

## (REIT) Financial Report for the Fiscal Period Ended April 30, 2021

June 16, 2021

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 3451 URL: <https://tosei-reit.co.jp/en/>  
 Representative: Takayoshi Kitajima, Executive Director

Asset Management Company: Tosei Asset Advisors, Inc.  
 Representative: Kaname Wakabayashi, President & Representative Director  
 Inquiries: Keiji Miyaishi  
 General Manager, Treasury & Planning Department, REIT Division  
 TEL: +81-3-5439-8721

Scheduled date of submission of securities report: July 30, 2021

Scheduled date of commencement of cash distribution payment: July 9, 2021

Preparation of supplementary financial results briefing materials: Yes

Holding of financial results briefing meeting: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest JPY million)

## 1. Status of Management and Assets for Fiscal Period Ended April 30, 2021 (November 1, 2020 – April 30, 2021)

(1) Management (% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Ended Apr. 30, 2021	3,311	6.9	1,652	7.8	1,373	9.0	1,339	6.4
Ended Oct. 31, 2020	3,097	3.4	1,532	2.1	1,259	1.2	1,258	1.2

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	JPY	%	%	%
Ended Apr. 30, 2021	3,932	3.5	1.7	41.5
Ended Oct. 31, 2020	3,710	3.3	1.6	40.7

## (2) Cash Distributions

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Payout ratio	Ratio of cash distribution to net assets
	JPY	JPY million	JPY	JPY million	%	%
Ended Apr. 30, 2021	3,750	1,276	—	—	95.3	3.3
Ended Oct. 31, 2020	3,697	1,258	—	—	99.9	3.3

(Note 1) Payout ratio is calculated using the following formula and rounded down to one decimal place.

Payout ratio = Total cash distribution (not including cash distribution in excess of earnings) / net income × 100

(Note 2) Ratio of cash distribution to net assets is calculated using the following formula and rounded down to one decimal place.

Ratio of cash distribution to net assets = Cash distribution per unit (not including cash distribution in excess of earnings) / {(net assets per unit at the beginning of the fiscal period + net assets per unit at the end of the fiscal period) / 2} × 100

(Note 3) The difference between net income per unit and cash distribution per unit for the fiscal period ended April 30, 2021, is attributable to recording of capital gains on transfer of “Selection Hatsutomi” and “Prime Garden,” internal reserve of almost the entire amount of such, recording of income taxes due to the concerned internal reserve, etc.

## (3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Apr. 30, 2021	80,252	37,913	47.2	111,344
Ended Oct. 31, 2020	77,012	37,833	49.1	111,108

## (4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
Ended Apr. 30, 2021	2,774	(3,192)	1,632	8,182
Ended Oct. 31, 2020	1,987	(1,664)	(897)	6,966

2. Forecast for Management Status for Fiscal Period Ending October 31, 2021 (May 1, 2021 – October 31, 2021) and  
Forecast for Management Status for Fiscal Period Ending April 30, 2022 (November 1, 2021 – April 30, 2022)  
(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Ending Oct. 31, 2021	3,093	(6.6)	1,484	(10.2)	1,191	(13.2)	1,187	(11.3)	3,530	—
Ending Apr. 30, 2022	3,066	(0.9)	1,455	(2.0)	1,171	(1.7)	1,170	(1.4)	3,530	—

(Reference) Forecast net income per unit is JPY 3,487 for the fiscal period ending October 31, 2021, and JPY 3,438 for the fiscal period ending April 30, 2022 (assuming total number of investment units issued and outstanding at end of period of 340,505 units). There is a difference between forecast net income per unit and forecast cash distribution per unit since a reversal of internal reserve is scheduled in the fiscal period ending October 31, 2021, and the fiscal period ending April 30, 2022.

\* Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

- ① Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(2) Total Number of Investment Units Issued and Outstanding

- ① Total number of investment units issued and outstanding (including own investment units) at end of period
- ② Number of own investment units at end of period

Fiscal period ended April 30, 2021	340,505 units
Fiscal period ended October 31, 2020	340,505 units
Fiscal period ended April 30, 2021	0 units
Fiscal period ended October 31, 2020	0 units

(Note) For the number of investment units used as the basis for calculating net income per unit, please refer to “Notes on Per Unit Information” on page 24.

\* Financial reports are exempt from the audit by a certified public accountant or an auditing firm.

\* Special note

The outlook for management status and other forward-looking statements contained in this document is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the forecast for management status, please refer to “Assumptions for Outlook for Management Status for Fiscal Period Ending October 31, 2021, and Fiscal Period Ending April 30, 2022” on page 8.

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## 1. Management Status

### (1) Management Status

#### ① Overview of the Fiscal Period Under Review

##### (a) Key Developments of the Investment Corporation

Tosei Reit was incorporated by Tosei Asset Advisors, Inc. (the “Asset Management Company”) as the organizer under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended) (the “Investment Trusts Act”) with investments in capital of JPY 960 million (9,600 units) on September 4, 2014, and completed registration with the Kanto Local Finance Bureau on September 22, 2014 (Director-General of the Kanto Local Finance Bureau Registration No. 96).

With issuance of new investment units through public offering (86,400 units) on November 26, 2014, Tosei Reit listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (the “J-REIT market” (Note)) (Securities Code: 3451) on November 27, 2014. The total number of investment units issued and outstanding as of the end of the fiscal period under review stands at 340,505 units.

(Note) “J-REIT” refers to a listed real estate investment corporation. In addition, “J-REIT market” refers to the real estate investment trust securities market established by Tokyo Stock Exchange. The same applies hereinafter.

##### (b) Investment Environment and Management Performance

###### Investment Environment:

In the fiscal period under review (13th Period: fiscal period ended April 30, 2021), the Japanese economy remained in a severe situation due to the impact of COVID-19, but showed signs of picking up as a whole.

In the real estate investment market, with the acquisition appetite of domestic and overseas investors remaining robust amid the ongoing accommodative financial environment, real estate prices continued to be in the high range despite the uncertain outlook due to the impact of COVID-19, and the size of the transaction market continued to maintain a high level in also the second half of 2020.

In the real estate leasing market, for offices in the Tokyo metropolitan area (Note 1), particularly the Tokyo 5 central wards (Note 2), vacancy rates continued to rise due to the decline in tenant demand brought about by the entrenchment of remote work and moves to reduce office costs brought about by the deterioration in corporate earnings stemming from COVID-19, resulting in also the average rent for offices turning to decrease. On the other hand, in the vicinity of Tokyo, there were moves to take in demand for satellite offices, and no substantial increase in vacancy rates was seen like in the Tokyo 5 central wards. For rental housing, vacancy rates in the Tokyo metropolitan area hovered steadily at a low level while rent unit prices also maintained a relatively high level.

###### Management Performance:

Under such environment, as of the end of the fiscal period under review, Tosei Reit owns a total of 52 properties with the total acquisition price (Note 3) of JPY 72,392 million and the occupancy rate of the assets under management is 97.1%.

In addition, Tosei Reit is promoting ESG initiatives, the key initiatives of which include consideration of the environment and energy conservation and contributing to local communities and society. During the fiscal period under review, Tosei Reit obtained DBJ Green Building Certification (Note 4) for another three properties.

(Note 1) “Tokyo metropolitan area” collectively refers to Tokyo, Kanagawa, Saitama, and Chiba prefectures. The same applies hereinafter.

(Note 2) “Tokyo 5 central wards” collectively refers to Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards. The same applies hereinafter.

(Note 3) “Acquisition price” is the sale and purchase price stated in the real estate trust beneficiary right sale and purchase contract. The sale and purchase price excludes consumption tax, local consumption tax and various expenses required for the acquisition. The same applies hereinafter.

(Note 4) “DBJ Green Building Certification” is a certification program launched by Development Bank of Japan Inc. (DBJ) in April 2011 for the purpose of supporting properties with proper environmental and social awareness (“Green Building”). The program evaluates, certifies and supports properties sought by society and the economy. It performs comprehensive assessment of properties while evaluating various factors ranging from properties’ environmental features to owners’ communication with stakeholders such as disaster prevention and proper care for surrounding communities.

## (c) Overview of Fund Procurement

In the procurement of funds for acquisition of assets, Tosei Reit adopts a basic policy of establishing a stable and sound financial standing over the medium to long term with the securing of revenue and sustainable growth of asset value in mind. During the fiscal period under review, Tosei Reit conducted the following procurement of funds.

Funds were procured through interest-bearing debt (long-term loans of JPY 3,000 million on December 17, 2020) to be allocated to part of the funds for the acquisition of real estate trust beneficiary rights and related expenses. Furthermore, a long-term loan of JPY 2,000 million was refinanced on November 30, 2020.

As of the end of the fiscal period under review, unitholders' capital was JPY 36,516 million and interest-bearing debt outstanding was JPY 38,500 million. At the end of the fiscal period under review, the ratio of interest-bearing debt to total assets (LTV) was 48.0%.

The status of credit ratings obtained by Tosei Reit as of the end of the fiscal period under review is as follows:

Credit rating agency	Rating
Japan Credit Rating Agency, Ltd.	Long-term issuer rating: A-; Rating outlook: Stable

## (d) Overview of Business Performance and Cash Distribution

As a result of the management described above, business performance in the fiscal period under review was operating revenue of JPY 3,311 million (up 6.9% period on period) and operating income of JPY 1,652 million (up 7.8% period on period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY 1,373 million (up 9.0% period on period) and net income of JPY 1,339 million (up 6.4% period on period).

Concerning cash distribution in the fiscal period under review, in accordance with the cash distribution policy provided in the Articles of Incorporation of Tosei Reit and to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended) (the "Special Taxation Measures Act")), Tosei Reit decided to distribute almost the entire amount of the amount of the income before income taxes portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act remaining after deducting gain on sale of real estate properties, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit of JPY 3,750.

## ② Outlook for the Next Fiscal Period

The Japanese economy is believed to remain in a severe situation for the time being due to the impact of COVID-19 in Japan and abroad, but is expected to gradually recover with the impact of the pandemic gradually waning as vaccinations progress and such, and with the increase in external demand, the accommodative financial environment and the effects of the government's economic measures buoying the economy. However, if the end of the pandemic is delayed and the stagnation of economic activities prolongs, further negative impact on the real estate leasing market from the deteriorating corporate earnings and employment environment will become a concern. The office market may even see an accelerating integration, consolidation or abolition of office locations or reduction of office floor space amid increasing moves to review the role of offices against the backdrop of the dissemination of remote work. The consequences of the pandemic and its impact on the economy are extremely uncertain. Therefore, close attention should be paid to the infection status and movements of tenants going forward.

### Future Management Policy and Challenges to Address

#### (a) Management Policy:

Tosei Reit engages in management and investment for the purpose of utilization and revitalization of the “vast existing building stock” (Note 1) in Japan's real estate market by leveraging the core competencies of Tosei Corporation (Note 2) (the “Sponsor” or “Tosei”) of “good judgment” (Note 2), “leasing capability” (Note 2) and “revitalization capability” (Note 2), by investing primarily in competitive real estate properties located in areas where acquisition is less competitive and where high yields can be expected or properties with strong potential regardless of the properties' age.

Of the real estate that can call for relatively high cap rate (Note 3) in terms of the area of location and building age, Tosei Reit acquires properties that are expected to have a high ability of attracting tenants, steady rental demand, etc. over the medium to long term by leveraging its Sponsor's core competencies of good judgment. Moreover, when Tosei Reit acquires assets from the Sponsor as sourcing support, the Sponsor demonstrates its core competencies of leasing capability and revitalization capability during the period where it holds the target properties, allowing Tosei Reit to acquire assets generating stable revenue. In addition, even in cases where Tosei Reit acquires assets from sources other than the Sponsor, leveraging the leasing capability of not only the Asset Management Company but also the Sponsor allows Tosei Reit to achieve early enhancement of the revenue-generating potential of the held assets under management.

(Note 1) “Existing building stock” collectively refers to building assets which were constructed in the past and still exist at present.

(Note 2) “Core competencies of Tosei” collectively refers to three forms of know-how. Specifically, (a) the know-how to comprehensively assess an investment property based on factors including location, size, age, facilities/specifications and structure, and to assess a property's competitiveness and potential as a rental property (“good judgment”), (b) the know-how to raise the level of satisfaction among tenants through appropriate management of investment properties, and to improve and/or maintain occupancy rates with leasing activities that match a property's specific features (“leasing capability”) and (c) the know-how to improve and/or maintain the competitiveness of a property by assessing the property's current competitiveness in the market, followed by performing any necessary refurbishments or renovations at the appropriate time (“revitalization capability”). The same applies hereinafter.

(Note 3) “Cap rate” refers to the figure arrived at when NOI is divided by the real estate price. In addition, “NOI” refers to net operating income by the direct capitalization method. Please note that NOI is income before depreciation, and the expected cap rate based on income less depreciation would be lower than this. It is also different from net cash flow (NCF), which is NOI plus financial interests on deposits and less capital expenditure.

#### (b) Expansion of Asset Size (Note)

Tosei Reit manages assets totaling 52 properties and amounting to JPY 72,392 million as of the end of the fiscal period under review, but early expansion in size is thought to be necessary to realize stable cash distribution to unitholders.

In today's real estate market in which acquisition competition is fierce, Tosei Reit will aim for external growth through acquisition of carefully selected properties that are expected to have relatively high yields, while securing diverse investment opportunities by leveraging the sourcing support of the Sponsor along with also leveraging the Asset Management Company's own network from its management of private placement funds.

(Note) “Asset size” refers to the total amount of acquisition price as of the record date.

## (c) Financial Strategy

At this point in time, given the Bank of Japan's monetary easing policy and the market interest rate trends, Tosei Reit has put forth efforts to lengthen maturities and fix interest rates. Going forward, Tosei Reit intends to continue to procure funds with fixed interest rates in principle (including interest rate swap agreements), taking into account the future risk of rising interest rates, economic conditions, etc. However, Tosei Reit will not execute interest rate swap agreements under the current negative interest rate policy as interest rate swap accounting and other associated risks cannot be sufficiently eliminated.

## (d) Outlook for Management Status for Fiscal Period Ending October 31, 2021, and Fiscal Period Ending April 30, 2022

Fiscal period	Operating revenue (JPY million)	Operating income (JPY million)	Ordinary income (JPY million)	Net income (JPY million)	Cash distribution per unit (not including cash distribution in excess of earnings) (JPY)	Cash distribution in excess of earnings per unit (JPY)
Ending Oct. 31, 2021	3,093	1,484	1,191	1,187	3,530	—
Ending Apr. 30, 2022	3,066	1,455	1,171	1,170	3,530	—

The outlook is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the outlook, please refer to "Assumptions for Outlook for Management Status for Fiscal Period Ending October 31, 2021, and Fiscal Period Ending April 30, 2022" on page 8.

## ③ Significant Subsequent Events

## (a) Debt Financing

Tosei Reit executed the following debt financing to repay JPY 400 million that matured on May 31, 2021.

Lender	Loan amount (JPY million)	Interest rate (Note 1)	Drawdown date	Maturity date	Repayment method	Security
Mizuho Bank, Ltd.	400	Base rate (JBA 1-month JPY TIBOR) (Note 2) + 0.200%	May 31, 2021	October 29, 2021	Lump-sum repayment on maturity date	Unsecured

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<https://www.jbatibor.or.jp/english/rate/>).

Assumptions for Outlook for Management Status for  
Fiscal Period Ending October 31, 2021, and Fiscal Period Ending April 30, 2022

Item	Assumptions																																
Calculation period	<ul style="list-style-type: none"><li>• Fiscal period ending October 31, 2021 (14th Period): May 1, 2021 – October 31, 2021 (184 days)</li><li>• Fiscal period ending April 30, 2022 (15th Period): November 1, 2021 – April 30, 2022 (181 days)</li></ul>																																
Assets under management	<ul style="list-style-type: none"><li>• It is assumed that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending April 30, 2022, to the real estate trust beneficiary rights owned by Tosei Reit as of the date of this document (52 properties in total) (the “Assets under Management”).</li><li>• In practice, there may be differences due to acquisition of new properties other than Assets under Management or sale of Assets under Management, etc.</li></ul>																																
Operating revenue	<ul style="list-style-type: none"><li>• Rental revenues from Assets under Management are calculated taking into account lease agreements that are effective as of the date of this document, tenant and market trends, etc.</li><li>• For rental revenues, it is assumed that no rent payments will be behind or declined by tenants.</li><li>• Calculations are made by incorporating a certain degree of rent decrease and other impact of the spread of COVID-19.</li></ul>																																
Operating expenses	<ul style="list-style-type: none"><li>• <u>The following are the major items of operating expenses.</u></li></ul> <table><thead><tr><th></th><th>Fiscal period ending October 31, 2021</th><th>Fiscal period ending April 30, 2022</th></tr></thead><tbody><tr><td><u>Expenses related to rent business</u></td><td><u>JPY 1,326 million</u></td><td><u>JPY 1,332 million</u></td></tr><tr><td><i>Of which:</i> Management fee</td><td>JPY 300 million</td><td>JPY 299 million</td></tr><tr><td>    <i>[Of which:</i> Operational management costs</td><td>JPY 219 million</td><td>JPY 219 million]</td></tr><tr><td>    <i>[Of which:</i> Property management costs</td><td>JPY 80 million</td><td>JPY 79 million]</td></tr><tr><td>Repair expenses</td><td>JPY 103 million</td><td>JPY 122 million</td></tr><tr><td>Property taxes</td><td>JPY 230 million</td><td>JPY 234 million</td></tr><tr><td>Depreciation</td><td>JPY 371 million</td><td>JPY 368 million</td></tr><tr><td><u>Expenses other than expenses related to rent business</u></td><td><u>JPY 282 million</u></td><td><u>JPY 278 million</u></td></tr><tr><td><i>Of which:</i> Asset management fee</td><td>JPY 183 million</td><td>JPY 180 million</td></tr></tbody></table> <ul style="list-style-type: none"><li>• For expenditures for repair and maintenance (repair expenses) of buildings, the amount expected to be required in the fiscal period is assumed as expenses, based on the amount planned by the Asset Management Company, after considering the amount stated in the engineering report. However, the expenditure for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise urgently due to damages to buildings and such caused by unexpected factors, and because the variance in amounts generally tends to be significant from year to year and repair maintenance expenses do not arise regularly.</li></ul>				Fiscal period ending October 31, 2021	Fiscal period ending April 30, 2022	<u>Expenses related to rent business</u>	<u>JPY 1,326 million</u>	<u>JPY 1,332 million</u>	<i>Of which:</i> Management fee	JPY 300 million	JPY 299 million	<i>[Of which:</i> Operational management costs	JPY 219 million	JPY 219 million]	<i>[Of which:</i> Property management costs	JPY 80 million	JPY 79 million]	Repair expenses	JPY 103 million	JPY 122 million	Property taxes	JPY 230 million	JPY 234 million	Depreciation	JPY 371 million	JPY 368 million	<u>Expenses other than expenses related to rent business</u>	<u>JPY 282 million</u>	<u>JPY 278 million</u>	<i>Of which:</i> Asset management fee	JPY 183 million	JPY 180 million
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NOI	<ul style="list-style-type: none"><li>• NOI for the entire portfolio is assumed to be JPY 2,138 million for the fiscal period ending October 31, 2021, and JPY 2,102 million for the fiscal period ending April 30, 2022.</li><li>• NOI is calculated by using the following formula. NOI = Property-related operating revenue — Property-related operating expenses + Depreciation</li></ul>																																
Non-operating expenses	<ul style="list-style-type: none"><li>• Amortization of expenses for the issuance of investment units is assumed to be JPY 10 million for the fiscal period ending October 31, 2021, and JPY 6 million for the fiscal period ending April 30, 2022.</li><li>• Interest expenses and borrowing-related expenses are assumed to be JPY 282 million for the fiscal period ending October 31, 2021, and JPY 279 million for the fiscal period ending April 30, 2022. Among the borrowing-related expenses, JPY 82 million for the fiscal period ending October 31, 2021, and JPY 79 million for the fiscal period ending April 30, 2022, are assumed to be the amounts to be amortized in accordance with the borrowing periods.</li></ul>																																



Item	Assumptions
Debt financing	<ul style="list-style-type: none"> <li>• Debt outstanding as of the date of this document is JPY 38,500 million. It is assumed that there will be no changes to the amount through the end of the fiscal period ending April 30, 2022.</li> <li>• LTV is assumed to be 48.0% as of the end of the fiscal period ending October 31, 2021, and 48.0% as of the end of the fiscal period ending April 30, 2022.</li> <li>• LTV is calculated by using the following formula.  <math display="block">\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>• It is assumed that the total number of investment units issued and outstanding will be 340,505 units as of the date of this document, and that there will be no changes to this number due to additional issuance of new investment units and such through the end of the fiscal period ending April 30, 2022.</li> <li>• Cash distribution per unit is calculated using the forecast total number of investment units issued and outstanding at the end of the fiscal period ending October 31, 2021, and the fiscal period ending April 30, 2022 (340,505 units).</li> </ul>
Cash distribution per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> <li>• Cash distribution per unit is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation.</li> <li>• It is assumed that almost the entire amount of net income will be distributed, excluding the portion where cash distribution per unit would be less than JPY 1.</li> <li>• Reversal of internal reserve is expected in the amount of JPY 14 million for the fiscal period ending October 31, 2021, and in the amount of JPY 31 million for the fiscal period ending April 30, 2022.</li> <li>• It is possible that the cash distribution per unit (not including cash distribution in excess of earnings) could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs, etc.</li> </ul>
Cash distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>• Tosei Reit does not currently anticipate cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption revisions will not be made to laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan ("The Investment Trusts Association") that impact forecast figures.</li> <li>• Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends and real estate market conditions, etc.</li> </ul>

## (2) Investment Risk

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities report (submitted on January 29, 2021).

## 2. Financial Statements

## (1) Balance Sheet

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	1,470,633	2,678,085
Cash and deposits in trust	5,496,219	5,504,329
Operating accounts receivable	9,608	11,056
Prepaid expenses	157,359	220,377
Other	—	2,492
Total current assets	7,133,821	8,416,342
Non-current assets		
Property, plant and equipment		
Buildings in trust	19,490,613	19,995,919
Accumulated depreciation	(2,361,792)	(2,656,520)
Buildings in trust, net	17,128,820	17,339,398
Structures in trust	185,808	188,656
Accumulated depreciation	(54,170)	(57,288)
Structures in trust, net	131,637	131,368
Machinery and equipment in trust	376,179	420,993
Accumulated depreciation	(142,377)	(160,036)
Machinery and equipment in trust, net	233,802	260,956
Tools, furniture and fixtures in trust	245,464	278,743
Accumulated depreciation	(83,188)	(100,048)
Tools, furniture and fixtures in trust, net	162,275	178,695
Land in trust	50,992,179	52,684,861
Total property, plant and equipment	68,648,714	70,595,281
Intangible assets		
Land leasehold interests in trust	869,627	869,627
Total intangible assets	869,627	869,627
Investments and other assets		
Long-term prepaid expenses	316,003	334,332
Deferred tax assets	14	3,001
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	326,018	347,333
Total non-current assets	69,844,361	71,812,242
Deferred assets		
Investment unit issuance expenses	34,147	24,390
Total deferred assets	34,147	24,390
<b>Total assets</b>	<b>77,012,330</b>	<b>80,252,975</b>

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	167,512	269,412
Current portion of long-term loans payable	4,800,000	6,000,000
Accounts payable – other	144,776	156,729
Income taxes payable	909	37,089
Accrued consumption taxes	79,414	73,958
Advances received	496,030	525,591
Other	352,625	140,285
Total current liabilities	6,041,269	7,203,066
Non-current liabilities		
Long-term loans payable	30,700,000	32,500,000
Tenant leasehold and security deposits in trust	2,437,891	2,636,516
Total non-current liabilities	33,137,891	35,136,516
Total liabilities	39,179,161	42,339,583
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	36,516,661	36,516,661
Surplus		
Unappropriated retained earnings (undisposed loss)	1,316,507	1,396,730
Total surplus	1,316,507	1,396,730
Total unitholders' equity	37,833,169	37,913,392
Total net assets	*1 37,833,169	*1 37,913,392
Total liabilities and net assets	77,012,330	80,252,975

## (2) Statement of Income

(Unit: JPY thousand)

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Operating revenue		
Rent revenue – real estate	* <sub>1</sub> 2,818,952	* <sub>1</sub> 2,914,696
Other lease business revenue	* <sub>1</sub> 278,465	* <sub>1</sub> 300,705
Gain on sale of real estate properties	—	* <sub>2</sub> 96,207
Total operating revenue	3,097,418	3,311,609
Operating expenses		
Expenses related to rent business	* <sub>1</sub> 1,288,113	* <sub>1</sub> 1,362,260
Asset management fee	183,098	189,155
Asset custody fee	3,387	3,412
Administrative service fees	19,216	18,617
Directors' compensations	2,460	2,460
Other operating expenses	68,380	82,957
Total operating expenses	1,564,657	1,658,864
Operating income	1,532,760	1,652,745
Non-operating income		
Interest income	34	34
Insurance claim income	2,344	2,329
Miscellaneous income	444	132
Total non-operating income	2,823	2,496
Non-operating expenses		
Interest expenses	174,451	181,977
Borrowing related expenses	88,022	90,329
Other	13,269	9,757
Total non-operating expenses	275,743	282,064
Ordinary income	1,259,840	1,373,177
Income before income taxes	1,259,840	1,373,177
Income taxes – current	914	37,094
Income taxes – deferred	2	(2,986)
Total income taxes	916	34,107
Net income	1,258,923	1,339,070
Retained earnings brought forward	57,584	57,660
Unappropriated retained earnings (undisposed loss)	1,316,507	1,396,730

## (3) Statement of Unitholders' Equity

12th Period (from May 1, 2020, to October 31, 2020)

(Unit: JPY thousand)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	36,097,061	1,301,306	1,301,306	37,398,368	37,398,368
Changes of items during period					
Issuance of new investment units	419,600			419,600	419,600
Dividends of surplus		(1,243,722)	(1,243,722)	(1,243,722)	(1,243,722)
Net income		1,258,923	1,258,923	1,258,923	1,258,923
Total changes of items during period	419,600	15,201	15,201	434,801	434,801
Balance at end of period	*1 36,516,661	1,316,507	1,316,507	37,833,169	37,833,169

13th Period (from November 1, 2020, to April 30, 2021)

(Unit: JPY thousand)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	36,516,661	1,316,507	1,316,507	37,833,169	37,833,169
Changes of items during period					
Dividends of surplus		(1,258,846)	(1,258,846)	(1,258,846)	(1,258,846)
Net income		1,339,070	1,339,070	1,339,070	1,339,070
Total changes of items during period	—	80,223	80,223	80,223	80,223
Balance at end of period	*1 36,516,661	1,396,730	1,396,730	37,913,392	37,913,392

## (4) Statement of Cash Distributions

(Unit: JPY)

Item	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
I. Unappropriated retained earnings	1,316,507,691	1,396,730,708
II. Amount of cash distribution [Amount of cash distribution per investment unit]	1,258,846,985 [3,697]	1,276,893,750 [3,750]
III. Retained earnings carried forward	57,660,706	119,836,958
Method of calculating the amount of cash distribution	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,697 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 of the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the net income portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,697.</p>	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,750 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 of the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the amount of the income before income taxes portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act remaining after deducting gain on sale of real estate properties, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,750.</p>

## (5) Statement of Cash Flows

(Unit: JPY thousand)

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Cash flows from operating activities		
Income before income taxes	1,259,840	1,373,177
Depreciation	360,823	375,478
Borrowing related expenses	88,022	90,329
Interest income	(34)	(34)
Interest expenses	174,451	181,977
Decrease (increase) in operating accounts receivable	6,384	(1,447)
Decrease (increase) in consumption taxes refund receivable	161,633	—
Increase (decrease) in accrued consumption taxes	66,417	(5,456)
Decrease (increase) in prepaid expenses	48,320	(54,409)
Increase (decrease) in operating accounts payable	(21,038)	30,828
Increase (decrease) in accounts payable – other	3,138	11,952
Increase (decrease) in advances received	6,927	29,560
Decrease in property, plant and equipment in trust due to sale	—	915,945
Other, net	7,512	10,785
Subtotal	2,162,400	2,958,687
Interest income received	34	34
Interest expenses paid	(173,499)	(182,929)
Income taxes paid	(961)	(914)
Net cash provided by (used in) operating activities	1,987,974	2,774,877
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(1,830,982)	(3,170,391)
Proceeds from tenant leasehold and security deposits in trust	204,716	100,395
Repayments of tenant leasehold and security deposits in trust	(38,319)	(122,062)
Net cash provided by (used in) investing activities	(1,664,584)	(3,192,059)
Cash flows from financing activities		
Proceeds from long-term loans payable	2,739,093	4,891,591
Repayments of long-term loans payable	(2,800,000)	(2,000,000)
Proceeds from issuance of investment units	407,276	—
Dividends paid	(1,243,722)	(1,258,846)
Net cash provided by (used in) financing activities	(897,352)	1,632,744
Net increase (decrease) in cash and cash equivalents	(573,963)	1,215,562
Cash and cash equivalents at beginning of period	7,540,815	6,966,852
Cash and cash equivalents at end of period	*1 6,966,852	*1 8,182,415

## (6) Notes on Going Concern Assumption

Not applicable.

## (7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is adopted. The useful life of principal property, plant and equipment is as follows:</p> <table> <tr> <td>Buildings</td><td>2-64 years</td></tr> <tr> <td>Structures</td><td>2-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>2-35 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2-27 years</td></tr> </table> <p>(2) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2-64 years	Structures	2-60 years	Machinery and equipment	2-35 years	Tools, furniture and fixtures	2-27 years
Buildings	2-64 years								
Structures	2-60 years								
Machinery and equipment	2-35 years								
Tools, furniture and fixtures	2-27 years								
2. Treatment of deferred assets	<p>Investment unit issuance expenses Equally amortized over a period of 3 years.</p>								
3. Standards for revenue and expense recognition	<p>Accounting for fixed asset tax, etc. Accounting for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as real estate rent expenses. Reimbursement of fixed asset tax, etc. in the fiscal year that includes the acquisition date paid to the seller upon acquisition of real estate, etc. is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc.</p>								
4. Scope of funds in the statement of cash flows (cash and cash equivalents)	<p>The funds in the statement of cash flows (cash and cash equivalents) consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>								
5. Other significant matters serving as basis for preparation of financial statements	<p>(1) Accounting for trust beneficiary rights that have real estate, etc. as assets in trust Concerning trust beneficiary rights that have real estate, etc. as assets in trust held, all accounts of assets and liabilities within assets in trust as well as all accounts of revenue and expenses from the assets in trust are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the assets in trust recognized in the relevant account item are separately listed on the balance sheet.</p> <ol style="list-style-type: none"> <li>① Cash and deposits in trust</li> <li>② Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust</li> <li>③ Land leasehold interests in trust</li> <li>④ Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting method for consumption tax, etc. Consumption tax and local consumption tax are accounted for by excluding from transaction amounts. However, non-deductible consumption tax on non-current assets, etc. is included in the cost of acquisition of the respective non-current assets, etc.</p>								



## (8) Notes to Financial Statements

[Notes to Balance Sheet]

## \*1. Minimum net assets as provided in Article 67, Paragraph 4 of the Investment Trusts Act

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
	50,000	50,000

[Notes to Statement of Income]

## \*1. Breakdown of property-related operating income (loss)

(Unit: JPY thousand)

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
A. Property-related operating revenue		
Rent revenue – real estate		
Rental income	2,430,655	2,507,199
Common area maintenance income	251,874	264,645
Parking income	106,704	111,734
Other rental income	29,718	31,118
Total	2,818,952	2,914,696
Other lease business revenue		
Utilities reimbursement	219,495	215,821
Other income	58,970	84,884
Total	278,465	300,705
Total property-related operating revenue	3,097,418	3,215,402
B. Property-related operating expenses		
Expenses related to rent business		
Management fee	293,773	309,460
Trust fee	14,955	15,796
Utilities expenses	222,416	200,625
Insurance premium	5,436	5,508
Repair expenses	123,091	156,525
Property taxes	219,737	240,986
Depreciation	360,823	375,478
Other expenses	47,878	57,879
Total property-related operating expenses	1,288,113	1,362,260
C. Property-related operating income (loss) (A–B)	1,809,304	1,853,141

## \*2. Breakdown of gain on sale of real estate properties

12th Period (from May 1, 2020, to October 31, 2020)

Not applicable.

13th Period (from November 1, 2020, to April 30, 2021)

Selection Hatsutomi (Unit: JPY thousand)

Revenue from sale of real estate properties	389,374
Cost of sale of real estate properties	310,351
Other sale expenses	16,711
Gain on sale of real estate properties	62,310

Prime Garden (Unit: JPY thousand)

Revenue from sale of real estate properties	667,641
Cost of sale of real estate properties	605,593
Other sale expenses	28,150
Gain on sale of real estate properties	33,896

## [Notes to Statement of Unitholders' Equity]

## \*1. Total number of investment units authorized, and total number of investment units issued and outstanding

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	340,505 units	340,505 units

## [Notes to Statement of Cash Flows]

## \*1. Reconciliation of cash and cash equivalents at end of period to the amount of balance sheet items

(Unit: JPY thousand)

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Cash and deposits	1,470,633	2,678,085
Cash and deposits in trust	5,496,219	5,504,329
Cash and cash equivalents	6,966,852	8,182,415

## [Notes on Lease Transactions]

## Operating lease transactions (as lessor)

## Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
Due within 1 year	98,698	92,568
Due after 1 year	125,807	113,031
Total	224,505	205,600

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

Tosei Reit shall procure funds through borrowing from financial institutions, issuance of investment corporation bonds or issuance of new investment units, etc. in a diversified and well-balanced manner based on a basic policy of establishing stable and sound financial standing over the medium to long term. Issuance of new investment units shall be implemented in a timely manner by taking into consideration such factors as revenue-generating potential of the properties to be acquired upon the issuance, acquisition timing, LTV level and timing of repayment of interest-bearing debt in a comprehensive manner, and also considering dilution due to the issuance of new investment units. The funds procured through debt financing and issuance of investment corporation bonds shall be used for acquisition of assets, repairs and maintenance, repayment of security and guarantee deposits, payment of cash distribution, payment of expenses of Tosei Reit or repayment of obligations, etc.

In addition, an amount deemed appropriate to meet various capital needs and by taking into account also the status of establishment of lines of credit, etc. shall be held as cash and deposits.

Derivative transactions may be conducted for the purpose of hedging the risk of fluctuations in interest rates on loans, etc. and other risks, but no speculative transactions shall be conducted.

(2) Description of financial instruments and associated risks, and risk management system

Loans and investment corporation bonds shall be for the purpose of primarily procuring funds for acquisition of assets and funds for repayment/redemption of obligations. Loans and investment corporation bonds are exposed to the risk of inability to refinance upon becoming due for repayment, but efforts are made to minimize the risk by considering and executing proposals for well-balanced fund procurement by diversifying fund procurement sources and including fund procurement through issuance of investment units and other means.

In addition, loans with floating interest rates are exposed to the risk of the interest rate payable rising, but a maximum limit is set for LTV in order to limit the impact of interest rate rises on Tosei Reit's operations. In addition, derivative transactions to convert interest expenses to fixed rates (interest rate swap transactions, etc.) are made available as a hedging instrument, taking into account the balance between the concerned risk and the costs involved in converting interest rates to fixed rates.

However, in circumstances where risks of impacts on interest rate swap agreements stemming from current negative interest rate policy cannot be excluded, interest rate swap agreements shall not be concluded.

Deposits, which are those for investing Tosei Reit's surplus funds, are exposed to credit risk, such as failure of the depository financial institutions, but are managed by limiting the deposit period to short term, taking into consideration security and liquidity.

(3) Supplementary explanation of matters concerning fair value, etc. of financial instruments

Not applicable.

## 2. Matters concerning fair value, etc. of financial instruments

The following is the carrying amount and fair value, and the amount of difference between these.

12th Period (as of October 31, 2020)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,470,633	1,470,633	—
(2) Cash and deposits in trust	5,496,219	5,496,219	—
Total assets	6,966,852	6,966,852	—
(3) Current portion of long-term loans payable	4,800,000	4,798,825	(1,174)
(4) Long-term loans payable	30,700,000	30,694,027	(5,972)
Total liabilities	35,500,000	35,492,853	(7,146)

13th Period (as of April 30, 2021)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,678,085	2,678,085	—
(2) Cash and deposits in trust	5,504,329	5,504,329	—
Total assets	8,182,415	8,182,415	—
(3) Current portion of long-term loans payable	6,000,000	5,999,376	(623)
(4) Long-term loans payable	32,500,000	32,490,037	(9,962)
Total liabilities	38,500,000	38,489,413	(10,586)

(Note 1) Notes on the method of calculating the fair value of financial instruments

(1) Cash and deposits; (2) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately the same as the book value and is thus stated at that book value.

(3) Current portion of long-term loans payable; (4) Long-term loans payable

As those long-term loans payable with floating interest rates reflect market interest rates within a short period of time, the fair value is thought to be almost equal to the book value and is thus stated at that book value. In addition, the fair value of long-term debt with fixed interest rates is calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is reasonably estimated as being applicable in the event of drawdown of a similar debt financing.

(Note 2) Carrying amount of financial instruments for which fair value is recognized to be extremely difficult to calculate

Tenant leasehold and security deposits in trust that have been deposited from lessees of rental properties are not subject to disclosure of fair value because a reasonable estimation of cash flows is recognized to be extremely difficult due to there being no market price and difficulty of calculating the actual deposit period from when lessees move in to when they move out.

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
Tenant leasehold and security deposits in trust	2,784,701	2,763,033

(\*) The amount includes current portion of tenant leasehold and security deposits in trust (JPY 346,809 thousand for the 12th Period; JPY 126,517 thousand for the 13th Period).

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts  
12th Period (as of October 31, 2020)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	1,470,633	—	—	—	—	—
Cash and deposits in trust	5,496,219	—	—	—	—	—
Total	6,966,852	—	—	—	—	—

13th Period (as of April 30, 2021)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	2,678,085	—	—	—	—	—
Cash and deposits in trust	5,504,329	—	—	—	—	—
Total	8,182,415	—	—	—	—	—

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts  
12th Period (as of October 31, 2020)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	4,800,000	6,200,000	6,200,000	5,600,000	6,300,000	6,400,000
Total	4,800,000	6,200,000	6,200,000	5,600,000	6,300,000	6,400,000

13th Period (as of April 30, 2021)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	6,000,000	6,400,000	5,200,000	6,200,000	7,300,000	7,400,000
Total	6,000,000	6,400,000	5,200,000	6,200,000	7,300,000	7,400,000

## [Notes on Tax-Effect Accounting]

## 1. Breakdown of main causes for occurrence of deferred tax assets and deferred tax liabilities

(Unit: JPY thousand)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
[Deferred tax assets]		
Non-deductible accrued enterprise tax	14	3,001
Total deferred tax assets	14	3,001
Net deferred tax assets	14	3,001

## 2. Breakdown of major items that caused significant differences between the statutory tax rate and the effective income tax rate after application of tax-effect accounting

(Unit: %)

	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible cash distribution payable	(31.44)	(29.25)
Other	0.05	0.27
Effective income tax rate after application of tax-effect accounting	0.07	2.48

## [Notes on Investment and Rental Properties]

Tosei Reit owns rental office buildings, rental retail facilities, rental residential properties, etc. in the Tokyo metropolitan area for the purpose of earning revenue from leasing. The following is the carrying amount, amount of increase (decrease) during the period and fair value of these investment and rental properties.

(Unit: JPY thousand)

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Carrying amount (Note 1)		
Balance at beginning of period	68,038,313	69,518,342
Amount of increase (decrease) during period (Note 2)	1,480,028	1,946,566
Balance at end of period	69,518,342	71,464,909
Fair value at end of period (Note 3)	79,613,000	82,295,000

(Note 1) Carrying amount is the amount of acquisition price less accumulated depreciation.

(Note 2) For the 12th Period, the amount of increase is mainly attributable to acquisition of Hachioji Tosei Building (JPY 1,619,519 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 360,823 thousand). For the 13th Period, the amount of increase is mainly attributable to acquisition of properties, including T's garden Center Minami, totaling 4 properties (JPY 3,002,471 thousand), while the amount of decrease is mainly attributable to transfer of properties, including Selection Hatsutomi, totaling 2 properties (JPY 915,945 thousand), and depreciation (JPY 375,478 thousand).

(Note 3) Fair value at the end of the period is the appraisal value or investigated value by an outside real estate appraiser.

The income (loss) for investment and rental properties is as presented in "Notes to Statement of Income" earlier in this document.

## [Notes on Segment Information]

## Segment Information

Segment information is omitted because Tosei Reit has a single segment, namely the real estate leasing business.

## (Related Information)

12th Period (from May 1, 2020, to October 31, 2020)

## 1. Information on products and services

Information on product and service is omitted because operating revenue to external customers of a single product/service category is more than 90% of the operating revenue on the statement of income.

## 2. Information on regions

## (1) Operating revenue

Information on regions is omitted because operating revenue to external customers in Japan is more than 90% of the operating revenue on the statement of income.

## (2) Property, plant and equipment

Information on regions is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

## 3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	325,935	Real estate lease business

13th Period (from November 1, 2020, to April 30, 2021)

## 1. Information on products and services

Information on product and service is omitted because operating revenue to external customers of a single product/service category is more than 90% of the operating revenue on the statement of income.

## 2. Information on regions

## (1) Operating revenue

Information on regions is omitted because operating revenue to external customers in Japan is more than 90% of the operating revenue on the statement of income.

## (2) Property, plant and equipment

Information on regions is omitted because the amount of property, plant and equipment located in Japan is more than 90% of the amount of property, plant and equipment on the balance sheet.

## 3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	138,003	Real estate lease business

## [Notes on Per Unit Information]

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Net assets per unit	JPY 111,108	JPY 111,344
Net income per unit	JPY 3,710	JPY 3,932

(Note 1) Net income per unit is calculated by dividing net income by the daily weighted average number of investment units.

In addition, diluted net income per unit is not stated because there are no diluted investment units.

(Note 2) The following is the basis for calculating net income per unit.

	12th Period (From: May 1, 2020 To: Oct. 31, 2020)	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)
Net income (JPY thousand)	1,258,923	1,339,070
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	1,258,923	1,339,070
Average number of investment units during period (units)	339,309	340,505

## [Notes on Significant Subsequent Events]

## 1. Debt Financing

Tosei Reit executed the following debt financing to repay JPY 400 million that matured on May 31, 2021.

Lender	Loan amount (JPY million)	Interest rate (Note 1)	Drawdown date	Maturity date	Repayment method	Security
Mizuho Bank, Ltd.	400	Base rate (JBA 1 month JPY TIBOR) (Note 2) + 0.200%	May 31, 2021	October 29, 2021	Lump-sum repayment on maturity date	Unsecured

(Note 1) Figures indicated do not include borrowing related expenses, etc. to be paid to the lenders.

(Note 2) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date immediately before each interest payment date (the drawdown date for the first interest payment date). For JBA's JPY TIBOR, please check with the JBA TIBOR Administration's website (<https://www.jbatibor.or.jp/english/rate/>).

## [Omission of disclosure]

Tosei Reit omits the disclosure of notes on securities, derivative transactions, related-party transactions, retirement benefits, asset retirement obligations and equity method income, etc. since it does not find substantial need for disclosure in its financial reports.



## (9) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding

The following is the increase (decrease) in unitholders' capital and the total number of investment units issued and outstanding from the incorporation of Tosei Reit to the end of the fiscal period under review.

Date	Type of issue	Total number of investment units issued and outstanding (units) (Note 12)		Unitholders' capital (JPY million) (Note 13)		Notes
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 4, 2014	Private placement for incorporation	9,600	9,600	960	960	(Note 1)
November 26, 2014	Public offering	86,400	96,000	8,565	9,525	(Note 2)
November 16, 2015	Public offering	61,900	157,900	6,662	16,187	(Note 3)
December 16, 2015	Third-party allotment	3,100	161,000	333	16,521	(Note 4)
November 1, 2016	Public offering	22,200	183,200	2,224	18,745	(Note 5)
November 1, 2017	Public offering	51,200	234,400	5,161	23,907	(Note 6)
November 1, 2018	Public offering	46,300	280,700	4,858	28,766	(Note 7)
November 28, 2018	Third-party allotment	2,315	283,015	242	29,009	(Note 8)
November 1, 2019	Public offering	52,000	335,015	6,890	35,899	(Note 9)
November 27, 2019	Third-party allotment	1,490	336,505	197	36,097	(Note 10)
June 25, 2020	Third-party allotment	4,000	340,505	419	36,516	(Note 11)

(Note 1) Upon the incorporation of Tosei Reit, investment units were issued at an issue amount of JPY 100,000 per unit.

(Note 2) Investment units were issued through public offering at an issue price of JPY 103,000 (issue amount of JPY 99,137) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 3) Investment units were issued through public offering at an issue price of JPY 111,637 (issue amount of JPY 107,629) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 4) Investment units were issued through third-party allotment at an issue amount of JPY 107,629 per unit for the purpose of procuring funds for future acquisition of new properties, etc.

(Note 5) Investment units were issued through public offering at an issue price of JPY 103,938 (issue amount of JPY 100,206) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 6) Investment units were issued through public offering at an issue price of JPY 104,462 (issue amount of JPY 100,819) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 7) Investment units were issued through public offering at an issue price of JPY 108,723 (issue amount of JPY 104,931) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 8) Investment units were issued through third-party allotment at an issue amount of JPY 104,931 per unit for the purpose of procuring funds for future acquisition of new properties, etc.

(Note 9) Investment units were issued through public offering at an issue price of JPY 137,299 (issue amount of JPY 132,511) per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 10) Investment units were issued through third-party allotment at an issue amount of JPY 132,511 per unit for the purpose of procuring funds for future acquisition of new properties, etc.

(Note 11) Investment units were issued through third-party allotment at an issue amount of JPY 104,900 per unit for the purpose of allocating funds to repayment of loans, etc.

(Note 12) There exist no investment units without voting rights provided in Article 308 Paragraph 2 of the Companies Act which will be applied mutatis mutandis pursuant to Article 94 of the Investment Trusts Act (treasury investment units) or investment units without voting rights provided in Article 160 of the Ordinance for Enforcement of Investment Trusts Act (mutual-holding investment units).

(Note 13) Fluctuation of unitholders' capital in line with implementation of distribution in excess of earnings with reserve for temporary difference adjustments is not considered.

### 3. Reference Information

#### (1) Information on Price of Assets Under Management, Etc.

##### (a) Investment Status

The following is an overview of the investment status as of the date of Tosei Reit's settlement of accounts (April 30, 2021). Real estate that are the assets in trust of the real estate trust beneficiary rights that are the portfolio assets of Tosei Reit ("real estate trust beneficiary rights") are each the building and its site for leasing to tenants.

Type of asset	Geographical area, etc.	Main use	13th Period (As of April 30, 2021)	
			Total amount held (JPY million) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate trust beneficiary rights	Tokyo metropolitan area	Offices	31,464	39.2
		Retail facilities	5,429	6.8
		Residential properties	34,571	43.1
	Major regional cities (Note 1)	—	—	—
	Total		71,464	89.0
Deposits and other assets			8,788	11.0
Total assets (Note 2)			80,252	100.0
Total liabilities (Note 2)			42,339	52.8
Total net assets (Note 2)			37,913	47.2

(Note 1) "Major regional cities" collectively refers to cities that are cities designated by cabinet order and prefectural capitals located outside the Tokyo metropolitan area, or their equivalent. The same applies hereinafter.

(Note 2) "Total amount held," "Total assets," "Total liabilities" and "Total net assets" are the amounts based on the carrying amounts (depreciated book value in the case of real estate trust beneficiary rights) as of April 30, 2021, in accordance with the asset valuation method provided in the Articles of Incorporation.

(Note 3) "As a percentage of total assets" is the carrying amount of the concerned assets expressed as a percentage of total assets.

## (2) Investment Assets

## (a) Overview of Assets under Management

The following is the type, property name, location, acquisition price, investment ratio, real estate appraisal value, etc. and acquisition date of assets under management as of the date of Tosei Reit's settlement of accounts (April 30, 2021). Property numbers start with the code "O" in the case of offices, "Rt" in the case of retail facilities and "Rd" in the case of residential properties as assigned according to the asset under management's property use type.

Type	Property no.	Property name	Location	Acquisition price (JPY million)	Investment ratio (%) (Note 1)	Real estate appraisal value, etc. (JPY million) (Note 2)	Acquisition date (Note 3)
Offices	O-01	Tama Center Tosei Building	Tama-shi, Tokyo	3,370	4.7	3,840	November 28, 2014
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	2.8	2,870	November 28, 2014
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	2.5	2,700	November 28, 2014
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	5.7	4,670	November 17, 2015
	O-05	Nishi Kasai Tosei Building	Edogawa-ku, Tokyo	1,710	2.4	2,070	November 17, 2015
	O-06	Shin Yokohama Center Building	Yokohama-shi, Kanagawa	1,364	1.9	1,790	November 17, 2015
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	2.0	1,800	August 31, 2016
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	3.3	2,960	November 2, 2016
	O-09	Hakusan Asanomi Building	Bunkyo-ku, Tokyo	1,380	1.9	1,680	November 2, 2016
	O-10	Chojamachi Duo Building	Yokohama-shi, Kanagawa	1,300	1.8	1,430	November 2, 2017
	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800	5.2	4,070	November 2, 2018
	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650	3.7	2,770	November 2, 2018
	O-13	Kannai Wise Building	Yokohama-shi, Kanagawa	2,050	2.8	2,180	December 2, 2019
	O-14	Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	880	1.2	912	November 5, 2019
	O-15	Hachioji Tosei Building	Hachioji-shi, Tokyo	1,600	2.2	1,670	May 29, 2020
	Subtotal			—	31,949	44.1	37,412
Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	3.3	2,590	November 28, 2014
	Rt-02	Musashi Fujisawa Tosei Building	Iruma-shi, Saitama	1,950	2.7	2,190	November 17, 2015
	Rt-04	Wako Building	Chiba-shi, Chiba	1,400	1.9	1,410	November 2, 2017
	Subtotal			—	5,730	7.9	6,190
Offices and retail facilities combined subtotal			—	37,679	52.0	43,602	—
Residential properties	Rd-01	T's garden Koenji	Suginami-ku, Tokyo	1,544	2.1	2,040	November 28, 2014
	Rd-02	Live Akabane	Kita-ku, Tokyo	1,227	1.7	1,580	November 28, 2014
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	1.4	1,260	November 28, 2014
	Rd-04	T's garden Kawasakidaishi	Kawasaki-shi, Kanagawa	980	1.4	1,160	November 28, 2014
	Rd-05	Abitato Kamata	Ota-ku, Tokyo	836	1.2	939	November 28, 2014
	Rd-07	Avenir Shirotae	Yokohama-shi, Kanagawa	780	1.1	981	November 28, 2014
	Rd-08	Dormitory Haramachida	Machida-shi, Tokyo	600	0.8	772	November 28, 2014
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	3.9	3,220	November 17, 2015

Type	Property no.	Property name	Location	Acquisition price (JPY million)	Investment ratio (%) (Note 1)	Real estate appraisal value, etc. (JPY million) (Note 2)	Acquisition date (Note 3)
Residential properties	Rd-11	T's garden Shinkoiwa	Katsushika-ku, Tokyo	670	0.9	747	November 2, 2016
	Rd-12	Twin Avenue	Nerima-ku, Tokyo	1,880	2.6	2,010	November 2, 2017
	Rd-13	Milestone Higashikurume	Higashikurume-shi, Tokyo	1,650	2.3	1,740	November 2, 2017
	Rd-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	2.0	1,580	November 2, 2017
	Rd-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.2	878	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	1.0	748	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	0.8	625	November 2, 2017
	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812	2.5	1,880	November 2, 2018
	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090	1.5	1,200	November 2, 2018
	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740	1.0	796	November 2, 2018
	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600	0.8	654	November 2, 2018
	Rd-22	T's garden Ojima	Koto-ku, Tokyo	1,020	1.4	1,100	May 24, 2019
	Rd-23	T's garden Kitakashiwa	Kashiwa-shi, Chiba	2,770	3.8	2,850	December 2, 2019
	Rd-24	Century Urawa	Saitama-shi, Saitama	980	1.4	1,100	November 5, 2019
	Rd-25	T's garden Nagayama	Tama-shi, Tokyo	850	1.2	907	November 5, 2019
	Rd-26	Grandeur Fujimino	Fujimi-shi, Saitama	822	1.1	843	November 5, 2019
	Rd-27	T's garden Hitotsubashi-gakuen	Kodaira-shi, Tokyo	760	1.0	799	November 5, 2019
	Rd-28	T's garden Warabi II	Kawaguchi-shi, Saitama	750	1.0	815	November 5, 2019
	Rd-29	T's garden Warabi III	Kawaguchi-shi, Saitama	655	0.9	697	November 5, 2019
	Rd-30	T's garden Kashiwa	Kashiwa-shi, Chiba	595	0.8	640	November 5, 2019
	Rd-31	Suning Kitamatsudo	Matsudo-shi, Chiba	482	0.7	504	November 5, 2019
	Rd-32	T's garden Tanashi	Nishitokyo-shi, Tokyo	310	0.4	367	November 5, 2019
	Rd-33	T's garden Center Minami	Yokohama-shi, Kanagawa	1,140	1.6	1,240	December 17, 2020
	Rd-34	Boulevard Maioka	Yokohama-shi, Kanagawa	810	1.1	871	December 17, 2020
	Rd-35	T's garden Koiwa	Edogawa-ku, Tokyo	490	0.7	573	December 17, 2020
	Rd-36	T's garden Tsuzuki-fureainooka II	Yokohama-shi, Kanagawa	480	0.7	577	December 17, 2020
	Subtotal		—	34,713	48.0	38,693	—
	Total		—	72,392	100.0	82,295	—

(Note 1) "Investment ratio" is the ratio of acquisition price for the asset under management to the sum total amount of acquisition price, rounded to one decimal place.

(Note 2) Appraisal of the property is entrusted to Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. "Real estate appraisal value, etc." is the appraisal value stated in the real estate appraisal report or investigation report ("real estate appraisal report, etc.") with April 30, 2021, as the effective date of the appraisal (date of value). The same applies hereinafter.

(Note 3) "Acquisition date" is the acquisition date stated in the real estate trust beneficiary right sale and purchase contract for the asset under management.

## (b) Portfolio Composition

The following presents the portfolio composition as of the date of Tosei Reit's settlement of accounts (April 30, 2021) of assets under management. Real estate that are the assets in trust of the real estate trust beneficiary rights that are the portfolio assets of Tosei Reit are each the building and its site for leasing to tenants.

## a. By property type

Property type	Number of properties	Acquisition price (JPY million)	Investment ratio by property type (%) (Note)
Offices	15	31,949	44.1
Retail facilities	3	5,730	7.9
Residential properties	34	34,713	48.0
Total	52	72,392	100.0

(Note) "Investment ratio by property type" is the ratio of the sum total of acquisition price for the concerned property type to the sum total of acquisition price for the asset under management. The same applies hereinafter.

## b. By geographical area

Geographical area	Number of properties	Acquisition price (JPY million)	Investment ratio by geographical area (%) (Note 1)
Tokyo metropolitan area	52 (Note 2)	72,392	100.0
Tokyo 5 central wards	2	3,887	5.4
Tokyo 23 wards (excluding Tokyo 5 central wards)	12	14,328	19.8
Tokyo metropolitan area (excluding Tokyo 23 wards)	38	54,177	74.8
Major regional cities	—	—	—
Total	52	72,392	100.0

(Note 1) "Investment ratio by geographical area" is the ratio of the sum total of acquisition price for the concerned geographical area to the sum total of acquisition price for the asset under management. The same applies hereinafter.

(Note 2) The number of properties by prefecture is 22 properties in Tokyo, 16 properties in Kanagawa, 7 properties in Saitama, and 7 properties in Chiba.

## c. Number of investments by acquisition price

Acquisition price	Number of properties
Less than JPY 1.0 billion	23
JPY 1.0 billion or more, but less than JPY 2.0 billion	19
JPY 2.0 billion or more, but less than JPY 3.0 billion	7
JPY 3.0 billion or more	3
Total	52

## (c) Overview of Buildings, Etc.

The following is the construction completion, building age, annual rent, security and guarantee deposits, total leased area, total leasable area, occupancy rate and number of tenants of each asset under management. The form of lease agreement for Musashi Fujisawa Tosei Building (Note 1) and the residential portion of T's garden Nagayama (Note 2) is a pass-through master lease agreement ("ML agreement") and a fixed-rent ML agreement, while for each property other than said properties (including the portions of T's garden Nagayama other than the residential portion), it is a pass-through ML agreement.

Type	Property no.	Property name	Construction completion (Note 3)	Building age (years) (Note 4)	Annual rent (JPY million) (Note 5) (Note 12)	Security and guarantee deposits (JPY million) (Note 6) (Note 12)	Total leased area (m <sup>2</sup> ) (Note 7) (Note 12)	Total leasable area (m <sup>2</sup> ) (Note 8)	Occupancy rate (%) (Note 9) (Note 12)	Number of tenants (Note 10) (Note 12)
Offices	O-01	Tama Center Tosei Building	July 1989	31.8	361	251	9,175.78	9,693.80	94.7	43
	O-02	KM Shinjuku Building	September 1991	29.6	164	83	3,403.95	3,403.95	100.0	7
	O-03	Nihonbashi-Hamacho Building	October 1990	30.5	165	129	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 11)	37.2 (Note 11)	286	383	6,606.56	6,919.69	95.5	38
	O-05	Nishi Kasai Tosei Building	January 1994	27.2	133	87	3,187.97	3,187.97	100.0	9
	O-06	Shin Yokohama Center Building	December 1990	30.4	135	97	3,888.28	3,888.28	100.0	12
	O-07	Nishidai NC Building	March 1992	29.1	126	89	3,448.59	3,798.48	90.8	7
	O-08	JPT Motomachi Building	October 1991	29.5	193	153	5,410.03	5,410.03	100.0	8
	O-09	Hakusan Asanomi Building	July 1993	27.8	99	71	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	27.8	92	69	2,204.74	2,204.74	100.0	10
	O-11	NU Kannai Building	February 1987	34.2	274	132	7,358.29	8,025.76	91.7	23
	O-12	Higashitotsuka West Building	February 1993	28.2	200	132	5,664.69	5,664.69	100.0	16
	O-13	Kannai Wise Building	February 1991	30.2	139	100	3,568.43	3,568.43	100.0	5
	O-14	Hon-Atsugi Tosei Building	January 1993	28.3	81	66	2,575.27	2,651.90	97.1	12
	O-15	Hachioji Tosei Building	February 1988	33.2	123	115	3,530.42	3,530.42	100.0	11
		Subtotal	—	—	2,578	1,966	65,217.91	67,143.05	97.1	220
	Retail facilities	Rt-01	Inage Kaigan Building	November 1992	28.4	168	265	5,813.08	5,890.90	98.7
Rt-02		Musashi Fujisawa Tosei Building (Note 1)	August 1997	23.7	144	72	6,089.72	6,089.72	100.0 (91.4)	1 (4)
Rt-04		Wako Building	May 1986	34.9	112	70	2,769.62	2,827.26	98.0	24
		Subtotal	—	—	424	408	14,672.42	14,807.88	99.1	39
Offices and retail facilities combined subtotal			—	—	3,003	2,375	79,890.33	81,950.93	97.5	259
Residential properties	Rd-01	T's garden Koenji	January 2011	10.3	99	17	2,067.24	2,169.38	95.3	52
	Rd-02	Live Akabane	March 1989	32.1	95	10	3,715.05	3,876.44	95.8	69
	Rd-03	Gekkocho Apartment	March 2008	13.1	70	14	1,392.13	1,392.13	100.0	17
	Rd-04	T's garden Kawasakidaishi	January 2009	12.2	66	9	1,955.93	2,067.93	94.6	49
	Rd-05	Abitato Kamata	June 1991	29.9	52	7	1,768.23	1,768.23	100.0	27
	Rd-07	Avenir Shirotae	February 1995	26.2	70	7	2,446.74	2,499.93	97.9	40
	Rd-08	Dormitory Haramachida	July 1992	28.8	58	4	1,866.11	1,866.11	100.0	73
	Rd-09	SEA SCAPE Chiba Minato	March 2008	13.1	220	71	6,484.08	6,758.52	95.9	133
	Rd-11	T's garden Shinkoiwa	March 1998	23.1	47	6	1,592.59	1,652.93	96.3	24
	Rd-12	Twin Avenue	March 1992	29.2	126	29	4,493.86	4,558.96	98.6	49
	Rd-13	Milestone Higashikurume	September 1989	31.6	117	10	3,225.14	3,546.85	90.9	179
	Rd-14	Lumiere No. 3	September 1994	26.6	110	16	5,519.36	5,644.16	97.8	80

Type	Property no.	Property name	Construction completion (Note 3)	Building age (years) (Note 4)	Annual rent (JPY million) (Note 5) (Note 12)	Security and guarantee deposits (JPY million) (Note 6) (Note 12)	Total leased area (m <sup>2</sup> ) (Note 7) (Note 12)	Total leasable area (m <sup>2</sup> ) (Note 8)	Occupancy rate (%) (Note 9) (Note 12)	Number of tenants (Note 10) (Note 12)
Residential properties	Rd-15	T's garden Nishifunabashi	February 1991	30.2	63	6	2,643.84	2,643.84	100.0	27
	Rd-16	Quest Yamatedai	February 1989	32.2	56	33	2,802.74	2,802.74	100.0	31
	Rd-17	Sancerre Yonohomachi	November 1990	30.5	48	4	1,379.82	1,419.39	97.2	53
	Rd-18	Rising Place Kawasaki No.2	February 2017	4.2	118	10	2,897.59	2,962.48	97.8	62
	Rd-19	J Palace Sakuradai	February 1994	27.2	67	9	2,341.77	2,395.49	97.8	29
	Rd-20	Personnage Yokohama	December 1990	30.4	54	6	1,855.46	1,988.93	93.3	68
	Rd-21	T's garden Nishihachioji West	January 1997	24.3	50	5	2,315.99	2,315.99	100.0	49
	Rd-22	T's garden Ojima	November 1989	31.5	82	27	2,639.10	2,705.70	97.5	57
	Rd-23	T's garden Kitakashiwa	January 1992 January 1992 September 2008 September 2008	29.3 29.3 12.6 12.6	193	15	12,910.72	13,377.44	96.5	138
	Rd-24	Century Urawa	March 1989	32.1	71	6	3,929.22	4,201.77	93.5	70
	Rd-25	T's garden Nagayama (Note 2)	June 1986	34.9	68	6	4,286.89	4,286.89	100.0 (98.8)	5 (102)
	Rd-26	Grandeur Fujimino	February 1997	24.2	64	5	2,122.68	2,144.34	99.0	93
	Rd-27	T's garden Hitotsubashi-gakuen	May 1988	32.9	59	3	2,751.10	2,845.88	96.7	58
	Rd-28	T's garden Warabi II	March 1987	34.1	56	4	2,886.12	3,050.22	94.6	54
	Rd-29	T's garden Warabi III	November 1989	31.4	51	9	2,406.90	2,461.90	97.8	37
	Rd-30	T's garden Kashiwa	March 1992	29.1	52	6	3,265.29	3,265.29	100.0	42
	Rd-31	Suning Kitamatsudo	March 2006	15.2	35	3	1,194.14	1,194.14	100.0	43
	Rd-32	T's garden Tanashi	September 1991	29.6	29	4	1,263.32	1,263.32	100.0	22
	Rd-33	T's garden Center Minami	January 2007	14.3	76	4	1,895.04	1,941.28	97.6	68
	Rd-34	Boulevard Maioka	December 2003	17.4	57	4	2,735.52	3,002.40	91.1	40
	Rd-35	T's garden Koiwa	April 1993	28.1	28	3	1,075.62	1,187.56	90.6	16
	Rd-36	T's garden Tsuzuki-fureainooka II	September 1988	32.6	37	0	968.08	1,049.06	92.3	43
Subtotal		—	—	—	2,560	388	99,093.41	102,307.62	96.9	1,897
Total/Average			—	27.5 (Note 11)	5,563	2,763	178,983.74	184,258.55	97.1	2,156

(Note 1) For the property, a pass-through ML agreement was concluded between the trustee and Tosei Community Co., Ltd ("Tosei Community") on September 30, 2015. In addition, a fixed-rent ML agreement was concluded between Tosei Community and Tosei at the time of acquisition by Tosei Reit. The same applies hereinafter.

(Note 2) For the property, a pass-through ML agreement was concluded between the trustee and Tosei Community on November 5, 2019. Of which, however, a fixed-rent ML agreement was concluded between the company and Tosei on November 5, 2019, for the residential portion. The same applies hereinafter.

(Note 3) "Construction completion" is the date of new construction in the real estate registry.

(Note 4) "Building age" is the number of years that has elapsed from the date of new construction in the real estate registry to April 30, 2021. In addition, that in the total/average column is the figure that is the weighted average based on acquisition price.

(Note 5) "Annual rent" is the amount annualized by multiplying by 12 the monthly rent (limited to the rent of rental units, including common area maintenance charges, but excluding signboard, parking lot, etc. usage fees; the same applies hereinafter) for the building indicated in the lease agreement for the asset under management as of April 30, 2021 (limited to those occupied as of the same date) (the sum total amount thereof if the asset under management is under several lease agreements, and excluding consumption tax, etc.; the same applies hereinafter). For the concerned asset under management, it is the amount annualized by multiplying by 12 the monthly rent based on lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded (if the lessee of the pass-through ML agreement has concluded a fixed-rent ML agreement, the lessee of the concerned fixed-rent ML agreement is counted as end-tenants; the same applies hereinafter), and it is the amount annualized by multiplying by 12 the monthly rent based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.

- (Note 6) “Security and guarantee deposits” is the sum total amount of tenant security and guarantee deposits required based on the lease agreement for the asset under management as of April 30, 2021 (limited to those occupied as of the same date). For the concerned asset under management, it is the tenant security and guarantee deposits based on lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded, and it is the tenant security and guarantee deposits based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 7) “Total leased area” is the sum total of the leased floor area indicated in the lease agreement for the asset under management as of April 30, 2021. The leased floor area indicated in the lease agreement may differ from the actual measurement value. For the concerned asset under management, it is the sum total of the floor area actually leased under lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded, and it is the leased floor area based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 8) “Total leasable area” is the sum total of the floor area of the portion regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for the asset under management as of April 30, 2021. The same applies hereinafter.
- (Note 9) “Occupancy rate” is the ratio of the total leased area to total leasable area for the asset under management as of April 30, 2021. However, in cases where an ML agreement has been concluded for the concerned asset under management, the occupancy rate in the case of a property under a pass-through ML agreement is the ratio of the sum total of the floor area actually leased under lease agreements concluded with end-tenants, and the occupancy rate in the case of a property or a section under a fixed-rent ML agreement is the ratio of the leased floor area based on the ML agreement and the occupancy rate that is the ratio of the sum total of the floor area actually leased under lease agreements concluded between the master lessee (the “master lease company”) and end-tenants is shown in parentheses. In addition, that in the subtotal columns, offices and retail facilities combined subtotal column and total/average column is each the ratio of the sum total of total leased area to the sum total of total leasable area for each asset under management in the respective item. The same applies hereinafter.
- (Note 10) “Number of tenants” is the number of tenants for the asset under management based on the lease agreement for the asset under management as of April 30, 2021 (in cases where a tenant has concluded more than one lease agreement, the tenant is counted as one). However, in cases where an ML agreement has been concluded for the concerned asset under management, the number of tenants in the case of a property under a pass-through ML agreement is the total number of end-tenants, and the number of tenants in the case of a property or a section under a fixed-rent ML agreement is the master lease company alone as tenant and the number of tenants from counting the number of tenants based on lease agreements between the master lease company and end-tenants is shown in parentheses. The same applies hereinafter.
- (Note 11) As to Kannai Tosei Building II, the parking building was constructed in May 1980 and the office building was added at a later date. The construction completion is the date of new construction of the office building, which is the main part of the building, in the real estate registry, and the building age of Kannai Tosei Building II and average building age are the number of years calculated based on the said date of new construction.
- (Note 12) Even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent or other non-performance of obligations, in the case of agreements that are ongoing as of April 30, 2021, “Annual rent,” “Security and guarantee deposits,” “Total leased area,” “Occupancy rate” and “Number of tenants” are indicated on the basis that the concerned lease agreements with end-tenants are existing and thus based on the concerned lease agreements. The same applies hereinafter.

(d) Changes in Occupancy Rate

a. The following are the changes in the occupancy rate of assets under management at the end of the fiscal period.

	Number of properties	Total leased area (m <sup>2</sup> )	Total leasable area (m <sup>2</sup> )	Occupancy rate (%)
4th Period (As of October 31, 2016)	18	70,012.30	71,369.69	98.1
5th Period (As of April 30, 2017)	23	84,453.10	85,865.29	98.4
6th Period (As of October 31, 2017)	23	84,502.45	85,865.01	98.4
7th Period (As of April 30, 2018)	31	109,532.58	111,513.63	98.2
8th Period (As of October 31, 2018)	31	109,498.02	111,513.20	98.2
9th Period (As of April 30, 2019)	36	129,504.97	132,148.93	98.0
10th Period (As of October 31, 2019)	37	132,069.10	134,852.78	97.9
11th Period (As of April 30, 2020)	49	175,129.98	179,167.75	97.7
12th Period (As of October 31, 2020)	50	178,453.63	182,695.32	97.7
13th Period (As of April 30, 2021)	52	178,983.74	184,258.55	97.1



b. The following are the changes in the occupancy rate of each asset under management at the end of the fiscal period.

(Unit: %)

Property no.	Property name	4th Period (As of Oct. 31, 2016)	5th Period (As of Apr. 30, 2017)	6th Period (As of Oct. 31, 2017)	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)
O-01	Tama Center Tosei Building	100.0 (69.6)	100.0 (73.5)	100.0 (80.6)	100.0 (87.2)	100.0 (89.9)
O-02	KM Shinjuku Building	100.0	100.0	100.0	100.0	100.0
O-03	Nihonbashi-Hamacho Building	100.0	100.0	100.0	100.0	100.0
O-04	Kannai Tosei Building II	96.7	100.0	100.0	100.0	100.0
O-05	Nishi Kasai Tosei Building	100.0	100.0	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	100.0	100.0	100.0	100.0	100.0
O-07	Nishidai NC Building	100.0	90.8	94.4	100.0	100.0
O-08	JPT Motomachi Building	—	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
O-09	Hakusan Asanomi Building	—	91.7	91.7	91.7	100.0
O-10	Chojamachi Duo Building	—	—	—	89.4	89.4
O-11	NU Kannai Building	—	—	—	—	—
O-12	Higashitotsuka West Building	—	—	—	—	—
O-13	Kannai Wise Building	—	—	—	—	—
O-14	Hon-Atsugi Tosei Building	—	—	—	—	—
O-15	Hachioji Tosei Building	—	—	—	—	—
Rt-01	Inage Kaigan Building	100.0	100.0	100.0	100.0	98.6
Rt-02	Musashi Fujisawa Tosei Building	100.0 (100.0)	100.0 (100.0)	100.0 (87.3)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi (Note 2)	—	100.0	100.0	100.0	100.0
Rt-04	Wako Building	—	—	—	98.1	92.1
Rd-01	T's garden Koenji	97.9	98.8	100.0	100.0	97.9
Rd-02	Live Akabane	97.7	97.2	100.0	95.0	100.0
Rd-03	Gekkocho Apartment	87.8	93.1	100.0	85.2	94.7
Rd-04	T's garden Kawasaki-daishi	96.2	100.0	97.6	98.6	96.2
Rd-05	Abitato Kamata	100.0	100.0	100.0	100.0	96.3
Rd-06	MarLandFive (Note 1)	97.7	93.0	95.4	100.0	93.0
Rd-07	Avenir Shirotae	95.7	100.0	93.6	97.9	95.7
Rd-08	Dormitory Haramachida	93.7	94.7	94.3	100.0	96.8
Rd-09	SEA SCAPE Chiba Minato	93.2	95.2	92.6	97.2	94.8
Rd-10	Prime Garden (Note 2)	—	98.3	100.0	98.3	100.0
Rd-11	T's garden Shinkoiwa	—	100.0	96.7	96.7	100.0
Rd-12	Twin Avenue	—	—	—	94.3	97.1
Rd-13	Milestone Higashikurume	—	—	—	98.3	96.9
Rd-14	Lumiere No. 3	—	—	—	95.6	96.7
Rd-15	T's garden Nishifunabashi	—	—	—	94.4	100.0
Rd-16	Quest Yamatedai	—	—	—	100.0	100.0
Rd-17	Sancerre Yonohonmachi	—	—	—	97.2	94.5
Rd-18	Rising Place Kawasaki No.2	—	—	—	—	—
Rd-19	J Palace Sakuradai	—	—	—	—	—
Rd-20	Personnage Yokohama	—	—	—	—	—
Rd-21	T's garden Nishihachioji West	—	—	—	—	—
Rd-22	T's garden Ojima	—	—	—	—	—
Rd-23	T's garden Kitakashiwa	—	—	—	—	—
Rd-24	Century Urawa	—	—	—	—	—
Rd-25	T's garden Nagayama	—	—	—	—	—
Rd-26	Grandeur Fujimino	—	—	—	—	—
Rd-27	T's garden Hitotsubashi-gakuen	—	—	—	—	—
Rd-28	T's garden Warabi II	—	—	—	—	—
Rd-29	T's garden Warabi III	—	—	—	—	—
Rd-30	T's garden Kashiwa	—	—	—	—	—
Rd-31	Suning Kitamatsudo	—	—	—	—	—
Rd-32	T's garden Tanashi	—	—	—	—	—
Rd-33	T's garden Center Minami	—	—	—	—	—
Rd-34	Boulevard Maioka	—	—	—	—	—
Rd-35	T's garden Koiwa	—	—	—	—	—
Rd-36	T's garden Tsuzuki-fureainooka II	—	—	—	—	—

(Unit: %)

Property no.	Property name	9th Period (As of Apr. 30, 2019)	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)
O-01	Tama Center Tosei Building	100.0 (98.4)	100.0 (98.4)	100.0 (98.4)	100.0 (97.8)	94.7
O-02	KM Shinjuku Building	100.0	100.0	100.0	100.0	100.0
O-03	Nihonbashi-Hamacho Building	100.0	100.0	100.0	100.0	100.0
O-04	Kannai Tosei Building II	100.0	100.0	100.0	91.7	95.5
O-05	Nishi Kasai Tosei Building	100.0	100.0	100.0	94.0	100.0
O-06	Shin Yokohama Center Building	100.0	97.6	100.0	100.0	100.0
O-07	Nishidai NC Building	100.0	100.0	100.0	100.0	90.8
O-08	JPT Motomachi Building	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0
O-09	Hakusan Asanomi Building	100.0	100.0	100.0	100.0	100.0
O-10	Chojamachi Duo Building	89.4	100.0	100.0	100.0	100.0
O-11	NU Kannai Building	99.0	99.0	99.0	99.0	91.7
O-12	Higashitotsuka West Building	100.0	93.7	93.7	100.0	100.0
O-13	Kannai Wise Building	—	—	100.0	100.0	100.0
O-14	Hon-Atsugi Tosei Building	—	—	94.3	100.0	97.1
O-15	Hachioji Tosei Building	—	—	—	100.0	100.0
Rt-01	Inage Kaigan Building	96.4	98.6	97.3	98.7	98.7
Rt-02	Musashi Fujisawa Tosei Building	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (91.4)
Rt-03	Selection Hatsutomi (Note 2)	100.0	100.0	100.0	100.0	—
Rt-04	Wako Building	92.1	89.5	97.4	92.7	98.0
Rd-01	T's garden Koenji	96.3	97.2	98.8	100.0	95.3
Rd-02	Live Akabane	97.3	97.2	94.4	95.8	95.8
Rd-03	Gekkocho Apartment	100.0	100.0	100.0	100.0	100.0
Rd-04	T's garden Kawasaki-daishi	98.6	100.0	94.8	100.0	94.6
Rd-05	Abitato Kamata	96.3	100.0	100.0	96.3	100.0
Rd-06	MarLandFive (Note 1)	—	—	—	—	—
Rd-07	Avenir Shirotae	91.5	97.9	95.7	87.2	97.9
Rd-08	Dormitory Haramachida	97.4	98.3	96.7	95.2	100.0
Rd-09	SEA SCAPE Chiba Minato	94.5	93.9	95.5	95.7	95.9
Rd-10	Prime Garden (Note 2)	98.3	100.0	93.3	100.0	—
Rd-11	T's garden Shinkoiwa	96.7	100.0	96.3	100.0	96.3
Rd-12	Twin Avenue	98.6	100.0	100.0	98.6	98.6
Rd-13	Milestone Higashikurume	96.5	92.9	96.6	93.8	90.9
Rd-14	Lumiere No. 3	98.9	97.8	96.7	96.7	97.8
Rd-15	T's garden Nishifunabashi	97.2	94.4	97.2	100.0	100.0
Rd-16	Quest Yamatedai	97.2	94.7	100.0	97.5	100.0
Rd-17	Sancerre Yonohonmachi	98.6	94.5	98.6	98.6	97.2
Rd-18	Rising Place Kawasaki No.2	97.8	97.1	97.1	95.6	97.8
Rd-19	J Palace Sakuradai	100.0	100.0	100.0	97.6	97.8
Rd-20	Personnage Yokohama	89.2	88.8	93.4	90.3	93.3
Rd-21	T's garden Nishihachioji West	93.2	96.9	97.9	97.6	100.0
Rd-22	T's garden Ojima	—	97.3	95.6	95.9	97.5
Rd-23	T's garden Kitakashiwa	—	—	97.9	95.9	96.5
Rd-24	Century Urawa	—	—	93.6	98.8	93.5
Rd-25	T's garden Nagayama	—	—	100.0 (95.3)	98.8 (90.1)	100.0 (98.8)
Rd-26	Grandeur Fujimino	—	—	99.0	99.0	99.0
Rd-27	T's garden Hitotsubashi-gakuen	—	—	91.7	93.3	96.7
Rd-28	T's garden Warabi II	—	—	98.2	100.0	94.6
Rd-29	T's garden Warabi III	—	—	100.0	97.8	97.8
Rd-30	T's garden Kashiwa	—	—	88.2	97.9	100.0
Rd-31	Suning Kitamatsudo	—	—	95.8	97.4	100.0
Rd-32	T's garden Tanashi	—	—	100.0	95.3	100.0
Rd-33	T's garden Center Minami	—	—	—	—	97.6
Rd-34	Boulevard Maioka	—	—	—	—	91.1
Rd-35	T's garden Koiwa	—	—	—	—	90.6
Rd-36	T's garden Tsuzuki-fureainooka II	—	—	—	—	92.3

(Note 1) Tosei Reit transferred the property on November 15, 2018, and has not owned it since the transfer.

(Note 2) Tosei Reit transferred the property on March 31, 2021, and has not owned it since the transfer.

## (e) Summary of Real Estate Appraisal Reports, Etc.

Tosei Reit and the Asset Management Company have obtained a real estate appraisal report, etc. for each asset under management from Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. The following is a summary of each asset under management's real estate appraisal report, etc. obtained by Tosei Reit and the Asset Management Company with April 30, 2021, as the effective date of the appraisal (date of value). Each real estate appraisal or investigation of the respective real estate appraisal report, etc. is no more than the appraiser's judgment and opinion at a certain point in time, and is not a guarantee of the validity or accuracy of the content, possibility of transaction at the concerned appraisal value, etc. and such. In addition, there is no special vested interest between Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K., which performed the real estate appraisal, etc., and Tosei Reit or the Asset Management Company.

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Offices	O-01	Tama Center Tosei Building	Japan Real Estate Institute	3,370	3,320	3,840	3,880	5.3	3,800	5.1	5.5
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	1,988	2,870	2,910	3.8	2,820	3.6	4.0
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,764	2,700	2,730	4.2	2,660	4.0	4.4
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	3,937	4,670	4,830	4.8	4,610	4.6	5.0
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,639	2,070	2,100	4.8	2,030	4.6	5.0
	O-06	Shin Yokohama Center Building	JLL Morii Valuation & Advisory K.K.	1,364	1,327	1,790	1,790	4.6	1,780	4.4	4.8
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,486	1,800	1,820	4.5	1,770	4.3	4.7
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,317	2,960	2,980	4.4	2,930	4.2	4.6
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,357	1,680	1,700	4.0	1,660	3.8	4.2
	O-10	Chojamachi Duo Building	JLL Morii Valuation & Advisory K.K.	1,300	1,293	1,430	1,450	4.4	1,400	4.2	4.6
	O-11	NU Kannai Building	Japan Valuers Co., Ltd.	3,800	3,799	4,070	4,140	4.8	4,000	4.6	5.0
	O-12	Higashitotsuka West Building	Japan Valuers Co., Ltd.	2,650	2,690	2,770	2,770	4.6	2,760	4.4	4.8
	O-13	Kannai Wise Building	Japan Valuers Co., Ltd.	2,050	2,057	2,180	2,210	4.6	2,150	4.4	4.8
	O-14	Hon-Atsugi Tosei Building	Japan Valuers Co., Ltd.	880	878	912	907	5.5	917	5.3	5.7
	O-15	Hachioji Tosei Building	Japan Valuers Co., Ltd.	1,600	1,605	1,670	1,700	4.5	1,640	4.3	4.7
	Subtotal				31,949	31,464	37,412	37,917	—	36,927	—
Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,174	2,590	2,610	4.9	2,560	4.7	5.1
	Rt-02	Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,905	2,190	2,190	5.6	2,180	5.2	5.8
	Rt-04	Wako Building	Japan Real Estate Institute	1,400	1,349	1,410	1,420	5.0	1,390	4.8	5.2
	Subtotal				5,730	5,429	6,190	6,220	—	6,130	—
Offices and retail facilities combined subtotal				37,679	36,893	43,602	44,137	—	43,057	—	—
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,494	2,040	2,070	3.8	2,000	3.6	4.0
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,193	1,580	1,600	4.5	1,560	4.3	4.7
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	985	1,260	1,280	3.9	1,240	3.7	4.1
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	933	1,160	1,180	4.6	1,140	4.4	4.8
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	827	939	952	4.5	925	4.3	4.7
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	725	981	992	4.8	969	4.6	5.0
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	622	772	781	4.6	763	4.4	4.8
	Rd-09	SEA SCAPE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,607	3,220	3,250	4.8	3,180	4.6	5.0
	Rd-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	666	747	755	4.3	739	4.1	4.5
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,880	2,010	2,030	4.6	1,980	4.4	4.8
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,629	1,740	1,760	4.8	1,720	4.6	5.0
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,409	1,580	1,590	5.1	1,570	4.9	5.3
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	861	878	888	4.9	868	4.7	5.1
	Rd-16	Quest Yamatedai	Japan Valuers Co., Ltd.	710	715	748	754	5.0	741	4.8	5.2
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	598	625	630	4.9	619	4.7	5.1

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Residential properties	Rd-18	Rising Place Kawasaki No.2	Japan Valuers Co., Ltd.	1,812	1,862	1,880	1,900	4.8	1,860	4.6	5.0
	Rd-19	J Palace Sakuradai	JLL Morii Valuation & Advisory K.K.	1,090	1,095	1,200	1,220	4.0	1,180	3.8	4.2
	Rd-20	Personnage Yokohama	Japan Valuers Co., Ltd.	740	745	796	796	5.1	796	4.8	5.2
	Rd-21	T's garden Nishihachioji West	Japan Real Estate Institute	600	600	654	661	4.8	647	4.6	5.0
	Rd-22	T's garden Ojima	Japan Valuers Co., Ltd.	1,020	1,048	1,100	1,110	4.8	1,080	4.5	5.1
	Rd-23	T's garden Kitakashiwa	Japan Valuers Co., Ltd.	2,770	2,781	2,850	2,880	4.7	2,820	4.5	4.9
	Rd-24	Century Urawa	JLL Morii Valuation & Advisory K.K.	980	992	1,100	1,110	4.7	1,080	4.5	4.9
	Rd-25	T's garden Nagayama	Japan Real Estate Institute	850	856	907	917	4.6	896	4.4	4.8
	Rd-26	Grandeur Fujimino	JLL Morii Valuation & Advisory K.K.	822	830	843	855	4.9	830	4.7	5.1
	Rd-27	T's garden Hitotsubashi-gakuen	Japan Real Estate Institute	760	767	799	808	4.8	789	4.6	5.0
	Rd-28	T's garden Warabi II	Japan Valuers Co., Ltd.	750	757	815	823	5.0	806	4.8	5.2
	Rd-29	T's garden Warabi III	Japan Valuers Co., Ltd.	655	664	697	703	5.0	690	4.8	5.2
	Rd-30	T's garden Kashiwa	JLL Morii Valuation & Advisory K.K.	595	602	640	650	4.5	629	4.3	4.7
	Rd-31	Suning Kitamatsudo	Japan Valuers Co., Ltd.	482	486	504	508	4.7	499	4.5	4.9
	Rd-32	T's garden Tanashi	Japan Real Estate Institute	310	333	367	371	4.7	362	4.5	4.9
	Rd-33	T's garden Center Minami	Japan Valuers Co., Ltd.	1,140	1,170	1,240	1,260	4.1	1,220	3.9	4.3
	Rd-34	Boulevard Maioka	JLL Morii Valuation & Advisory K.K.	810	831	871	883	4.6	858	4.4	4.8
	Rd-35	T's garden Koiwa	JLL Morii Valuation & Advisory K.K.	490	503	573	583	4.2	563	4.0	4.4
	Rd-36	T's garden Tsuzuki-fureainooka II	JLL Morii Valuation & Advisory K.K.	480	492	577	585	4.6	568	4.4	4.8
	Subtotal			34,713	34,571	38,693	39,135	—	38,187	—	—
	Total			72,392	71,464	82,295	83,272	—	81,244	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of April 30, 2021, rounded down to the nearest JPY million.

(Note 2) "Estimated value at end of period" is the value stated in the real estate appraisal report, etc. prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. with April 30, 2021, as the effective date of the appraisal (date of value) pursuant to the Articles of Incorporation of Tosei Reit and the rules of The Investment Trusts Association.

(f) Summary of Engineering Reports and Seismic Risk Analyses, Etc.

Tosei Reit has obtained an engineering report concerning building inspection, compliance with applicable laws and regulations, repair expenses valuation, environmental assessment, etc. for each asset under management from Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sampo Risk Management Inc. (Note 1) and Tokio Marine & Nichido Risk Consulting Co., Ltd. The statements in the engineering report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sampo Risk Management Inc. or Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tosei Reit or the Asset Management Company.

In addition, Tosei Reit has an evaluation of seismic risk analysis conducted by Sampo Risk Management Inc. at its request as part of due diligence upon acquisition of each asset under management. The analysis evaluates a building's seismic performance by an independent structural evaluation method based on structural drawings and structural calculation documents, which is then weighed against the content of structural calculation documents to arrive at the building's final seismic performance evaluation. The building's specific seismic vulnerability based on such evaluation is considered and seismic hazards and ground conditions are factored into for a comprehensive evaluation, based on the results of which a building's seismic probable maximum loss (PML) value is calculated. Each asset under management's building PML value stated in the "seismic PML (re)evaluation report" prepared by said company is presented in the table below. The statements in the seismic PML (re)evaluation report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Sampo Risk Management Inc. and Tosei Reit or the Asset Management Company.

## Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended April 30, 2021

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML (re)evaluation report prepared by	Seismic PML (re)evaluation report date	PML value (%)
O-01	Tama Center Tosei Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	2,220	58,123	Sompo Risk Management Inc.	March 2015	4.36
O-02	KM Shinjuku Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	8,080	20,521	Sompo Risk Management Inc.	March 2015	5.52
O-03	Nihonbashi-Hamacho Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	—	26,609	Sompo Risk Management Inc.	March 2015	6.11
O-04	Kannai Tosei Building II	HI International Consultant Co., Ltd.	April 2021	1,680	29,862	Sompo Risk Management Inc.	July 2015	11.54
O-05	Nishi Kasai Tosei Building	HI International Consultant Co., Ltd.	August 2020	—	12,675	Sompo Risk Management Inc.	July 2015	3.84
O-06	Shin Yokohama Center Building	Sompo Risk Management Inc.	October 2020	—	19,436	Sompo Risk Management Inc.	July 2015	6.47
O-07	Nishidai NC Building	Sompo Risk Management Inc.	April 2021	100	14,854	Sompo Risk Management Inc.	May 2016	5.25
O-08	JPT Motomachi Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 2016	—	25,150	Sompo Risk Management Inc.	July 2016	6.06
O-09	Hakusan Asanomi Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 2016	—	10,433	Sompo Risk Management Inc.	July 2016	7.31
O-10	Chojamachi Duo Building	Sompo Risk Management Inc.	August 2017	—	7,768	Sompo Risk Management Inc.	August 2017	3.56
O-11	NU Kannai Building	Sompo Risk Management Inc.	August 2018	—	32,518	Sompo Risk Management Inc.	August 2018	4.56
O-12	Higashitotsuka West Building	HI International Consultant Co., Ltd.	June 2018	12,810	24,404	Sompo Risk Management Inc.	July 2018	5.22
O-13	Kannai Wise Building	Sompo Risk Management Inc.	August 2019	—	12,208	Sompo Risk Management Inc.	August 2019	6.83
O-14	Hon-Atsugi Tosei Building	HI International Consultant Co., Ltd.	June 2019	2,940	10,635	Sompo Risk Management Inc.	August 2019	8.92
O-15	Hachioji Tosei Building	HI International Consultant Co., Ltd.	March 2020	1,220	20,920	Sompo Risk Management Inc.	April 2020	5.01
Rt-01	Inage Kaigan Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	1,100	27,111	Sompo Risk Management Inc.	March 2015	6.49
Rt-02	Musashi Fujisawa Tosei Building	Sompo Risk Management Inc.	September 2015	120	8,605	Sompo Risk Management Inc.	September 2015	5.85
Rt-04	Wako Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,963	Sompo Risk Management Inc.	March 2017	9.32
Rd-01	T's garden Koenji	HI International Consultant Co., Ltd.	August 2019	880	6,115	Sompo Risk Management Inc.	March 2015	7.91
Rd-02	Live Akabane	HI International Consultant Co., Ltd.	August 2019	940	9,853	Sompo Risk Management Inc.	March 2015	7.45
Rd-03	Gekkocho Apartment	HI International Consultant Co., Ltd.	February 2020	520	4,322	Sompo Risk Management Inc.	March 2015	8.98
Rd-04	T's garden Kawasakidaishi	HI International Consultant Co., Ltd.	August 2019	—	4,411	Sompo Risk Management Inc.	March 2015	7.38
Rd-05	Abitato Kamata	HI International Consultant Co., Ltd.	August 2019	1,190	4,326	Sompo Risk Management Inc.	March 2015	7.82
Rd-07	Avenir Shirotae	HI International Consultant Co., Ltd.	February 2020	2,850	8,088	Sompo Risk Management Inc.	March 2015	7.57
Rd-08	Dormitory Haramachida	HI International Consultant Co., Ltd.	August 2019	1,510	9,997	Sompo Risk Management Inc.	March 2015	5.29
Rd-09	SEA SCAPE Chiba Minato	Sompo Risk Management Inc.	October 2020	—	16,816	Sompo Risk Management Inc.	July 2015	7.30
Rd-11	T's garden Shinkoiwa	HI International Consultant Co., Ltd.	August 2016	3,420	5,041	Sompo Risk Management Inc.	July 2016	4.41
Rd-12	Twin Avenue	HI International Consultant Co., Ltd.	March 2017	400	12,449	Sompo Risk Management Inc.	March 2017	5.70
Rd-13	Milestone Higashikurume	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,633	Sompo Risk Management Inc.	August 2017	4.34
Rd-14	Lumiere No. 3	Sompo Risk Management Inc.	August 2017	—	8,157	Sompo Risk Management Inc.	March 2017	2.58
Rd-15	T's garden Nishifunabashi	HI International Consultant Co., Ltd.	July 2017	7,620	7,994	Sompo Risk Management Inc.	August 2017	7.50
Rd-16	Quest Yamatedai	HI International Consultant Co., Ltd.	July 2017	3,780	6,625	Sompo Risk Management Inc.	August 2017	9.66
Rd-17	Sancerre Yonohonmachi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2017	—	4,336	Sompo Risk Management Inc.	July 2017	4.13
Rd-18	Rising Place Kawasaki No.2	Sompo Risk Management Inc.	August 2018	—	1,857	Sompo Risk Management Inc.	August 2018	3.94
Rd-19	J Palace Sakuradai	Sompo Risk Management Inc.	August 2018	—	6,462	Sompo Risk Management Inc.	August 2018	5.38
Rd-20	Personnage Yokohama	Sompo Risk Management Inc.	August 2018	—	6,288	Sompo Risk Management Inc.	July 2018	4.65
Rd-21	T's garden Nishihachioji West	HI International Consultant Co., Ltd.	June 2018	1,410	8,951	Sompo Risk Management Inc.	July 2018	7.44
Rd-22	T's garden Ojima	HI International Consultant Co., Ltd.	March 2019	1,140	9,798	Sompo Risk Management Inc.	April 2019	5.35
Rd-23	T's garden Kitakashiwa	HI International Consultant Co., Ltd.	May 2019	4,020	26,155	Sompo Risk Management Inc.	August 2019	4.32

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML (re)evaluation report prepared by	Seismic PML (re)evaluation report date	PML value (%)
Rd-24	Century Urawa	HI International Consultant Co., Ltd.	June 2019	2,750	9,599	Sompo Risk Management Inc.	August 2019	4.54
Rd-25	T's garden Nagayama	HI International Consultant Co., Ltd.	June 2019	1,650	15,145	Sompo Risk Management Inc.	August 2019	7.72
Rd-26	Grandeur Fujimino	HI International Consultant Co., Ltd.	May 2019	1,280	8,058	Sompo Risk Management Inc.	August 2019	4.14
Rd-27	T's garden Hitotsubashi-gakuen	Sompo Risk Management Inc.	August 2019	—	6,488	Sompo Risk Management Inc.	August 2019	10.05
Rd-28	T's garden Warabi II	Sompo Risk Management Inc.	August 2019	—	6,086	Sompo Risk Management Inc.	August 2019	4.43
Rd-29	T's garden Warabi III	Sompo Risk Management Inc.	August 2019	—	5,479	Sompo Risk Management Inc.	August 2019	3.03
Rd-30	T's garden Kashiwa	HI International Consultant Co., Ltd.	May 2019	1,490	7,395	Sompo Risk Management Inc.	August 2019	8.26
Rd-31	Suning Kitamatsudo	Sompo Risk Management Inc.	August 2019	—	2,772	Sompo Risk Management Inc.	August 2019	3.17
Rd-32	T's garden Tanashi	Sompo Risk Management Inc.	August 2019	—	3,299	Sompo Risk Management Inc.	August 2019	8.83
Rd-33	T's garden Center Minami	HI International Consultant Co., Ltd.	August 2020	670	7,421	Sompo Risk Management Inc.	October 2020	8.65
Rd-34	Boulevard Maioka	HI International Consultant Co., Ltd.	July 2020	220	7,438	Sompo Risk Management Inc.	October 2020	9.79
Rd-35	T's garden Koiwa	Sompo Risk Management Inc.	October 2020	—	2,288	Sompo Risk Management Inc.	October 2020	6.29
Rd-36	T's garden Tsuzuki-fureainooka II	Sompo Risk Management Inc.	October 2020	—	2,821	Sompo Risk Management Inc.	October 2020	9.07
Entire portfolio (Note 4)								3.35

(Note 1) Sompo Japan Nipponkoa Risk Management Inc. changed its business name to Sompo Risk Management & Health Care Inc. on April 1, 2016. In addition, Sompo Risk Management & Health Care Inc. changed its business name to Sompo Risk Management Inc. on October 1, 2018. Even if the name of the company was Sompo Japan Nipponkoa Risk Management Inc. or Sompo Risk Management & Health Care Inc. at the time of obtaining the “portfolio seismic PML evaluation report,” etc., the current business name is indicated. The same applies hereinafter.

(Note 2) “Emergency and short-term repair expenses” is the sum total of the expenses stated in the engineering report as expenses in urgent need and repair and renewal expenses required within roughly one year.

(Note 3) “Long-term repair expenses” is indicated as follows.

- ① It is the amount stated as the average amount per year of the repair and renewal expenses projected for the second to twelfth year (11 years) in the engineering report in the case of the properties investigated by HI International Consultant Co., Ltd.
- ② It is the amount stated as the average amount per year of the long-term repair and renewal expenses projected for the next 12 years in the engineering report in the case of the properties investigated by Sompo Risk Management Inc.
- ③ It is the amount converted to the average amount per year by the Asset Management Company of the amount stated as the total of repair and renewal expenses excluding consumption tax projected for the second to twelfth year (11 years) in the engineering report in the case of the properties investigated by Deloitte Tohmatsu Property Risk Solution Co., Ltd.
- ④ It is the amount converted to the average amount per year by the Asset Management Company of the amount stated as the total of medium- to long-term repair and renewal expenses projected for the next 12 years in the engineering report in the case of the properties investigated by Tokio Marine & Nichido Risk Consulting Co., Ltd.

(Note 4) The value stated in “Entire portfolio” is the PML value concerning the entire portfolio based on the “seismic PML evaluation report” by Sompo Risk Management Inc. dated March 2021.

## (g) Designer, Structural Designer, Contractor, Confirmation and Inspection Body and Structural Calculation Confirmation Body for Each Asset under Management

The following is the designer, structural designer, contractor, confirmation and inspection body and structural calculation confirmation body for each asset under management. Tosei Reit has entrusted third-party expert bodies HI International Consultant Co., Ltd., Sampo Risk Management Inc., Deloitte Tohmatsu Property Risk Solution Co., Ltd. and Tokio Marine & Nichido Risk Consulting Co., Ltd. with confirmation and verification of structural calculation documents and structural drawings for the 50 properties excluding Hon-Atsugi Tosei Building and Avenir Shirotae, and has obtained from them overall findings that no intentional falsification has been found in any part of the structural calculation documents and that the structural calculation documents and structural drawings are in alignment and that, accordingly, the buildings are deemed to meet the requirements for seismic safety under design standards at the time of design with the content stated in the structural calculation documents, subject to the condition that they were appropriately constructed according to the structural drawings at the time of construction of the building of each asset under management. On the other hand, concerning Hon-Atsugi Tosei Building, the report on verification of whether or not there was falsification of structural calculation documents has pointed out that, for the penthouse of the office building, members and structural format in the structural calculation documents differ from those in the drawing. However, reinforcement work has already been implemented. Furthermore, concerning Avenir Shirotae, the report on verification of whether or not there was falsification of structural calculation documents has pointed out inconsistencies between the calculation documents after a change in the plan and the structural drawings at the time of application for confirmation, but the matter has already been rectified.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
O-01	Tama Center Tosei Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Taisei Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-02	KM Shinjuku Building	Mitsubishi Jisho Sekkei Inc., first-class architect office	Mitsubishi Jisho Sekkei Inc., first-class architect office	Taisei Corporation, Tokyo Branch	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-03	Nihonbashi-Hamacho Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Toda Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-04	Kannai Tosei Building II (Note 2)	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation Tokyo Head Office, Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sampo Risk Management Inc.
O-05	Nishi Kasai Tosei Building	Kitayama Architectural Engineering Office, Inc.	Kitayama Architectural Engineering Office, Inc.	Tobishima Corporation Tokyo Branch	Edogawa Ward building official	HI International Consultant Co., Ltd.
O-06	Shin Yokohama Center Building	Nikken Sekkei first-class architect office	Nikken Sekkei first-class architect office	Maeda Corporation	City of Yokohama, building official	Sampo Risk Management Inc.
O-07	Nishidai NC Building	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office, Tokyo Construction Branch	Tokyo Metropolitan Government, building official	Sampo Risk Management Inc.
O-08	JPT Motomachi Building	Environment Designing Shimizu Research Laboratory	Structure Design Company Toshio Fujinuma	Kokune Corporation	City of Yokohama, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
O-09	Hakusan Asanomi Building	Takeo Igarashi Architectural Design Office Inc.	Globo First Class Architect Office Inc. (Note 3)	Fujita Corporation, Tokyo Branch	Bunkyo Ward, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.
O-10	Chojamachi Duo Building	Azusa Sekkei Co., Ltd.	Azusa Sekkei Co., Ltd.	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sampo Risk Management Inc.
O-11	NU Kannai Building	NISSOKEN Architects/Engineers	NISSOKEN Architects/Engineers	Kyoritsu Construction Co., Ltd.	City of Yokohama, building official	Sampo Risk Management Inc.
O-12	Higashitotsuka West Building	Institute of New Architecture Inc.	HI International Consultant Co., Ltd. (Note 3)	The Zenitaka Corporation	City of Yokohama, building official	HI International Consultant Co., Ltd.
O-13	Kannai Wise Building	Mitsui Home Co., Ltd., Specified Building Department, first-class architect office	Mitsui Home Co., Ltd.	Toda Corporation	City of Yokohama, building official	Sampo Risk Management Inc.
O-14	Hon-Atsugi Tosei Building	Shimizu Corporation, first-class architect office	HI International Consultant Co., Ltd (Note 3)	Shimizu Corporation, Yokohama Branch	City of Atsugi, building official	HI International Consultant Co., Ltd.
O-15	Hachioji Tosei Building	MHS Planners, Architects & Engineers Ltd.	MHS Planners, Architects & Engineers Ltd.	Ikeda Construction	City of Hachioji, building official	HI International Consultant Co., Ltd.
Rt-01	Inage Kaigan Building	Nikken Sekkei Ltd.	Nikken Sekkei Ltd.	Haseko Corporation	City of Chiba, building official	HI International Consultant Co., Ltd.
Rt-02	Musashi Fujisawa Tosei Building	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office	Saitama Prefectural Government, building official	Sampo Risk Management Inc.
Rt-04	Wako Building	LAND Architect Office	Globo First Class Architect Office Inc. (Note 3)	Nara Construction Co., Ltd.	City of Chiba, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.

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Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
Rd-01	T's garden Koenji	YOKOHOUSE, Inc., first-class architect office	Yabuki Architecture Office	Maeda Corporation, Tokyo Branch	Houseplus Architectural Inspection, Inc.	HI International Consultant Co., Ltd.
Rd-02	Live Akabane	KK Arte Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	Toda Corporation	Kita Ward, building official	HI International Consultant Co., Ltd.
Rd-03	Gekkocho Apartment	Urban Design System Ltd., first-class architect office	Ove Arup & Partners Japan Limited	Kajima Corporation, Tokyo Architectural Construction Branch	Bureau Veritas Japan Co., Ltd.	HI International Consultant Co., Ltd.
Rd-04	T's garden Kawasakidaishi	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch, first-class architect office	(Note 4)	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch	East Japan House Evaluation Center	HI International Consultant Co., Ltd.
Rd-05	Abitato Kamata	Tokyo Keizairen and KK Zenkoku Nokyō Sekkei	KK Zenkoku Nokyō Sekkei	Tanaka Doken Kogyo Co., Ltd.	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
Rd-07	Avenir Shirotai	KK San-a Sekkei	Party that prepared the structural calculation document not stated therein.	Toa Corporation, Yokohama Branch Office	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-08	Dormitory Haramachida	Mitsui Fudosan Kensetsu KK, first-class architect office	Mitsui Fudosan Kensetsu KK	Mitsui Fudosan Kensetsu KK	City of Machida, building official	HI International Consultant Co., Ltd.
Rd-09	SEA SCAPE Chiba Minato	Kume Sekkei Co., Ltd.	Kume Sekkei Co., Ltd.	Taisei Corporation, Chiba Branch	UHEC	HI International Consultant Co., Ltd.
Rd-11	T's garden Shinkoiwa	Fumikazu Nakano Design Office Inc.	Kyoei Corporation (Note 3)	Penta-Ocean Corporation Co., Ltd. Tokyo Branch	Katsushika City building official	HI International Consultant Co., Ltd.
Rd-12	Twin Avenue	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K.	Nerima Ward, building official	HI International Consultant Co., Ltd.
Rd-13	Milestone Higashikurume	Honma Architectural Design Office, K.K.	HI International Consultant Co., Ltd. (Note 3)	Okumura Corporation	Tokyo Metropolitan Government, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
Rd-14	Lumiere No. 3	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-15	T's garden Nishifunabashi	Kumagai Gumi Co., Ltd., Yokohama first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Funabashi, building official	HI International Consultant Co., Ltd.
Rd-16	Quest Yamatedai	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-17	Sancerre Yonohonmachi	Haseko Corporation	Haseko Corporation	Haseko Corporation	Saitama Prefectural Government, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Rd-18	Rising Place Kawasaki No.2	Atelier T-Plus Co., Ltd.	Leaf Design Studio Co., Ltd.	Mutsumi Construction Co., Ltd.	J Architecture Inspection Center	—
Rd-19	J Palace Sakuradai	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Construction Co., Ltd., Tokyo Branch	Nerima Ward, building official	Sompo Risk Management Inc.
Rd-20	Personnage Yokohama	Do Architect Planners Co., Ltd.	HI International Consultant Co., Ltd. (Note 3)	Tokyu Construction Co., Ltd.	City of Yokohama, building official	Sompo Risk Management Inc.
Rd-21	T's garden Nishihachioji West	Sekkei Kobo Sosakusha Ltd.	HI International Consultant Co., Ltd. (Note 3)	Tokyo Branch of Sumitomo Construction, Co., Ltd.	City of Hachioji, building official	HI International Consultant Co., Ltd.
Rd-22	T's garden Ojima	Plum Design Planning Inc.	HI International Consultant Co., Ltd. (Note 3)	Nakazato Construction Co., Ltd.	Koto Ward, building official	HI International Consultant Co., Ltd.
Rd-23	T's garden Kitakashiwa	(1) (2) Nice Partners Co., Ltd. (3) (4) K.K. Harada Shogo Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	(1) (2) Consortium of Kajima Corporation, Nippon Steel Corporation and Mitsui Kensetsu Kabushiki Kaisha (3) (4) Unknown	City of Kashiwa, building official	HI International Consultant Co., Ltd.
Rd-24	Century Urawa	K.K. Sokensha	HI International Consultant Co., Ltd. (Note 3)	Fushimi Construction Co., Ltd.	City of Urawa, building official	HI International Consultant Co., Ltd.
Rd-25	T's garden Nagayama	K.K. Sato Nobutoshi Kenchiku Jimusho, first-class architect office	TOTO STRUCTURAL DESIGN, Inc., first-class architect office (Note 3)	Consortium of Nishimatsu Construction Co., Ltd. and K.K. Nisshin Kensetsu	City of Tama, building official	HI International Consultant Co., Ltd.
Rd-26	Grandeur Fujimino	K.K. GOB, first-class architect office	K.K. GOB, first-class architect office	Mityaken Industrials Co., Ltd. Fudo Kensetsu K.K.	Saitama Prefectural Government, building official	HI International Consultant Co., Ltd.
Rd-27	T's garden Hitotsubashi-gakuen	ANDO Corporation, first-class architect office	ANDO Corporation, first-class architect office	ANDO Corporation	Tokyo Metropolitan Government, building official	Sompo Risk Management Inc.
Rd-28	T's garden Warabi II	Kawaguchi Construction Co., Ltd., first-class architect office	Globo First Class Architect Office Inc. (Note 3)	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-29	T's garden Warabi III	Kawaguchi Construction Co., Ltd., first-class architect office	Globo First Class Architect Office Inc. (Note 3)	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-30	T's garden Kashiwa	Nishimatsu Construction Co., Ltd., first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Nishimatsu Construction Co., Ltd.	City of Kashiwa, building official	HI International Consultant Co., Ltd.



Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
Rd-31	Suning Kitamatsudo	K.K. Subaru Kobo Laid Planning, first-class architect office	HI International Consultant Co., Ltd. (Note 3)	K.K. Toyoda Kogyo	eHomes Inc.	Sompo Risk Management Inc.
Rd-32	T's garden Tanashi	Takeda Komuten, first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Unknown	Tokyo Metropolitan Government, building official	Sompo Risk Management Inc.
Rd-33	T's garden Center Minami	K.K. Archi Quest K	HI International Consultant Co., Ltd. (Note 3)	K.K. Chiyoda Actus	K.K. Building Navigation Kakunin Hyoka Kiko	HI International Consultant Co., Ltd.
Rd-34	Boulevard Maioka	Hitachi Architects & Engineers Co., Ltd.	Hitachi Architects & Engineers Co., Ltd.	Tekken Corporation, Yokohama Branch	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-35	T's garden Koiwa	Nihon Denken K.K., Ichikawa first-class architect office	Nihon Denken K.K.	Nihon Denken K.K., Ichikawa Branch	Edogawa Ward, building official	Sompo Risk Management Inc.
Rd-36	T's garden Tsuzuki-fureainooka II	ITOCHU Property Development, Ltd.	HI International Consultant Co., Ltd. (Note 3)	Morimoto Corporation, Tokyo Branch	City of Yokohama, building official	Sompo Risk Management Inc.

(Note 1) The name stated above is the name, etc. at the time for the designer, etc. of the property.

(Note 2) As to this building, information on the office building, which is the main part of the building, is provided. The designer and structural designer of the parking building is Ishimoto Architectural & Engineering Firm, Inc., the contractors are Yokohama Elevator Co., Ltd. and the consortium of Obayashi Corporation and Takenaka Corporation for new construction of Bashamichi Building, and the confirmation and inspection body is City of Yokohama, building official. The structural calculation confirmation body is Sompo Risk Management Inc., the same as that for the office building.

(Note 3) The name of the party that reproduced the structural calculation document is stated because the structural calculation document, in whole or in part, is missing or contents thereof cannot be confirmed.

(Note 4) Verification results have been obtained from HI International Consultant Co., Ltd. that the building is judged to have strength compliant with the current Building Standards Act as building materials, structural members, construction techniques and foundations certified with type approval by the Minister of Land, Infrastructure, Transport and Tourism have been employed and have been manufactured and newly constructed by certified type, parts, etc. manufacturers.

#### (h) Status of Collateral

There are no security rights that Tosei Reit has agreed or committed to establishing for any asset under management as of the date of this document.

#### (i) Information about Major Real Estate

Of Tosei Reit's assets under management, there are no real estate of which annual rent accounts for 10% or more of the entire portfolio's annual rent as of April 30, 2021.

#### (j) Information About Major Tenants (tenants with leased area accounting for 10% or more of the sum total of total leased area)

The following table lists tenants of Tosei Reit's assets under management that occupy 10% or more of the entire portfolio's total leased area as of the date of settlement of accounts of Tosei Reit (April 30, 2021). In the case of a property under a pass-through ML agreement, not only the master lease company but also end-tenants are counted as tenants. In addition, in the case of a property under a fixed-rent ML agreement, the master lease company alone is counted as tenants and end-tenants are not counted. For the entirety of Musashi Fujisawa Tosei Building, and the residential portion of T's garden Nagayama, as a pass-through ML agreement has been concluded between the trustee and the master lease company (Tosei Community), and furthermore a fixed-rent ML agreement has been concluded between the company and the submaster lease company (Tosei), both the master lease company and the submaster lease company are shown.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m <sup>2</sup> )	Leased area ratio (%) (Note 1)	Contract expiration date (Note 2)	Contract form (Note 3)	Security and guarantee deposits (JPY million)
Tosei Community Co., Ltd. (Note 4)	Property management business	Tama Center Tosei Building KM Shinjuku Building Nihonbashi-Hamacho Building Kannai Tosei Building II Nishi Kasai Tosei Building Shin Yokohama Center Building JPT Motomachi Building Chojamachi Duo Building NU Kannai Building Higashitotsuka West Building Kannai Wise Building Hon-Atsugi Tosei Building Inage Kaigan Building Musashi Fujisawa Tosei Building Wako Building T's garden Koenji Live Akabane Gekkocho Apartment T's garden Kawasakidaishi Abitato Kamata Avenir Shirotae Dormitory Haramachida SEA SCAPE Chiba Minato T's garden Shinkoiwa Milestone Higashikurume T's garden Nishifunabashi Quest Yamatedai Sancerre Yonohonmachi J Palace Sakuradai Personnage Yokohama T's garden Nishihachioji West T's garden Kitakashiwa Century Urawa T's garden Nagayama Grandeur Fujimino T's garden Hitotsubashi-gakuen T's garden Warabi II T's garden Warabi III T's garden Kashiwa Suning Kitamatsudo T's garden Tanashi T's garden Center Minami Boulevard Maioka T's garden Koiwa T's garden Tsuzuki-fureainooka II	4,776	154,594.31	86.4	November 30, 2021	Ordinary building lease agreement	2,403
		Nishidai NC Building	126	3,448.59	1.9	August 31, 2021	Ordinary building lease agreement	89
		T's garden Ojima Hachioji Tosei Building	206	6,169.52	3.4	May 31, 2021	Ordinary building lease agreement	142
Tosei Corporation	Real estate business	Musashi Fujisawa Tosei Building (Note 5)	144	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement	72
		T's garden Nagayama (Note 6)	55	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement	4

- (Note 1) “Leased area ratio” is the ratio of the leased area indicated in the lease agreement with the concerned tenant to total leased area for the entire portfolio. The same applies hereinafter.
- (Note 2) “Contract expiration date” is the contract expiration date indicated in the lease agreement with the concerned tenant as of April 30, 2021. The same applies hereinafter.
- (Note 3) “Contract form” is the contract form indicated in the lease agreement with the concerned tenant as of April 30, 2021. The same applies hereinafter.
- (Note 4) A pass-through ML agreement has been concluded between the trustee and Tosei Community as of April 30, 2021, for assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2. Thus, the total leased area indicates the sum total of the floor areas actually leased under lease agreements concluded with end-tenants (Tosei is regarded as the end-tenant when Tosei Community has concluded a fixed-rent ML agreement with Tosei). If both parties of the lease agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- In addition, Tosei Community is a property management company of assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2, and has concluded a PM agreement with the trustee. If both parties of the PM agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- (Note 5) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement for a period of five years from the contract date. If the agreement is cancelled during that period, the amount equivalent to the rent for the period from the date on which the agreement was cancelled to the end of the contract termination prohibition period shall be paid promptly by the lessee (Tosei) to the lessor (Tosei Reit). If both parties of the lease agreement do not express their intent otherwise to each other by six months prior to the contract expiration date, the agreement shall be renewed for another two years under the same terms and conditions, and the same shall apply upon expiration thereafter.
- (Note 6) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement until the contract expiration date.

## (k) Top End-Tenants by Leased Area

The following are the end-tenants of Tosei Reit's assets under management ranking in the top ten in terms of leased area of the entire portfolio as of the date of settlement of accounts (April 30, 2021). In the case of a property under a fixed-rent ML agreement, the entries are not concerning end-tenants but the master lease company and based on the lease agreement with the master lease company. In the case of a property under a pass-through ML agreement, the entries are not concerning the master lease company but end-tenants and based on the lease agreement with end tenants.

Name of end-tenant	Property name	Total leased area (m <sup>2</sup> )	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement
Not disclosed (Note)	Inage Kaigan Building	105.67 2,883.34 Total: 2,989.01	1.7	December 31, 2021 December 31, 2022	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 316.04 293.74 Total: 2,168.06	1.2	January 4, 2023 October 14, 2022 September 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Kannai Wise Building	1,578.83 460.68 Total: 2,039.51	1.1	April 30, 2022 January 31, 2023	Ordinary building lease agreement
FUJITSU CoWorCo Limited	Shin Yokohama Center Building	1,822.20	1.0	December 31, 2021	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,549.35	0.9	August 31, 2022	Ordinary building lease agreement
Misawa Homes Co., Ltd.	Higashitotsuka West Building	285.69 360.31 178.52 181.82 538.58 Total: 1,544.92	0.9	January 15, 2023 May 31, 2022 March 31, 2023 April 30, 2021 April 24, 2023	Ordinary building lease agreement
Not disclosed (Note)	Rising Place Kawasaki No.2	591.76 435.49 239.00 Total: 1,266.25	0.7	March 9, 2023 April 9, 2023 April 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,178.67	0.7	March 31, 2022	Ordinary building lease agreement

(Note) The name of the end-tenant and property name is not disclosed because consent for disclosure has not been obtained from the end-tenant.

## (l) Overview of Leasing to Related Parties

The following is an overview of leasing of each asset under management where a related party as defined under "related-party transaction rules," which are internal rules of the Asset Management Company, is the end-tenant (however, in the case of a property under a fixed-rent ML agreement, the concerned master lease company is counted as end-tenants).

Name of end-tenant	Property name	Total leased area (m <sup>2</sup> )	Annual rent (JPY million)	Security and guarantee deposits (JPY million)	Contract expiration date	Contract form
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	144	72	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama (Note)	3,102.25	55	4	November 30, 2023	Fixed-term building lease agreement

(Note) For T's garden Nagayama, the figures are those under the fixed-rent ML agreement concluded on November 5, 2019, for the residential portion.

## (m) Earnings Performance of the Properties

13th Period (from November 1, 2020, to April 30, 2021)

(Unit: JPY thousand)

Property no.	(O-01)	(O-02)	(O-03)	(O-04)	(O-05)	(O-06)
Property name	Tama Center Tosei Building	KM Shinjuku Building	Nihonbashi-Hamacho Building	Kannai Tosei Building II	Nishi Kasai Tosei Building	Shin Yokohama Center Building
Total property-related operating revenue ①	234,350	94,275	105,766	165,030	74,182	76,379
Rent revenue – real estate	186,494	87,553	93,933	147,591	64,801	72,278
Other lease business revenue	47,855	6,721	11,833	17,438	9,381	4,100
Total property-related operating expenses ②	85,873	24,943	29,018	55,513	22,902	21,652
Management fee	24,836	6,751	7,939	17,921	6,623	7,945
Trust fee	300	300	300	300	300	300
Utilities expenses	30,209	6,132	9,606	12,895	5,138	4,567
Insurance premium	378	127	126	225	101	139
Repair expenses	11,413	659	1,498	4,943	2,234	1,176
Property taxes	17,460	10,013	8,262	13,419	6,510	7,124
Other expenses	1,275	958	1,285	5,807	1,994	399
NOI ③ (①–②)	148,477	69,331	76,748	109,516	51,280	54,726
Depreciation ④	18,568	10,472	10,782	19,885	9,446	8,191
Property-related operating income (loss) ⑤ (③–④)	129,908	58,859	65,965	89,631	41,834	46,535
Capital expenditures ⑥	74,670	2,907	4,030	18,313	270	918
NCF ⑦ (③–⑥)	73,806	66,424	72,718	91,202	51,010	53,807

(Unit: JPY thousand)

Property no.	(O-07)	(O-08)	(O-09)	(O-10)	(O-11)	(O-12)
Property name	Nishidai NC Building	JPT Motomachi Building	Hakusan Asanomi Building	Chojamachi Duo Building	NU Kannai Building	Higashitotsuka West Building
Total property-related operating revenue ①	78,492	117,138	58,330	52,609	171,322	118,237
Rent revenue – real estate	73,096	103,713	52,722	48,091	152,886	102,832
Other lease business revenue	5,395	13,425	5,608	4,517	18,435	15,405
Total property-related operating expenses ②	28,094	33,594	13,160	14,058	59,591	36,891
Management fee	8,945	10,665	4,315	5,264	21,758	13,324
Trust fee	300	300	300	300	300	300
Utilities expenses	8,134	10,367	3,274	3,854	13,086	10,363
Insurance premium	138	170	68	75	317	212
Repair expenses	1,287	1,862	1,028	1,216	9,080	1,980
Property taxes	8,294	9,464	4,030	3,158	13,451	10,276
Other expenses	993	764	143	187	1,598	432
NOI ③ (①–②)	50,398	83,543	45,169	38,551	111,731	81,346
Depreciation ④	11,593	13,542	6,261	10,813	12,656	10,807
Property-related operating income (loss) ⑤ (③–④)	38,804	70,001	38,908	27,737	99,074	70,539
Capital expenditures ⑥	24,851	2,975	1,027	12,566	7,300	36,360
NCF ⑦ (③–⑥)	25,546	80,568	44,142	25,984	104,430	44,986

(Unit: JPY thousand)

Property no.	(O-13)	(O-14)	(O-15)	(Rt-01)	(Rt-02)	(Rt-03)
Property name	Kannai Wise Building	Hon-Atsugi Tosei Building	Hachioji Tosei Building	Inage Kaigan Building	Musashi Fujisawa Tosei Building	Selection Hatsutomi (Note 2)
Total property-related operating revenue ①	81,699	46,970	72,375	115,430	72,186	11,798
Rent revenue – real estate	73,899	43,088	66,408	92,999	72,186	11,798
Other lease business revenue	7,799	3,881	5,967	22,431	—	—
Total property-related operating expenses ②	23,037	15,044	16,104	47,732	14,194	8,191
Management fee	8,585	6,844	9,829	7,701	1,262	914
Trust fee	300	300	300	300	300	246
Utilities expenses	6,716	2,862	4,395	22,088	—	—
Insurance premium	151	100	127	199	80	30
Repair expenses	664	348	857	5,230	6,766	256
Property taxes	6,027	4,390	—	11,395	5,762	6,635
Other expenses	590	197	593	816	23	108
NOI ③ (①–②)	58,662	31,925	56,270	67,698	57,991	3,606
Depreciation ④	5,969	4,405	7,018	20,587	8,654	1,080
Property-related operating income (loss) ⑤ (③–④)	52,692	27,519	49,252	47,110	49,337	2,525
Capital expenditures ⑥	885	435	315	275	5,960	997
NCF ⑦ (③–⑥)	57,777	31,490	55,955	67,423	52,031	2,608

(Unit: JPY thousand)

Property no.	(Rt-04)	(Rd-01)	(Rd-02)	(Rd-03)	(Rd-04)	(Rd-05)
Property name	Wako Building	T's garden Koenji	Live Akabane	Gekkocho Apartment	T's garden Kawasakidaishi	Abitato Kamata
Total property-related operating revenue ①	69,466	55,556	55,334	37,137	37,774	30,724
Rent revenue – real estate	54,787	51,015	52,904	35,937	35,629	29,032
Other lease business revenue	14,679	4,541	2,429	1,199	2,144	1,692
Total property-related operating expenses ②	29,199	12,280	15,164	9,155	7,895	8,474
Management fee	10,030	5,172	5,285	3,408	2,829	2,869
Trust fee	300	300	300	300	300	300
Utilities expenses	7,445	419	661	373	226	570
Insurance premium	101	53	96	40	47	43
Repair expenses	7,597	2,296	3,899	2,231	1,867	2,591
Property taxes	3,116	3,010	3,349	2,112	1,935	1,535
Other expenses	608	1,028	1,571	689	689	562
NOI ③ (①–②)	40,267	43,276	40,170	27,981	29,878	22,250
Depreciation ④	10,090	5,876	4,008	3,888	5,225	3,611
Property-related operating income (loss) ⑤ (③–④)	30,176	37,399	36,161	24,092	24,652	18,638
Capital expenditures ⑥	—	918	589	6,624	808	1,291
NCF ⑦ (③–⑥)	40,267	42,357	39,581	21,357	29,070	20,958

(Unit: JPY thousand)

Property no.	(Rd-07)	(Rd-08)	(Rd-09)	(Rd-10)	(Rd-11)	(Rd-12)
Property name	Avenir Shirotae	Dormitory Haramachida	SEA SCAPE Chiba Minato	Prime Garden (Note 2)	T's garden Shinkoiwa	Twin Avenue
Total property-related operating revenue ①	34,319	31,003	124,159	26,999	26,195	64,529
Rent revenue – real estate	33,125	29,356	109,585	26,641	24,498	62,739
Other lease business revenue	1,194	1,646	14,573	357	1,696	1,790
Total property-related operating expenses ②	10,175	12,508	40,392	11,945	6,334	14,475
Management fee	2,688	2,794	10,041	3,218	2,724	3,832
Trust fee	300	300	300	246	300	300
Utilities expenses	694	586	9,250	371	500	652
Insurance premium	60	56	199	88	43	103
Repair expenses	1,730	3,969	7,462	506	1,184	4,724
Property taxes	2,053	2,370	9,032	7,189	1,440	4,520
Other expenses	2,648	2,431	4,105	322	140	342
NOI ③ (①–②)	24,144	18,494	83,767	15,054	19,860	50,053
Depreciation ④	6,554	6,389	24,104	3,504	2,904	4,233
Property-related operating income (loss) ⑤ (③–④)	17,589	12,105	59,662	11,550	16,955	45,820
Capital expenditures ⑥	2,946	204	571	1,231	775	2,246
NCF ⑦ (③–⑥)	21,197	18,290	83,196	13,822	19,084	47,807

(Unit: JPY thousand)

Property no.	(Rd-13)	(Rd-14)	(Rd-15)	(Rd-16)	(Rd-17)	(Rd-18)
Property name	Milestone Higashikurume	Lumiere No. 3	T's garden Nishifunabashi	Quest Yamatedai	Sancerre Yonohonmachi	Rising Place Kawasaki No.2
Total property-related operating revenue ①	65,509	59,709	33,968	29,529	25,568	65,046
Rent revenue – real estate	58,511	57,403	32,358	29,186	24,043	60,711
Other lease business revenue	6,998	2,305	1,610	343	1,525	4,334
Total property-related operating expenses ②	22,388	15,750	9,646	7,836	8,280	13,452
Management fee	5,517	4,338	3,291	2,921	2,673	5,643
Trust fee	300	300	300	300	300	300
Utilities expenses	3,591	470	532	355	442	464
Insurance premium	99	124	59	59	41	92
Repair expenses	6,761	5,139	2,082	1,830	1,986	762
Property taxes	2,687	4,069	2,373	1,912	1,653	5,081
Other expenses	3,431	1,308	1,007	457	1,183	1,106
NOI ③ (①–②)	43,120	43,959	24,321	21,692	17,288	51,593
Depreciation ④	8,202	6,789	2,810	3,272	1,602	13,956
Property-related operating income (loss) ⑤ (③–④)	34,918	37,170	21,510	18,420	15,685	37,637
Capital expenditures ⑥	—	4,443	1,653	270	—	—
NCF ⑦ (③–⑥)	43,120	39,515	22,668	21,422	17,288	51,593

(Unit: JPY thousand)

Property no.	(Rd-19)	(Rd-20)	(Rd-21)	(Rd-22)	(Rd-23)	(Rd-24)
Property name	J Palace Sakuradai	Personnage Yokohama	T's garden Nishihachioji West	T's garden Ojima	T's garden Kitakashiwa	Century Urawa
Total property-related operating revenue ①	37,937	30,435	26,571	42,202	116,652	40,249
Rent revenue – real estate	36,537	27,326	26,056	39,972	101,985	38,731
Other lease business revenue	1,400	3,109	515	2,229	14,667	1,518
Total property-related operating expenses ②	6,999	9,539	6,580	14,364	39,396	12,131
Management fee	3,652	2,763	2,351	4,107	9,992	3,844
Trust fee	300	300	300	300	300	300
Utilities expenses	592	1,690	535	542	10,361	383
Insurance premium	58	57	62	70	315	90
Repair expenses	160	2,392	1,161	4,791	7,349	4,240
Property taxes	2,077	1,601	1,820	1,616	8,794	2,384
Other expenses	159	734	349	2,935	2,282	888
NOI ③ (①–②)	30,938	20,895	19,991	27,837	77,256	28,118
Depreciation ④	2,228	2,773	3,814	3,890	18,784	4,398
Property-related operating income (loss) ⑤ (③–④)	28,709	18,122	16,176	23,946	58,471	23,719
Capital expenditures ⑥	528	1,426	996	2,422	2,386	3,582
NCF ⑦ (③–⑥)	30,409	19,469	18,994	25,415	74,869	24,535

(Unit: JPY thousand)

Property no.	(Rd-25)	(Rd-26)	(Rd-27)	(Rd-28)	(Rd-29)	(Rd-30)
Property name	T's garden Nagayama	Grandeur Fujimino	T's garden Hitotsubashi-gakuen	T's garden Warabi II	T's garden Warabi III	T's garden Kashiwa
Total property-related operating revenue ①	36,670	34,028	29,298	30,837	27,590	27,454
Rent revenue – real estate	36,560	32,144	28,885	30,030	26,661	26,590
Other lease business revenue	110	1,884	413	806	929	864
Total property-related operating expenses ②	13,624	10,645	11,691	8,415	7,890	7,027
Management fee	4,728	3,522	2,507	3,114	2,815	3,320
Trust fee	300	300	300	300	300	300
Utilities expenses	929	353	494	273	316	383
Insurance premium	110	54	75	72	61	72
Repair expenses	4,478	3,506	5,153	2,466	2,374	461
Property taxes	3,039	1,790	1,835	1,852	1,701	2,076
Other expenses	37	1,118	1,325	336	321	414
NOI ③ (①–②)	23,046	23,383	17,607	22,421	19,700	20,427
Depreciation ④	4,748	3,082	2,630	2,211	1,684	3,515
Property-related operating income (loss) ⑤ (③–④)	18,297	20,301	14,976	20,210	18,016	16,911
Capital expenditures ⑥	148	1,113	775	916	132	1,024
NCF ⑦ (③–⑥)	22,897	22,270	16,831	21,505	19,568	19,402



(Unit: JPY thousand)

Property no.	(Rd-31)	(Rd-32)	(Rd-33)	(Rd-34)	(Rd-35)	(Rd-36)
Property name	Suning Kitamatsudo	T's garden Tanashi	T's garden Center Minami (Note 1)	Boulevard Maioka (Note 1)	T's garden Koiwa (Note 1)	T's garden Tsuzuki- fureainooka II (Note 1)
Total property-related operating revenue ①	17,947	15,009	28,426	25,033	12,419	17,524
Rent revenue – real estate	17,436	14,728	27,682	24,094	11,912	13,513
Other lease business revenue	511	280	744	939	507	4,011
Total property-related operating expenses ②	4,486	4,752	7,322	6,163	3,779	7,011
Management fee	1,606	2,154	2,764	2,469	1,328	1,704
Trust fee	300	300	225	225	225	225
Utilities expenses	226	190	407	158	112	1,367
Insurance premium	41	39	42	49	22	24
Repair expenses	803	579	875	1,751	1,427	1,422
Property taxes	1,050	1,060	1,298	1,290	—	574
Other expenses	458	428	1,708	217	663	1,691
NOI ③ (①–②)	13,461	10,256	21,104	18,869	8,640	10,512
Depreciation ④	3,150	2,149	3,586	2,433	1,520	1,109
Property-related operating income (loss) ⑤ (③–④)	10,310	8,107	17,517	16,436	7,119	9,403
Capital expenditures ⑥	376	380	1,198	814	1,134	—
NCF ⑦ (③–⑥)	13,084	9,876	19,905	18,054	7,505	10,512

(Unit: JPY thousand)

Property no.	Offices total	Retail facilities total	Residential properties total	Entire portfolio
Property name				
Total property-related operating revenue ①	1,547,161	268,881	1,399,359	3,215,402
Rent revenue – real estate	1,369,393	231,771	1,313,532	2,914,696
Other lease business revenue	177,768	37,110	85,826	300,705
Total property-related operating expenses ②	479,480	99,318	407,982	986,782
Management fee	161,553	19,908	127,999	309,460
Trust fee	4,500	1,146	10,149	15,796
Utilities expenses	131,605	29,533	39,485	200,625
Insurance premium	2,462	412	2,633	5,508
Repair expenses	40,253	19,849	96,422	156,525
Property taxes	121,883	26,910	92,192	240,986
Other expenses	17,222	1,556	39,099	57,879
NOI ③ (①–②)	1,067,680	169,563	991,376	2,228,620
Depreciation ④	160,416	40,413	174,648	375,478
Property-related operating income (loss) ⑤ (③–④)	907,264	129,149	816,727	1,853,141
Capital expenditures ⑥	187,827	7,233	43,931	238,992
NCF ⑦ (③–⑥)	879,852	162,330	947,444	1,989,627

(Note 1) Tosei Reit acquired the property on December 17, 2020. The figures are thus those for the period from the acquisition date onward.

(Note 2) Tosei Reit transferred the property on March 31, 2021. The figures are thus those for the period up to the transfer date.

## (2) Status of Capital Expenditures

## (a) Schedule of Capital Expenditures

The following are the major capital expenditures arising from renovation work, etc. currently planned/undertaken for the assets held by Tosei Reit as of April 30, 2021. Some of the expected cost of work below may be categorized under expenses in accounting in accordance with the content of the work.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (JPY thousand)		
				Total amount	Amount of payment during period	Amount already paid
Kannai Tosei Building II	Yokohama-shi, Kanagawa	Refurbishment of elevator	From: January 2022 To: March 2022	67,800	—	—
Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	Update of mechanical parking facility system	From: October 2021 To: October 2021	25,120	—	—
JPT Motomachi Building	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: June 2021 To: July 2021	9,990	—	—
JPT Motomachi Building	Yokohama-shi, Kanagawa	Update of halogenated fire extinguishing system	From: June 2021 To: June 2021	6,550	—	—
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: May 2021 To: May 2021	21,079	—	—
Twin Avenue	Nerima-ku, Tokyo	Refurbishment of exterior wall and common-use area	From: April 2021 To: August 2021	60,200	—	—
Avenir Shirotae	Yokohama-shi, Kanagawa	Update of intercom system	From: May 2021 To: June 2021	6,000	—	—

## (b) Capital Expenditures during the Period

The following summarizes the major work that constitutes capital expenditures implemented during the fiscal period under review for the assets held by Tosei Reit as of April 30, 2021. Capital expenditures for the fiscal period under review amounted to JPY 238,992 thousand and, when combined with the JPY 156,525 thousand of repair expenses categorized under expenses for the fiscal period under review, the total amount of work implemented comes to JPY 395,518 thousand.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (JPY thousand)
Tama Center Tosei Building	Tama-shi, Tokyo	Update of chilling unit	From: February 2021 To: April 2021	37,485
Tama Center Tosei Building	Tama-shi, Tokyo	Refurbishment and update of vehicle elevator	From: January 2021 To: February 2021	17,798
Nishidai NC Building	Itabashi-ku, Tokyo	Update of air-conditioning equipment on the fourth, sixth and seventh floors	From: March 2021 To: April 2021	18,901
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of air-cooled heat pump chiller	From: March 2021 To: April 2021	35,970
Others				128,838
Total				238,992