affiliates for the six months ended June 30, 2026 is Kingdom TMK. A summary of its financial information is as follows:

	Kingdom TMK		
	As of / For the six months ended		
	September 30, 2025	**March 31, 2026**	**March 31, 2026**
	(in thousands of yen)		(in thousands of U.S. dollars)
Total specified assets	99,271,552	99,151,100	610,573
Total other assets	12,579,665	6,990,723	43,048
Total current liabilities	120,556	270,465	1,665
Total non-current liabilities	73,966,674	73,965,074	455,478
Total net assets	37,763,987	31,906,284	196,479
Operating revenue	2,465,985	3,244,393	19,979
Income before income taxes	1,344,841	1,987,070	12,236
Net income	1,343,887	1,986,184	12,230

26. Per Unit Information

The following table shows net asset value per unit as of December 31, 2025 and June 30, 2026 and net income per unit for the six months then ended. Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of units outstanding. In regard to diluted net income per unit for the previous fiscal year, there were no dilutive units. Accordingly, diluted net income per unit for the previous fiscal year is not presented. In regard to diluted net income per unit for the subject fiscal year, there was a net loss per unit, and there were no dilutive units. Accordingly, diluted net income per unit for the subject fiscal year is not presented.

	As of / For the six months ended		
	December 31, 2025	**June 30, 2026**	**June 30, 2026**
	(Yen)		(U.S. dollars)
Net asset value per unit	¥ 46,372	¥ 46,146	$ 284
Net income per unit	¥ 2,182	¥ 1,926	$ 11
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.