

(REIT) Financial Report for the Fiscal Period Ended October 31, 2022

December 16, 2022

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange
 Securities Code: 3451 URL: <https://tosei-reit.co.jp/en/>
 Representative: Yukitaka Okochi, 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: January 30, 2023

Scheduled date of commencement of cash distribution payment: January 12, 2023

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 October 31, 2022 (May 1, 2022 – October 31, 2022)

(1) Management Status (% 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 Oct. 31, 2022	3,437	4.1	1,619	2.3	1,316	2.2	1,315	2.2
Ended Apr. 30, 2022	3,302	4.6	1,582	3.2	1,287	3.5	1,286	3.7

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 Oct. 31, 2022	3,638	3.2	1.5	38.3
Ended Apr. 30, 2022	3,618	3.3	1.6	39.0

(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 Oct. 31, 2022	3,638	1,315	—	—	99.9	3.2
Ended Apr. 30, 2022	3,558	1,286	—	—	99.9	3.1

(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

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Oct. 31, 2022	85,690	40,830	47.6	112,946
Ended Apr. 30, 2022	85,596	40,801	47.7	112,866

(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 Oct. 31, 2022	2,023	(274)	(1,347)	8,161
Ended Apr. 30, 2022	1,705	(6,032)	3,916	7,760

2. Forecast for Management Status for Fiscal Period Ending April 30, 2023 (November 1, 2022 – April 30, 2023) and
Forecast for Management Status for Fiscal Period Ending October 31, 2023 (May 1, 2023 – October 31, 2023)
(% 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 Apr. 30, 2023	3,392	(1.3)	1,574	(2.8)	1,277	(3.0)	1,276	(3.0)	3,570	—
Ending Oct. 31, 2023	3,408	0.5	1,570	(0.2)	1,270	(0.5)	1,269	(0.5)	3,570	—

(Reference) Forecast net income per unit is JPY 3,530 for the fiscal period ending April 30, 2023, and JPY 3,513 for the fiscal period ending October 31, 2023 (assuming total number of investment units issued and outstanding at end of period of 361,505 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 April 30, 2023, and the fiscal period ending October 31, 2023.

* 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 October 31, 2022	361,505 units
Fiscal period ended April 30, 2022	361,505 units
Fiscal period ended October 31, 2022	0 units
Fiscal period ended April 30, 2022	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 23.

* 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 April 30, 2023, and Fiscal Period Ending October 31, 2023” on page 8.

Table of Contents

1. Management Status	4
(1) Management Status	4
(2) Investment Risk	9
2. Financial Statements	10
(1) Balance Sheet	10
(2) Statement of Income	12
(3) Statement of Unitholders' Equity	13
(4) Statement of Cash Distributions	14
(5) Statement of Cash Flows	15
(6) Notes on Going Concern Assumption	16
(7) Notes on Matters Concerning Significant Accounting Policies	16
(8) Notes to Financial Statements	17
(9) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding	24
3. Reference Information	25
(1) Information on Price of Assets Under Management, Etc.	25
(2) Status of Capital Expenditures	48

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 361,505 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 (16th Period: fiscal period ended October 31, 2022), the Japanese economy remained in a severe situation due to the impact of rise in resource prices and other factors, but saw the relaxation of COVID-19-related constraints on movement/activity lead to recovery in private consumption, showing 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, and the size of the transaction market continued to maintain a high level.

In the real estate leasing market, for offices in the Tokyo metropolitan area (Note 1), particularly the Tokyo 5 central wards (Note 2), although vacancy rates had continued to rise against the background of prevalence of remote work due to COVID-19, such seems to have paused at the moment. While the average rent for offices continues to be on a declining trend, the rate of decline has slowed down. For rental housing, vacancy rates in the Tokyo metropolitan area hovered steadily at a relatively 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 59 properties with the total acquisition price (Note 3) of JPY 78,274 million and the occupancy rate of the assets under management is 96.6%.

In addition, Tosei Reit is promoting ESG initiatives, the key initiatives of which include consideration of the environment and energy conservation and contribution to local communities and society. As of the end of the fiscal period under review, Tosei Reit has obtained DBJ Green Building Certification (Note 4) for 11 properties and BELS Certification (Note 5) for two 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 for each asset under management. 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.

(Note 5) “BELS Certification” refers to Building-Housing Energy-Efficiency Labeling System which started with an aim to let third-party organizations accurately evaluate and display the energy-saving performance of non-residential buildings based on the “Evaluation Guideline for the Display of Energy-Saving Performance of Non-Residential Buildings (2013)” due to the establishment of the concerned guideline at the Ministry of Land, Infrastructure, Transport and Tourism in October 2013.

(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, a long-term loan of JPY 1,000 million was refinanced on May 31, 2022, and a long-term loan of JPY 2,000 million was refinanced on October 31, 2022.

As of the end of the fiscal period under review, unitholders’ capital was JPY 39,395 million and interest-bearing debt outstanding was JPY 40,900 million. At the end of the fiscal period under review, the ratio of interest-bearing debt to total assets (LTV) was 47.7%.

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 3,437 million (up 4.1% period on period) and operating income of JPY 1,619 million (up 2.3% period on period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY 1,316 million (up 2.2% period on period) and net income of JPY 1,315 million (up 2.2% 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 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 of JPY 3,638.

② Outlook for the Next Fiscal Period

The Japanese economy is expected to recover with the relaxation of COVID-19-related constraints on movement/activity leading to progress in normalization of social and economic activities, and with the increase in external demand, the accommodative financial environment and the effects of the government's economic measures buoying the economy. On the other hand, the impact of the rise in resource prices, etc. brought about by the situation in Ukraine and such should be closely watched.

In the real estate transaction market, investments in Japanese real estate by domestic and overseas investors are likely to continue, and the transaction prices are expected to be in the high range for the time being.

In the real estate leasing market, close attention should be paid to the movements of tenants going forward because an accelerating integration, consolidation or abolition of office locations or reduction of office floor space is a possibility amid increasing moves to review the role of offices with the review of working styles.

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 59 properties and amounting to JPY 78,274 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 of Tosei Reit's assets under management as of the date of settlement of accounts.

(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. 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 April 30, 2023, and Fiscal Period Ending October 31, 2023

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 Apr. 30, 2023	3,392	1,574	1,277	1,276	3,570	—
Ending Oct. 31, 2023	3,408	1,570	1,270	1,269	3,570	—

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 April 30, 2023, and Fiscal Period Ending October 31, 2023” on page 8.

③ Significant Subsequent Events

(a) Debt Financing

Tosei Reit executed the following debt financing to repay JPY 3,400 million that matured on November 30, 2022.

Lender	Loan amount (JPY million)	Interest rate (Note 1)	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	800	0.83168% (fixed interest rate)	November 30, 2022	May 29, 2026	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation (Green Loan) (Note 2)	1,000	1.16750% (fixed interest rate)	November 30, 2022	May 31, 2028	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,600	1.30000% (fixed interest rate)	November 30, 2022	November 30, 2028	Lump-sum repayment on maturity date	Unsecured
Total	3,400	—	—	—	—	—

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

(Note 2) The financing is procured as a green loan (the “Green Loan”). “Green loan” generally refers to a loan that is in alignment with the Green Loan Principles. “Green Loan Principles” refers to the guidelines formulated by the Loan Market Association and the Asia Pacific Loan Market Association for loans made available exclusively for use on green projects. The Green Loan is planned to be used entirely for Nishi Kasai Tosei Building, an eligible green asset as defined by the Green Finance Framework established by Tosei Reit.

Assumptions for Outlook for Management Status for
Fiscal Period Ending April 30, 2023, and Fiscal Period Ending October 31, 2023

Item	Assumptions		
Calculation period	<ul style="list-style-type: none">• Fiscal period ending April 30, 2023 (17th Period): November 1, 2022 – April 30, 2023 (181 days)• Fiscal period ending October 31, 2023 (18th Period): May 1, 2023 – October 31, 2023 (184 days)		
Assets under management	<ul style="list-style-type: none">• 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 October 31, 2023, to the real estate trust beneficiary rights owned by Tosei Reit as of the date of this document (59 properties in total) (the “Assets under Management”).• In practice, this may vary due to acquisition of new properties other than Assets under Management or sale of Assets under Management, etc.		
Operating revenue	<ul style="list-style-type: none">• 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.• For rental revenues, it is assumed that no rent payments will be behind or declined by tenants.		
Operating expenses	<ul style="list-style-type: none">• The following are the major items of operating expenses.		
		Fiscal period ending April 30, 2023	Fiscal period ending October 31, 2023
	Expenses related to rent business	JPY 1,513 million	JPY 1,531 million
	Management fee	JPY 326 million	JPY 315 million
	[Of which: Operational management costs	JPY 233 million	JPY 233 million]
	[Of which: Property management costs	JPY 92 million	JPY 82 million]
	Repair expenses	JPY 123 million	JPY 119 million
	Property taxes	JPY 252 million	JPY 252 million
	Depreciation	JPY 412 million	JPY 418 million
	Expenses other than expenses related to rent business	JPY 304 million	JPY 306 million
	Of which: Asset management fee	JPY 194 million	JPY 196 million
	<ul style="list-style-type: none">• 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.• Utilities expenses, etc. are calculated reflecting the impact of the rise in resource prices, etc. to a certain extent.		
NOI	<ul style="list-style-type: none">• NOI for the entire portfolio is assumed to be JPY 2,291 million for the fiscal period ending April 30, 2023, and JPY 2,295 million for the fiscal period ending October 31, 2023.• NOI is calculated by using the following formula. NOI = Property-related operating revenue — Property-related operating expenses + Depreciation		

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> Amortization of expenses for the issuance of investment units is assumed to be JPY 4 million for the fiscal period ending April 30, 2023, and JPY 2 million for the fiscal period ending October 31, 2023. Interest expenses, interest of investment corporation bonds, amortization of expenses for the issuance of investment corporation bonds and borrowing-related expenses are assumed to be JPY 292 million for the fiscal period ending April 30, 2023, and JPY 297 million for the fiscal period ending October 31, 2023. Among the borrowing-related expenses, JPY 77 million for the fiscal period ending April 30, 2023, and JPY 77 million for the fiscal period ending October 31, 2023, are assumed to be the amounts to be amortized in accordance with their respective borrowing periods.
Interest-bearing debt	<ul style="list-style-type: none"> Interest-bearing debt outstanding as of the date of this document is JPY 40,900 million. It is assumed that there will be no changes to the amount through the end of the fiscal period ending October 31, 2023. LTV is assumed to be 47.7% as of the end of the fiscal period ending April 30, 2023, and 47.7% as of the end of the fiscal period ending October 31, 2023. LTV is calculated by using the following formula. $LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed that the total number of investment units issued and outstanding will be the 361,505 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 October 31, 2023. Cash distribution per unit is calculated based on the forecast total number of investment units issued and outstanding at the end of the fiscal period ending April 30, 2023, and the end of the fiscal period ending October 31, 2023 (361,505 units).
Cash distribution per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> Cash distribution per unit is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation. Reversal of internal reserve is expected in the amount of JPY 14 million for the fiscal period ending April 30, 2023, and JPY 20 million for the fiscal period ending October 31, 2023. 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.
Cash distribution in excess of earnings per unit	<ul style="list-style-type: none"> Tosei Reit does not currently anticipate cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act.
Other	<ul style="list-style-type: none"> 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. Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends and real estate market conditions, etc.

(2) Investment Risk

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities report (submitted on July 28, 2022).

2. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
Assets		
Current assets		
Cash and deposits	1,993,629	2,240,186
Cash and deposits in trust	5,767,026	5,921,593
Operating accounts receivable	11,962	19,398
Supplies	473	4,029
Prepaid expenses	219,941	159,777
Consumption taxes refund receivable	67,943	—
Total current assets	8,060,976	8,344,986
Non-current assets		
Property, plant and equipment		
Buildings in trust	21,797,047	21,977,576
Accumulated depreciation	(3,352,205)	(3,720,529)
Buildings in trust, net	18,444,842	18,257,046
Structures in trust	191,140	194,174
Accumulated depreciation	(67,517)	(72,588)
Structures in trust, net	123,623	121,586
Machinery and equipment in trust	503,079	555,725
Accumulated depreciation	(202,558)	(226,764)
Machinery and equipment in trust, net	300,521	328,960
Tools, furniture and fixtures in trust	339,033	362,450
Accumulated depreciation	(145,376)	(171,756)
Tools, furniture and fixtures in trust, net	193,656	190,693
Land in trust	57,226,468	57,226,468
Construction in progress in trust	—	159
Total property, plant and equipment	76,289,112	76,124,916
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	330,811	314,295
Deferred tax assets	18	16
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	340,829	324,311
Total non-current assets	77,499,570	77,318,855
Deferred assets		
Investment unit issuance expenses	23,381	14,746
Investment corporation bond issuance expenses	12,832	12,151
Total deferred assets	36,214	26,898
Total assets	85,596,761	85,690,740

(Unit: JPY thousand)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	220,951	155,380
Current portion of long-term loans payable	6,400,000	6,200,000
Accounts payable – other	153,113	157,903
Income taxes payable	976	941
Accrued consumption taxes	18,453	96,460
Advances received	550,142	561,521
Other	82,174	107,976
Total current liabilities	7,425,811	7,280,183
Non-current liabilities		
Investment corporation bonds	1,000,000	1,000,000
Long-term loans payable	33,500,000	33,700,000
Tenant leasehold and security deposits in trust	2,869,200	2,879,743
Total non-current liabilities	37,369,200	37,579,743
Total liabilities	44,795,011	44,859,926
Net assets		
Unitholders' equity		
Unitholders' capital	39,395,425	39,395,425
Surplus		
Unappropriated retained earnings (undisposed loss)	1,406,323	1,435,388
Total surplus	1,406,323	1,435,388
Total unitholders' equity	40,801,749	40,830,814
Total net assets	*1 40,801,749	*1 40,830,814
Total liabilities and net assets	85,596,761	85,690,740

(2) Statement of Income

(Unit: JPY thousand)

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Operating revenue		
Rent revenue – real estate	* ₁ 3,008,688	* ₁ 3,106,343
Other lease business revenue	* ₁ 293,967	* ₁ 330,941
Total operating revenue	3,302,656	3,437,285
Operating expenses		
Expenses related to rent business	* ₁ 1,421,275	* ₁ 1,514,086
Asset management fee	191,185	198,862
Asset custody fee	3,524	3,734
Administrative service fees	20,544	21,962
Directors' compensations	2,460	2,460
Other operating expenses	81,420	77,144
Total operating expenses	1,720,410	1,818,251
Operating income	1,582,245	1,619,033
Non-operating income		
Interest income	39	37
Insurance claim income	—	3,309
Interest on tax refund	—	135
Miscellaneous income	501	389
Total non-operating income	541	3,871
Non-operating expenses		
Interest expenses	190,912	199,437
Interest expenses on investment corporation bonds	4,250	4,250
Amortization of investment corporation bond issuance expenses	672	681
Borrowing related expenses	91,419	93,671
Other	8,153	8,617
Total non-operating expenses	295,408	306,657
Ordinary income	1,287,378	1,316,247
Income before income taxes	1,287,378	1,316,247
Income taxes – current	982	946
Income taxes – deferred	(18)	1
Total income taxes	964	948
Net income	1,286,414	1,315,299
Retained earnings brought forward	119,909	120,088
Unappropriated retained earnings (undisposed loss)	1,406,323	1,435,388

(3) Statement of Unitholders' Equity

15th Period (from November 1, 2021, to April 30, 2022)

(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	1,360,369	1,360,369	37,877,031	37,877,031
Changes of items during period					
Issuance of new investment units	2,878,764			2,878,764	2,878,764
Dividends of surplus		(1,240,459)	(1,240,459)	(1,240,459)	(1,240,459)
Net income		1,286,414	1,286,414	1,286,414	1,286,414
Total changes of items during period	2,878,764	45,954	45,954	2,924,718	2,924,718
Balance at end of period	*1 39,395,425	1,406,323	1,406,323	40,801,749	40,801,749

16th Period (from May 1, 2022, to October 31, 2022)

(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	39,395,425	1,406,323	1,406,323	40,801,749	40,801,749
Changes of items during period					
Dividends of surplus		(1,286,234)	(1,286,234)	(1,286,234)	(1,286,234)
Net income		1,315,299	1,315,299	1,315,299	1,315,299
Total changes of items during period	—	29,064	29,064	29,064	29,064
Balance at end of period	*1 39,395,425	1,435,388	1,435,388	40,830,814	40,830,814

(4) Statement of Cash Distributions

(Unit: JPY)

Item	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
I. Unappropriated retained earnings	1,406,323,623	1,435,388,293
II. Amount of cash distribution [Amount of cash distribution per investment unit]	1,286,234,790 [3,558]	1,315,155,190 [3,638]
III. Retained earnings carried forward	120,088,833	120,233,103
Method of calculating the amount of cash distribution	Cash distribution per investment unit for the fiscal period under review is JPY 3,558 as stated above. 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 3,558.	Cash distribution per investment unit for the fiscal period under review is JPY 3,638 as stated above. 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 3,638.

(5) Statement of Cash Flows

(Unit: JPY thousand)

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Cash flows from operating activities		
Income before income taxes	1,287,378	1,316,247
Depreciation	409,150	423,980
Borrowing related expenses	91,419	93,671
Interest income	(39)	(37)
Interest expenses	190,912	203,687
Decrease (increase) in operating accounts receivable	5,980	(7,436)
Decrease (increase) in consumption taxes refund receivable	(67,918)	67,943
Increase (decrease) in accrued consumption taxes	(7,652)	78,006
Decrease (increase) in prepaid expenses	(56,550)	54,696
Increase (decrease) in operating accounts payable	(972)	(11,257)
Increase (decrease) in accounts payable – other	6,708	4,790
Increase (decrease) in advances received	39,279	11,379
Other, net	(788)	(5,103)
Subtotal	1,896,908	2,230,568
Interest income received	39	37
Interest expenses paid	(190,769)	(205,834)
Income taxes paid	(605)	(982)
Net cash provided by (used in) operating activities	1,705,572	2,023,789
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(6,197,482)	(314,097)
Proceeds from tenant leasehold and security deposits in trust	282,179	112,028
Repayments of tenant leasehold and security deposits in trust	(116,777)	(72,731)
Net cash provided by (used in) investing activities	(6,032,080)	(274,800)
Cash flows from financing activities		
Proceeds from long-term loans payable	4,494,920	2,938,370
Repayments of long-term loans payable	(2,200,000)	(3,000,000)
Proceeds from issuance of investment units	2,861,862	—
Dividends paid	(1,240,459)	(1,286,234)
Net cash provided by (used in) financing activities	3,916,323	(1,347,864)
Net increase (decrease) in cash and cash equivalents	(410,184)	401,123
Cash and cash equivalents at beginning of period	8,170,841	7,760,656
Cash and cash equivalents at end of period	*1 7,760,656	*1 8,161,780

(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>(1) Investment unit issuance expenses Equally amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance expenses Amortized over the period until redemption using the straight-line method.</p>								
3. Standards for revenue and expense recognition	<p>(1) Standard for recording revenue The main content of the performance obligation regarding the revenue from contracts with the customers of the Tosei Reit and the normal point of time when satisfying the concerned performance obligation (normal point of time when recognizing revenue) are as follows.</p> <p>① Sale of real estate, etc. For the revenue from sale of real estate, etc., revenue is recorded when the buyer who is a customer gains control of the concerned real estate, etc. by performing the obligation of handover stipulated in the contract for real estate sales.</p> <p>② Utilities reimbursement, etc. For utilities reimbursement, revenue is recorded in accordance with the supply of electricity, tap water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and the content of agreement incidental to it. Of the utilities reimbursement, for those in the case that Tosei Reit deems itself to fall under the category of an agent the net amount obtained by deducting the amount to be paid to other parties from the amount received as the fee of electricity, gas, etc. supplied by the other parties is recognized as revenue.</p> <p>(2) 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)	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.								
5. Other matters serving as the basis for the 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> <p>① Cash and deposits in trust</p> <p>② Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and construction in progress in trust</p> <p>③ Land leasehold interests in trust</p> <p>④ Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for non-deductible consumption tax, etc. 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)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
	50,000	50,000

[Notes to Statement of Income]

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

(Unit: JPY thousand)

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
A. Property-related operating revenue		
Rent revenue – real estate		
Rental income	2,601,513	2,694,958
Common area maintenance income	258,334	259,019
Parking income	115,142	117,109
Other rental income	33,698	35,255
Total	3,008,688	3,106,343
Other lease business revenue		
Utilities reimbursement	233,029	260,406
Other income	60,938	70,535
Total	293,967	330,941
Total property-related operating revenue	3,302,656	3,437,285
B. Property-related operating expenses		
Expenses related to rent business		
Management fee	318,335	326,200
Trust fee	17,098	17,700
Utilities expenses	246,258	293,602
Insurance premium	5,791	6,351
Repair expenses	132,398	136,657
Property taxes	234,708	252,886
Depreciation	409,150	423,980
Other expenses	57,534	56,707
Total property-related operating expenses	1,421,275	1,514,086
C. Property-related operating income (loss) (A-B)	1,881,380	1,923,198

[Notes to Statement of Unitholders' Equity]

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

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	361,505 units	361,505 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)

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Cash and deposits	1,993,629	2,240,186
Cash and deposits in trust	5,767,026	5,921,593
Cash and cash equivalents	7,760,656	8,161,780

[Notes on Lease Transactions]

Operating lease transactions (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
Due within 1 year	173,899	179,541
Due after 1 year	154,359	93,121
Total	328,258	272,662

[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. In addition, since "cash and deposits," "cash and deposits in trust" and "current portion of tenant leasehold and security deposits in trust" are settled within a short period of time, their fair value is close to the book value. Therefore, notes have been omitted.

15th Period (As of April 30, 2022)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term loans payable	6,400,000	6,400,684	684
(2) Investment corporation bonds	1,000,000	986,226	(13,773)
(3) Long-term loans payable	33,500,000	33,388,717	(111,282)
(4) Tenant leasehold and security deposits in trust	2,869,200	2,793,458	(75,741)

16th Period (As of October 31, 2022)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term loans payable	6,200,000	6,200,263	263
(2) Investment corporation bonds	1,000,000	983,978	(16,021)
(3) Long-term loans payable	33,700,000	33,578,374	(121,625)
(4) Tenant leasehold and security deposits in trust	2,879,743	2,786,225	(93,517)

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

(1) Current portion of long-term loans payable; (3) 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.

(2) Investment corporation bonds

Calculated based on the method of calculating by discounting the sum total amount of principal and interest by the interest rate that is assumed in the event of new borrowing corresponding to the remaining period.

(4) Tenant leasehold and security deposits in trust

The fair value is calculated based on the method of calculating with the current value discounted by the interest rate without adding credit risk based on the scheduled redemption period that is reasonably estimated.

(Note 2) Amount of repayment of investment corporation bonds, long-term loans payable and other interest-bearing debt scheduled to be due after the date of settlement of accounts

15th Period (As of April 30, 2022)

(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
Investment corporation bonds	—	—	—	—	—	1,000,000
Long-term loans payable	6,400,000	5,200,000	6,200,000	7,300,000	7,400,000	7,400,000
Total	6,400,000	5,200,000	6,200,000	7,300,000	7,400,000	8,400,000

16th Period (As of October 31, 2022)

(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
Investment corporation bonds	—	—	—	—	—	1,000,000
Long-term loans payable	6,200,000	5,600,000	6,300,000	7,500,000	7,900,000	6,400,000
Total	6,200,000	5,600,000	6,300,000	7,500,000	7,900,000	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)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
[Deferred tax assets]		
Non-deductible accrued enterprise tax	18	16
Total deferred tax assets	18	16
Net deferred tax assets	18	16

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: %)

	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible cash distribution payable	(31.43)	(31.43)
Other	0.05	0.05
Effective income tax rate after application of tax-effect accounting	0.07	0.07

[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)

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Carrying amount (Note 1)		
Balance at beginning of period	71,287,120	77,158,740
Amount of increase (decrease) during period (Note 2)	5,871,619	(164,196)
Balance at end of period	77,158,740	76,994,544
Fair value at end of period (Note 3)	89,987,000	91,028,000

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

(Note 2) For the 15th Period, the amount of increase is mainly attributable to acquisition of properties, including Hon-Atsugi Tosei Building II, totaling 7 properties (JPY 6,002,153 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 409,150 thousand). For the 16th Period, the amount of increase is mainly attributable to capital expenditures (JPY 259,624 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 423,980 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 Revenue Recognition]

Information from analysis of revenues generated from contracts with customers

15th Period (from November 1, 2021, to April 30, 2022)

(Unit: JPY thousand)

	Revenues generated from contracts with customers (Note)	Operating revenue to external customers
Sale of real estate, etc.	—	—
Utilities reimbursement, etc.	261,053	261,053
Other	—	3,041,602
Total	261,053	3,302,656

(Note) Rental revenues, etc. which are subject to “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) are not included in “Revenues generated from contracts with customers” as they are not applied to the revenue recognition accounting standards. Furthermore, revenues generated from contracts with major customers are revenue from sale of real estate, etc. and utilities reimbursement, etc.

16th Period (from May 1, 2022, to October 31, 2022)

(Unit: JPY thousand)

	Revenues generated from contracts with customers (Note)	Operating revenue to external customers
Sale of real estate, etc.	—	—
Utilities reimbursement, etc.	299,325	299,325
Other	—	3,137,959
Total	299,325	3,437,285

(Note) Rental revenues, etc. which are subject to “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13) are not included in “Revenues generated from contracts with customers” as they are not applied to the revenue recognition accounting standards. Furthermore, revenues generated from contracts with major customers are revenue from sale of real estate, etc. and utilities reimbursement, etc.

[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)

15th Period (from November 1, 2021, to April 30, 2022)

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	106,310	Real estate lease business

16th Period (from May 1, 2022, to October 31, 2022)

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	108,796	Real estate lease business

[Notes on Per Unit Information]

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Net assets per unit	JPY 112,866	JPY 112,946
Net income per unit	JPY 3,618	JPY 3,638

(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.

	15th Period (From: Nov. 1, 2021 To: Apr. 30, 2022)	16th Period (From: May 1, 2022 To: Oct. 31, 2022)
Net income (JPY thousand)	1,286,414	1,315,299
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	1,286,414	1,315,299
Average number of investment units during period (units)	355,472	361,505

[Notes on Significant Subsequent Events]

1. Debt Financing

Tosei Reit executed the following debt financing to repay JPY 3,400 million that matured on November 30, 2022.

Lender	Loan amount (JPY million)	Interest rate (Note 1)	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	800	0.83168% (fixed interest rate)	November 30, 2022	May 29, 2026	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation (Green Loan) (Note 2)	1,000	1.16750% (fixed interest rate)	November 30, 2022	May 31, 2028	Lump-sum repayment on maturity date	Unsecured
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd.	1,600	1.30000% (fixed interest rate)	November 30, 2022	November 30, 2028	Lump-sum repayment on maturity date	Unsecured
Total	3,400	—	—	—	—	—

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

(Note 2) The financing is procured as a green loan (the “Green Loan”). “Green loan” generally refers to a loan that is in alignment with the Green Loan Principles. “Green Loan Principles” refers to the guidelines formulated by the Loan Market Association and the Asia Pacific Loan Market Association for loans made available exclusively for use on green projects. The Green Loan is planned to be used entirely for Nishi Kasai Tosei Building, an eligible green asset as defined by the Green Finance Framework established by Tosei Reit.

[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 13)		Unitholders' capital (JPY million) (Note 14)		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)
December 23, 2021	Third-party allotment	21,000	361,505	2,878	39,395	(Note 12)

(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) Investment units were issued through third-party allotment at an issue amount of JPY 137,084 per unit for the purpose of procuring funds for acquisition of new properties, etc.

(Note 13) 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 14) 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 (October 31, 2022). 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	16th Period (As of October 31, 2022)	
			Total amount held (JPY million) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate trust beneficiary rights	Tokyo metropolitan area	Offices	33,330	38.9
		Retail facilities	5,336	6.2
		Residential properties	38,327	44.7
	Major regional cities (Note 1)	—	—	—
	Total		76,994	89.9
Deposits and other assets			8,696	10.1
Total assets (Note 2)			85,690	100.0
Total liabilities (Note 2)			44,859	52.4
Total net assets (Note 2)			40,830	47.6

(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 October 31, 2022, 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 (October 31, 2022). 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	4.3	3,900	November 28, 2014	
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	2.6	3,080	November 28, 2014	
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	2.3	2,830	November 28, 2014	
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	5.2	4,610	November 17, 2015	
	O-05	Nishi Kasai Tosei Building	Edogawa-ku, Tokyo	1,710	2.2	2,050	November 17, 2015	
	O-06	Shin Yokohama Center Building	Yokohama-shi, Kanagawa	1,364	1.7	1,910	November 17, 2015	
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	1.9	1,830	August 31, 2016	
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	3.0	2,870	November 2, 2016	
	O-09	Hakusan Asanomi Building	Bunkyo-ku, Tokyo	1,380	1.8	1,760	November 2, 2016	
	O-10	Chojamachi Duo Building	Yokohama-shi, Kanagawa	1,300	1.7	1,470	November 2, 2017	
	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800	4.9	4,050	November 2, 2018	
	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650	3.4	2,790	November 2, 2018	
	O-13	Kannai Wise Building	Yokohama-shi, Kanagawa	2,050	2.6	2,170	December 2, 2019	
	O-14	Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	880	1.1	905	November 5, 2019	
	O-15	Hachioji Tosei Building	Hachioji-shi, Tokyo	1,600	2.0	1,770	May 29, 2020	
	O-16	Hon-Atsugi Tosei Building II	Atsugi-shi, Kanagawa	1,115	1.4	1,180	December 24, 2021	
	O-17	Chiba-Chuo Tosei Building	Chiba-shi, Chiba	833	1.1	907	December 24, 2021	
	Subtotal			—	33,897	43.3	40,082	—
	Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	3.0	2,590	November 28, 2014
Rt-02		Musashi Fujisawa Tosei Building	Iruma-shi, Saitama	1,950	2.5	2,140	November 17, 2015	
Rt-04		Wako Building	Chiba-shi, Chiba	1,400	1.8	1,480	November 2, 2017	
Subtotal			—	5,730	7.3	6,210	—	
Offices and retail facilities combined subtotal			—	39,627	50.6	46,292	—	
Residential properties	Rd-01	T's garden Koenji	Suginami-ku, Tokyo	1,544	2.0	2,220	November 28, 2014	
	Rd-02	Live Akabane	Kita-ku, Tokyo	1,227	1.6	1,680	November 28, 2014	
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	1.3	1,380	November 28, 2014	
	Rd-04	T's garden Kawasakidaishi	Kawasaki-shi, Kanagawa	980	1.3	1,250	November 28, 2014	
	Rd-05	Abitato Kamata	Ota-ku, Tokyo	836	1.1	1,010	November 28, 2014	
	Rd-07	Avenir Shirotae	Yokohama-shi, Kanagawa	780	1.0	1,060	November 28, 2014	
	Rd-08	Dormitory Haramachida	Machida-shi, Tokyo	600	0.8	808	November 28, 2014	
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	3.6	3,270	November 17, 2015	
	Rd-11	T's garden Shinkoiwa	Katsushika-ku, Tokyo	670	0.9	724	November 2, 2016	

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-12	Twin Avenue	Nerima-ku, Tokyo	1,880	2.4	2,110	November 2, 2017
	Rd-13	Milestone Higashikurume	Higashikurume-shi, Tokyo	1,650	2.1	1,830	November 2, 2017
	Rd-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	1.8	1,620	November 2, 2017
	Rd-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.1	889	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	0.9	734	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	0.8	611	November 2, 2017
	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812	2.3	1,950	November 2, 2018
	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090	1.4	1,260	November 2, 2018
	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740	0.9	795	November 2, 2018
	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600	0.8	696	November 2, 2018
	Rd-22	T's garden Ojima	Koto-ku, Tokyo	1,020	1.3	1,110	May 24, 2019
	Rd-23	T's garden Kitakashiwa	Kashiwa-shi, Chiba	2,770	3.5	2,880	December 2, 2019
	Rd-24	Century Urawa	Saitama-shi, Saitama	980	1.3	1,140	November 5, 2019
	Rd-25	T's garden Nagayama	Tama-shi, Tokyo	850	1.1	970	November 5, 2019
	Rd-26	Grandeur Fujimino	Fujimi-shi, Saitama	822	1.1	872	November 5, 2019
	Rd-27	T's garden Hitotsubashi-gakuen	Kodaira-shi, Tokyo	760	1.0	858	November 5, 2019
	Rd-28	T's garden Warabi II	Kawaguchi-shi, Saitama	750	1.0	830	November 5, 2019
	Rd-29	T's garden Warabi III	Kawaguchi-shi, Saitama	655	0.8	707	November 5, 2019
	Rd-30	T's garden Kashiwa	Kashiwa-shi, Chiba	595	0.8	655	November 5, 2019
	Rd-31	Suning Kitamatsudo	Matsudo-shi, Chiba	482	0.6	514	November 5, 2019
	Rd-32	T's garden Tanashi	Nishitokyo-shi, Tokyo	310	0.4	396	November 5, 2019
	Rd-33	T's garden Center Minami	Yokohama-shi, Kanagawa	1,140	1.5	1,320	December 17, 2020
	Rd-34	Boulevard Maioka	Yokohama-shi, Kanagawa	810	1.0	903	December 17, 2020
	Rd-35	T's garden Koiwa	Edogawa-ku, Tokyo	490	0.6	601	December 17, 2020
	Rd-36	T's garden Tsuzuki-fureainooka II	Yokohama-shi, Kanagawa	480	0.6	590	December 17, 2020
	Rd-37	Cerulean City	Higashikurume-shi, Tokyo	1,060	1.4	1,230	December 24, 2021
	Rd-38	T's garden Koshigaya-Obukuro	Koshigaya-shi, Saitama	804	1.0	850	December 24, 2021
	Rd-39	T's garden Kajigaya	Kawasaki-shi, Kanagawa	790	1.0	907	December 24, 2021
	Rd-40	T's garden Tsuzuki-fureainooka	Yokohama-shi, Kanagawa	660	0.8	751	December 24, 2021
	Rd-41	Green Star Heights	Arakawa-ku, Tokyo	620	0.8	755	December 24, 2021
	Subtotal		—	38,647	49.4	44,736	—
	Total		—	78,274	100.0	91,028	—

(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 October 31, 2022, 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 (October 31, 2022) 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	17	33,897	43.3
Retail facilities	3	5,730	7.3
Residential properties	39	38,647	49.4
Total	59	78,274	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.

b. By geographical area

Geographical area	Number of properties	Acquisition price (JPY million)	Investment ratio by geographical area (%) (Note 1)
Tokyo metropolitan area	59 (Note 2)	78,274	100.0
Tokyo 5 central wards	2	3,887	5.0
Tokyo 23 wards (excluding Tokyo 5 central wards)	13	14,948	19.1
Tokyo metropolitan area (excluding Tokyo 23 wards)	44	59,439	75.9
Major regional cities	—	—	—
Total	59	78,274	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.

(Note 2) The number of properties by prefecture is 24 properties in Tokyo, 19 properties in Kanagawa, 8 properties in Saitama, and 8 properties in Chiba.

c. Number of investments by acquisition price

Acquisition price	Number of properties
Less than JPY 1.0 billion	28
JPY 1.0 billion or more, but less than JPY 2.0 billion	21
JPY 2.0 billion or more, but less than JPY 3.0 billion	7
JPY 3.0 billion or more	3
Total	59

(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 for each of Tosei Reit's asset under management as of October 31, 2022.

The form of lease agreement for Musashi Fujisawa Tosei Building (Note 1), the residential portion of T's garden Nagayama (Note 2) and some sections of T's garden Koshigaya-Obukuro (Note 3) 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 and the portions of T's garden Koshigaya-Obukuro other than the sections subject to the fixed-rent ML agreement), it is a pass-through ML agreement.

Type	Property no.	Property name	Construction completion (Note 4)	Building age (years) (Note 5)	Annual rent (JPY million) (Note 6) (Note 13)	Security and guarantee deposits (JPY million) (Note 7) (Note 13)	Total leased area (m ²) (Note 8) (Note 13)	Total leasable area (m ²) (Note 9)	Occupancy rate (%) (Note 10) (Note 13)	Number of tenants (Note 11) (Note 13)
Offices	O-01	Tama Center Tosei Building	July 1989	33.3	355	265	9,060.38	9,702.32	93.4	41
	O-02	KM Shinjuku Building	September 1991	31.1	164	85	3,403.95	3,403.95	100.0	6
	O-03	Nihonbashi-Hamacho Building	October 1990	32.0	165	132	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 12)	38.7 (Note 12)	298	375	6,912.33	6,912.33	100.0	39
	O-05	Nishi Kasai Tosei Building	January 1994	28.8	133	87	3,187.97	3,187.97	100.0	9
	O-06	Shin Yokohama Center Building	December 1990	31.9	145	128	3,884.81	3,884.81	100.0	18
	O-07	Nishidai NC Building	March 1992	30.6	114	69	3,235.37	3,798.48	85.2	8
	O-08	JPT Motomachi Building	October 1991	31.0	194	153	5,410.03	5,410.03	100.0	8
	O-09	Hakusan Asanomi Building	July 1993	29.3	99	72	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	29.3	81	62	1,912.59	2,217.86	86.2	11
	O-11	NU Kannai Building	February 1987	35.7	240	138	6,505.05	8,025.76	81.1	27
	O-12	Higashitotsuka West Building	February 1993	29.7	203	136	5,662.83	5,662.83	100.0	18
	O-13	Kannai Wise Building	February 1991	31.7	141	102	3,568.43	3,568.43	100.0	6
	O-14	Hon-Atsugi Tosei Building	January 1993	29.8	80	63	2,538.53	2,651.90	95.7	12
	O-15	Hachioji Tosei Building	February 1988	34.7	102	108	2,798.84	3,540.66	79.0	9
	O-16	Hon-Atsugi Tosei Building II	May 1995	27.4	87	73	2,755.18	2,755.18	100.0	16
	O-17	Chiba-Chuo Tosei Building	January 2009	13.8	56	34	1,762.92	1,762.92	100.0	13
		Subtotal	—	—	2,665	2,089	67,794.12	71,680.34	94.6	260
	Retail facilities	Rt-01	Inage Kaigan Building	November 1992	29.9	186	267	5,890.90	5,890.90	100.0
Rt-02		Musashi Fujisawa Tosei Building (Note 1)	August 1997	25.2	144	72	6,089.72	6,089.72	100.0 (94.0)	1 (5)
Rt-04		Wako Building	May 1986	36.5	116	71	2,827.26	2,827.26	100.0	25
		Subtotal	—	—	447	411	14,807.88	14,807.88	100.0	41
Offices and retail facilities combined subtotal			—	—	3,112	2,501	82,602.00	86,488.22	95.5	301
Residential properties	Rd-01	T's garden Koenji	January 2011	11.8	104	17	2,169.38	2,169.38	100.0	55
	Rd-02	Live Akabane	March 1989	33.6	98	10	3,823.67	3,876.44	98.6	71
	Rd-03	Gekkocho Apartment	March 2008	14.6	66	13	1,318.38	1,392.13	94.7	16
	Rd-04	T's garden Kawasakidaishi	January 2009	13.8	69	8	2,039.93	2,067.93	98.6	54
	Rd-05	Abitato Kamata	June 1991	31.4	51	7	1,702.74	1,768.23	96.3	26
	Rd-07	Avenir Shirotae	February 1995	27.7	70	6	2,446.74	2,499.93	97.9	39
	Rd-08	Dormitory Haramachida	July 1992	30.3	55	4	1,783.43	1,866.11	95.6	69
	Rd-09	SEA SCAPE Chiba Minato	March 2008	14.6	221	71	6,632.76	6,758.52	98.1	140

Type	Property no.	Property name	Construction completion (Note 4)	Building age (years) (Note 5)	Annual rent (JPY million) (Note 6) (Note 13)	Security and guarantee deposits (JPY million) (Note 7) (Note 13)	Total leased area (m ²) (Note 8) (Note 13)	Total leasable area (m ²) (Note 9)	Occupancy rate (%) (Note 10) (Note 13)	Number of tenants (Note 11) (Note 13)
Residential properties	Rd-11	T's garden Shinkoiwa	March 1998	24.6	49	6	1,652.93	1,652.93	100.0	25
	Rd-12	Twin Avenue	March 1992	30.7	125	29	4,428.76	4,558.96	97.1	48
	Rd-13	Milestone Higashikurume	September 1989	33.1	122	14	3,376.47	3,546.91	95.2	180
	Rd-14	Lumiere No. 3	September 1994	28.1	111	16	5,519.36	5,644.16	97.8	81
	Rd-15	T's garden Nishifunabashi	February 1991	31.7	64	7	2,643.84	2,643.84	100.0	29
	Rd-16	Quest Yamatedai	February 1989	33.7	56	33	2,802.74	2,802.74	100.0	31
	Rd-17	Sancerre Yonohonmachi	November 1990	32.0	49	4	1,399.83	1,419.39	98.6	54
	Rd-18	Rising Place Kawasaki No.2	February 2017	5.7	118	10	2,897.23	2,962.48	97.8	53
	Rd-19	J Palace Sakuradai	February 1994	28.7	67	7	2,328.92	2,396.07	97.2	35
	Rd-20	Personnage Yokohama	December 1990	31.9	52	6	1,800.74	1,990.34	90.5	67
	Rd-21	T's garden Nishihachioji West	January 1997	25.8	50	5	2,315.99	2,315.99	100.0	49
	Rd-22	T's garden Ojima	November 1989	33.0	84	27	2,658.72	2,705.70	98.3	58
	Rd-23	T's garden Kitakashiwa	January 1992 January 1992 September 2008 September 2008	30.8 30.8 14.1 14.1	202	19	13,112.72	13,377.44	98.0	139
	Rd-24	Century Urawa	March 1989	33.6	75	7	4,097.27	4,201.77	97.5	73
	Rd-25	T's garden Nagayama (Note 2)	June 1986	36.4	66	6	4,192.39	4,286.89	97.8 (91.4)	4 (94)
	Rd-26	Grandeur Fujimino	February 1997	25.7	60	5	1,971.06	2,144.34	91.9	88
	Rd-27	T's garden Hitotsubashi-gakuen	May 1988	34.4	59	3	2,750.94	2,845.88	96.7	58
	Rd-28	T's garden Warabi II	March 1987	35.6	59	5	2,988.75	3,042.75	98.2	56
	Rd-29	T's garden Warabi III	November 1989	32.9	52	9	2,464.40	2,464.40	100.0	38
	Rd-30	T's garden Kashiwa	March 1992	30.6	52	5	3,265.30	3,265.30	100.0	42
	Rd-31	Suning Kitamatsudo	March 2006	16.7	34	3	1,144.13	1,194.05	95.8	41
	Rd-32	T's garden Tanashi	September 1991	31.1	29	4	1,202.82	1,263.32	95.2	21
	Rd-33	T's garden Center Minami	January 2007	15.8	78	6	1,919.82	1,943.52	98.8	70
	Rd-34	Boulevard Maioka	December 2003	18.9	63	5	3,002.40	3,002.40	100.0	45
	Rd-35	T's garden Koiwa	April 1993	29.6	30	3	1,132.03	1,186.85	95.4	18
	Rd-36	T's garden Tsuzuki-fureainooka II	September 1988	34.1	33	0	867.00	1,050.03	82.6	41
	Rd-37	Cerulean City	May 1991	31.4	82	45	3,038.18	3,199.68	95.0	42
	Rd-38	T's garden Koshigaya-Obukuro (Note 3)	March 1991	31.6	65	17	3,655.13	3,655.13	100.0 (89.1)	50 (51)
	Rd-39	T's garden Kajigaya	May 1993	29.5	44	3	961.38	1,107.32	86.8	55
	Rd-40	T's garden Tsuzuki-fureainooka	May 1989	33.5	50	5	1,405.42	1,562.22	90.0	27
	Rd-41	Green Star Heights	August 1992	30.2	47	13	1,632.50	1,632.50	100.0	24
	Subtotal		—	—	2,880	482	110,546.20	113,463.97	97.4	2,112
	Total/Average		—	29.0 (Note 12)	5,993	2,983	193,148.20	199,952.19	96.6	2,413

(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 Tosei Community and Tosei on November 5, 2019, for the residential portion. The same applies hereinafter.

- (Note 3) For the property, a pass-through ML agreement was concluded between the trustee and Tosei Community on December 24, 2021. Of which, however, a fixed-rent ML agreement was concluded between Tosei Community and Tosei on December 24, 2021, for some sections. The same applies hereinafter.
- (Note 4) “Construction completion” is the date of new construction in the real estate registry.
- (Note 5) “Building age” is the number of years that has elapsed from the date of new construction in the real estate registry to October 31, 2022. In addition, that in the total/average column is the figure that is the weighted average based on acquisition price.
- (Note 6) “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 October 31, 2022 (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 7) “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 October 31, 2022 (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 8) “Total leased area” is the sum total of the leased floor area indicated in the lease agreement for the asset under management as of October 31, 2022. 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 9) “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 October 31, 2022. The same applies hereinafter.
- (Note 10) “Occupancy rate” is the ratio of the total leased area to total leasable area for the asset under management as of October 31, 2022. 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 11) “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 October 31, 2022 (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 12) 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 said date of new construction.
- (Note 13) 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 October 31, 2022, “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 ²)	Total leasable area (m ²)	Occupancy rate (%)
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
14th Period (As of October 31, 2021)	52	177,965.90	184,267.63	96.6
15th Period (As of April 30, 2022)	59	191,898.49	199,942.10	96.0
16th Period (As of October 31, 2022)	59	193,148.20	199,952.19	96.6

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	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)	9th Period (As of Apr. 30, 2019)	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
O-01	Tama Center Tosei Building	100.0 (87.2)	100.0 (89.9)	100.0 (98.4)	100.0 (98.4)	100.0 (98.4)
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	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	97.6	100.0
O-07	Nishidai NC Building	100.0	100.0	100.0	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)	100.0 (100.0)
O-09	Hakusan Asanomi Building	91.7	100.0	100.0	100.0	100.0
O-10	Chojamachi Duo Building	89.4	89.4	89.4	100.0	100.0
O-11	NU Kannai Building	—	—	99.0	99.0	99.0
O-12	Higashitotsuka West Building	—	—	100.0	93.7	93.7
O-13	Kannai Wise Building	—	—	—	—	100.0
O-14	Hon-Atsugi Tosei Building	—	—	—	—	94.3
O-15	Hachioji Tosei Building	—	—	—	—	—
O-16	Hon-Atsugi Tosei Building II	—	—	—	—	—
O-17	Chiba-Chuo Tosei Building	—	—	—	—	—
Rt-01	Inage Kaigan Building	100.0	98.6	96.4	98.6	97.3
Rt-02	Musashi Fujisawa Tosei Building	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi (Note 2)	100.0	100.0	100.0	100.0	100.0
Rt-04	Wako Building	98.1	92.1	92.1	89.5	97.4
Rd-01	T's garden Koenji	100.0	97.9	96.3	97.2	98.8
Rd-02	Live Akabane	95.0	100.0	97.3	97.2	94.4
Rd-03	Gekkocho Apartment	85.2	94.7	100.0	100.0	100.0
Rd-04	T's garden Kawasaki-daishi	98.6	96.2	98.6	100.0	94.8
Rd-05	Abitato Kamata	100.0	96.3	96.3	100.0	100.0
Rd-06	MarLandFive (Note 1)	100.0	93.0	—	—	—
Rd-07	Avenir Shirotae	97.9	95.7	91.5	97.9	95.7
Rd-08	Dormitory Haramachida	100.0	96.8	97.4	98.3	96.7
Rd-09	SEA SCAPE Chiba Minato	97.2	94.8	94.5	93.9	95.5
Rd-10	Prime Garden (Note 2)	98.3	100.0	98.3	100.0	93.3
Rd-11	T's garden Shinkoiwa	96.7	100.0	96.7	100.0	96.3
Rd-12	Twin Avenue	94.3	97.1	98.6	100.0	100.0
Rd-13	Milestone Higashikurume	98.3	96.9	96.5	92.9	96.6
Rd-14	Lumiere No. 3	95.6	96.7	98.9	97.8	96.7
Rd-15	T's garden Nishifunabashi	94.4	100.0	97.2	94.4	97.2
Rd-16	Quest Yamatedai	100.0	100.0	97.2	94.7	100.0
Rd-17	Sancerre Yonohonmachi	97.2	94.5	98.6	94.5	98.6
Rd-18	Rising Place Kawasaki No.2	—	—	97.8	97.1	97.1
Rd-19	J Palace Sakurada	—	—	100.0	100.0	100.0
Rd-20	Personnage Yokohama	—	—	89.2	88.8	93.4
Rd-21	T's garden Nishihachioji West	—	—	93.2	96.9	97.9
Rd-22	T's garden Ojima	—	—	—	97.3	95.6
Rd-23	T's garden Kitakashiwa	—	—	—	—	97.9
Rd-24	Century Urawa	—	—	—	—	93.6
Rd-25	T's garden Nagayama	—	—	—	—	100.0 (95.3)
Rd-26	Grandeur Fujimino	—	—	—	—	99.0
Rd-27	T's garden Hitotsubashi-gakuen	—	—	—	—	91.7
Rd-28	T's garden Warabi II	—	—	—	—	98.2
Rd-29	T's garden Warabi III	—	—	—	—	100.0
Rd-30	T's garden Kashiwa	—	—	—	—	88.2
Rd-31	Suning Kitamatsudo	—	—	—	—	95.8
Rd-32	T's garden Tanashi	—	—	—	—	100.0
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	—	—	—	—	—
Rd-37	Cerulean City	—	—	—	—	—
Rd-38	T's garden Koshigaya-Obukuro	—	—	—	—	—
Rd-39	T's garden Kajigaya	—	—	—	—	—
Rd-40	T's garden Tsuzuki-fureainooka	—	—	—	—	—
Rd-41	Green Star Heights	—	—	—	—	—

(Unit: %)

Property no.	Property name	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)	15th Period (As of Apr. 30, 2022)	16th Period (As of Oct. 31, 2022)
O-01	Tama Center Tosei Building	100.0 (97.8)	94.7	94.6	94.6	93.4
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	97.0	100.0
O-04	Kannai Tosei Building II	91.7	95.5	95.6	98.7	100.0
O-05	Nishi Kasai Tosei Building	94.0	100.0	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	100.0	100.0	68.9	84.2	100.0
O-07	Nishidai NC Building	100.0	90.8	76.0	85.2	85.2
O-08	JPT Motomachi Building	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	100.0	100.0	94.3	86.2	86.2
O-11	NU Kannai Building	99.0	91.7	93.2	76.9	81.1
O-12	Higashitotsuka West Building	100.0	100.0	100.0	100.0	100.0
O-13	Kannai Wise Building	100.0	100.0	87.1	100.0	100.0
O-14	Hon-Atsugi Tosei Building	100.0	97.1	100.0	100.0	95.7
O-15	Hachioji Tosei Building	100.0	100.0	100.0	100.0	79.0
O-16	Hon-Atsugi Tosei Building II	—	—	—	100.0	100.0
O-17	Chiba-Chuo Tosei Building	—	—	—	100.0	100.0
Rt-01	Inage Kaigan Building	98.7	98.7	100.0	100.0	100.0
Rt-02	Musashi Fujisawa Tosei Building	100.0 (94.0)	100.0 (91.4)	100.0 (91.4)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi (Note 2)	100.0	—	—	—	—
Rt-04	Wako Building	92.7	98.0	100.0	100.0	100.0
Rd-01	T's garden Koenji	100.0	95.3	98.8	98.6	100.0
Rd-02	Live Akabane	95.8	95.8	100.0	100.0	98.6
Rd-03	Gekkocho Apartment	100.0	100.0	100.0	93.0	94.7
Rd-04	T's garden Kawasaki-daishi	100.0	94.6	94.8	93.7	98.6
Rd-05	Abitato Kamata	96.3	100.0	96.3	92.6	96.3
Rd-06	MarLandFive (Note 1)	—	—	—	—	—
Rd-07	Avenir Shirotae	87.2	97.9	97.9	95.7	97.9
Rd-08	Dormitory Haramachida	95.2	100.0	95.2	92.8	95.6
Rd-09	SEA SCAPE Chiba Minato	95.7	95.9	98.8	94.5	98.1
Rd-10	Prime Garden (Note 2)	100.0	—	—	—	—
Rd-11	T's garden Shinkoiwa	100.0	96.3	100.0	96.7	100.0
Rd-12	Twin Avenue	98.6	98.6	100.0	98.6	97.1
Rd-13	Milestone Higashikurume	93.8	90.9	97.0	96.0	95.2
Rd-14	Lumiere No. 3	96.7	97.8	97.8	95.6	97.8
Rd-15	T's garden Nishifunabashi	100.0	100.0	100.0	91.7	100.0
Rd-16	Quest Yamatedai	97.5	100.0	100.0	100.0	100.0
Rd-17	Sancerre Yonohonmachi	98.6	97.2	95.8	98.6	98.6
Rd-18	Rising Place Kawasaki No.2	95.6	97.8	94.2	99.3	97.8
Rd-19	J Palace Sakurada	97.6	97.8	97.3	100.0	97.2
Rd-20	Personnage Yokohama	90.3	93.3	91.4	90.0	90.5
Rd-21	T's garden Nishihachioji West	97.6	100.0	100.0	97.4	100.0
Rd-22	T's garden Ojima	95.9	97.5	91.4	94.3	98.3
Rd-23	T's garden Kitakashiwa	95.9	96.5	98.7	98.0	98.0
Rd-24	Century Urawa	98.8	93.5	98.6	98.7	97.5
Rd-25	T's garden Nagayama	98.8 (90.1)	100.0 (98.8)	100.0 (95.9)	100.0 (97.7)	97.8 (91.4)
Rd-26	Grandeur Fujimino	99.0	99.0	98.0	92.9	91.9
Rd-27	T's garden Hitotsubashi-gakuen	93.3	96.7	98.3	98.3	96.7
Rd-28	T's garden Warabi II	100.0	94.6	100.0	98.2	98.2
Rd-29	T's garden Warabi III	97.8	97.8	97.8	94.9	100.0
Rd-30	T's garden Kashiwa	97.9	100.0	93.1	93.4	100.0
Rd-31	Suning Kitamatsudo	97.4	100.0	97.9	100.0	95.8
Rd-32	T's garden Tanashi	95.3	100.0	95.5	95.5	95.2
Rd-33	T's garden Center Minami	—	97.6	100.0	96.1	98.8
Rd-34	Boulevard Maioka	—	91.1	100.0	100.0	100.0
Rd-35	T's garden Koiwa	—	90.6	90.6	100.0	95.4
Rd-36	T's garden Tsuzuki-fureainooka II	—	92.3	93.9	89.4	82.6
Rd-37	Cerulean City	—	—	—	89.0	95.0
Rd-38	T's garden Koshigaya-Obukuro	—	—	—	98.4 (87.8)	100.0 (89.1)
Rd-39	T's garden Kajigaya	—	—	—	77.8	86.8
Rd-40	T's garden Tsuzuki-fureainooka	—	—	—	100.0	90.0
Rd-41	Green Star Heights	—	—	—	100.0	100.0

(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 October 31, 2022, 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.	Property name	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	3,282	3,900	3,940	5.1	3,850	4.9	5.3
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	1,966	3,080	3,110	3.6	3,050	3.4	3.7
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,737	2,830	2,850	4.0	2,810	3.8	4.
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	3,997	4,610	4,740	4.8	4,570	4.6	5.0
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,624	2,050	2,080	4.8	2,010	4.6	5.0
	O-06	Shin Yokohama Center Building	JLL Morii Valuation & Advisory K.K.	1,364	1,318	1,910	1,910	4.5	1,910	4.3	4.7
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,472	1,830	1,840	4.4	1,820	4.2	4.5
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,298	2,870	2,890	4.4	2,850	4.2	4.6
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,356	1,760	1,770	3.8	1,750	3.6	3.9
	O-10	Chojamachi Duo Building	JLL Morii Valuation & Advisory K.K.	1,300	1,281	1,470	1,500	4.3	1,440	4.1	4.5
	O-11	NU Kannai Building	Japan Valuers Co., Ltd.	3,800	3,822	4,050	4,130	4.8	3,960	4.6	5.0
	O-12	Higashitotsuka West Building	Japan Valuers Co., Ltd.	2,650	2,692	2,790	2,780	4.6	2,790	4.4	4.8
	O-13	Kannai Wise Building	Japan Valuers Co., Ltd.	2,050	2,048	2,170	2,190	4.6	2,140	4.4	4.8
	O-14	Hon-Atsugi Tosei Building	Japan Valuers Co., Ltd.	880	890	905	906	5.5	903	5.3	5.7
	O-15	Hachioji Tosei Building	Japan Valuers Co., Ltd.	1,600	1,597	1,770	1,800	4.5	1,740	4.3	4.7
	O-16	Hon-Atsugi Tosei Building II	Japan Valuers Co., Ltd.	1,115	1,111	1,180	1,190	5.4	1,160	5.2	5.6
	O-17	Chiba-Chuo Tosei Building	Japan Valuers Co., Ltd.	833	832	907	917	4.4	896	4.2	4.6
	Subtotal				33,897	33,330	40,082	40,543	—	39,649	—
Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,123	2,590	2,610	4.8	2,560	4.6	5.0
	Rt-02	Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,888	2,140	2,140	5.6	2,130	5.2	5.8
	Rt-04	Wako Building	Japan Real Estate Institute	1,400	1,324	1,480	1,490	4.8	1,460	4.6	5.0
	Subtotal				5,730	5,336	6,210	6,240	—	6,150	—
Offices and retail facilities combined subtotal				39,627	38,667	46,292	46,783	—	45,799	—	—
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,477	2,220	2,240	3.5	2,200	3.3	3.6
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,202	1,680	1,690	4.2	1,670	4.0	4.3
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	976	1,380	1,390	3.6	1,360	3.4	3.7
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	920	1,250	1,260	4.3	1,240	4.1	4.4
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	821	1,010	1,020	4.2	1,000	4.0	4.3
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	735	1,060	1,060	4.5	1,050	4.3	4.6
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	609	808	811	4.4	804	4.2	4.5
	Rd-09	SEA SCAPE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,550	3,270	3,310	4.7	3,220	4.5	4.9

Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended October 31, 2022

Type	Property no.	Property name	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-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	660	724	731	4.1	717	3.9	4.3
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,931	2,110	2,120	4.3	2,090	4.1	4.4
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,612	1,830	1,840	4.5	1,820	4.3	4.6
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,401	1,620	1,630	4.9	1,610	4.7	5.1
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	860	889	897	4.7	880	4.5	4.9
	Rd-16	Quest Yamatedai	Japan Valuers Co., Ltd.	710	706	734	740	4.8	728	4.6	5.0
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	598	611	616	4.7	606	4.5	4.9
	Rd-18	Rising Place Kawasaki No.2	Japan Valuers Co., Ltd.	1,812	1,820	1,950	1,960	4.6	1,930	4.4	4.8
	Rd-19	J Palace Sakuradai	JLL Morii Valuation & Advisory K.K.	1,090	1,091	1,260	1,280	3.8	1,230	3.6	4.0
	Rd-20	Personnage Yokohama	Japan Valuers Co., Ltd.	740	743	795	794	4.9	796	4.6	5.0
	Rd-21	T's garden Nishihachioji West	Japan Real Estate Institute	600	590	696	699	4.5	692	4.3	4.6
	Rd-22	T's garden Ojima	Japan Valuers Co., Ltd.	1,020	1,037	1,110	1,120	4.6	1,100	4.3	4.9
	Rd-23	T's garden Kitakashiwa	Japan Valuers Co., Ltd.	2,770	2,737	2,880	2,900	4.5	2,860	4.3	4.7
	Rd-24	Century Urawa	JLL Morii Valuation & Advisory K.K.	980	984	1,140	1,160	4.5	1,120	4.3	4.7
	Rd-25	T's garden Nagayama	Japan Real Estate Institute	850	846	970	975	4.3	965	4.1	4.4
	Rd-26	Grandeur Fujimino	JLL Morii Valuation & Advisory K.K.	822	821	872	885	4.7	858	4.5	4.9
	Rd-27	T's garden Hitotsubashi-gakuen	Japan Real Estate Institute	760	761	858	863	4.5	852	4.3	4.6
	Rd-28	T's garden Warabi II	Japan Valuers Co., Ltd.	750	753	830	836	4.8	823	4.6	5.0
	Rd-29	T's garden Warabi III	Japan Valuers Co., Ltd.	655	663	707	713	4.8	701	4.6	5.0
	Rd-30	T's garden Kashiwa	JLL Morii Valuation & Advisory K.K.	595	601	655	666	4.4	644	4.2	4.6
	Rd-31	Suning Kitamatsudo	Japan Valuers Co., Ltd.	482	478	514	518	4.5	510	4.3	4.7
	Rd-32	T's garden Tanashi	Japan Real Estate Institute	310	337	396	398	4.4	394	4.2	4.5
	Rd-33	T's garden Center Minami	Japan Valuers Co., Ltd.	1,140	1,160	1,320	1,340	3.9	1,300	3.7	4.1
	Rd-34	Boulevard Maioka	JLL Morii Valuation & Advisory K.K.	810	825	903	916	4.4	889	4.2	4.6
	Rd-35	T's garden Koiwa	JLL Morii Valuation & Advisory K.K.	490	502	601	611	4.0	590	3.8	4.2
	Rd-36	T's garden Tsuzuki-fureainooka II	JLL Morii Valuation & Advisory K.K.	480	488	590	601	4.4	579	4.2	4.6
	Rd-37	Cerulean City	Japan Real Estate Institute	1,060	1,083	1,230	1,230	4.4	1,220	4.2	4.5
	Rd-38	T's garden Koshigaya-Obukuro	Japan Valuers Co., Ltd.	804	822	850	860	5.0	839	4.8	5.2
	Rd-39	T's garden Kajigaya	JLL Morii Valuation & Advisory K.K.	790	802	907	923	4.3	891	4.1	4.5
	Rd-40	T's garden Tsuzuki-fureainooka	Japan Real Estate Institute	660	673	751	755	4.6	747	4.4	4.7
	Rd-41	Green Star Heights	JLL Morii Valuation & Advisory K.K.	620	630	755	769	4.3	741	4.1	4.5
	Subtotal			38,647	38,327	44,736	45,127	—	44,266	—	—
	Total			78,274	76,994	91,028	91,910	—	90,065	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of October 31, 2022, 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 October 31, 2022, 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., Sompo Risk Management Inc. (Note 1) and Tokio Marine dR Co., Ltd. (Note 2). 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., Sompo Risk Management Inc. or Tokio Marine dR Co., Ltd. and Tosei Reit or the Asset Management Company.

In addition, Tosei Reit has an evaluation of seismic risk analysis conducted by Sompo 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 Sompo Risk Management Inc. and Tosei Reit or the Asset Management Company.

Property no.	Property name	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 3)	Long-term repair expenses (JPY thousand) (Note 4)	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.	October 2021	—	29,445	Sompo Risk Management Inc.	July 2016	6.06
O-09	Hakusan Asanomi Building	Tokio Marine dR Co., Ltd.	October 2021	—	10,286	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
O-16	Hon-Atsugi Tosei Building II	Sompo Risk Management Inc.	November 2021	—	7,065	Sompo Risk Management Inc.	November 2021	9.06
O-17	Chiba-Chuo Tosei Building	Sompo Risk Management Inc.	November 2021	—	6,658	Sompo Risk Management Inc.	November 2021	6.11
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.	July 2021	—	11,365	Sompo Risk Management Inc.	September 2015	5.85
Rt-04	Wako Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	October 2022	—	13,182	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

Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended October 31, 2022

Property no.	Property name	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 3)	Long-term repair expenses (JPY thousand) (Note 4)	Seismic PML (re)evaluation report prepared by	Seismic PML (re)evaluation report date	PML value (%)
Rd-04	T's garden Kawasaki-daishi	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.	September 2021	3,950	6,242	Sompo Risk Management Inc.	July 2016	4.41
Rd-12	Twin Avenue	HI International Consultant Co., Ltd.	February 2022	50	14,206	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 2022	5,230	10,359	Sompo Risk Management Inc.	August 2017	7.50
Rd-16	Quest Yamatedai	HI International Consultant Co., Ltd.	July 2022	4,810	8,438	Sompo Risk Management Inc.	August 2017	9.66
Rd-17	Sancerre Yonohonmachi	Tokio Marine dR Co., Ltd.	October 2022	—	5,434	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 Sakurada	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
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
Rd-37	Cerulean City	HI International Consultant Co., Ltd.	November 2021	1,890	8,202	Sompo Risk Management Inc.	November 2021	4.48
Rd-38	T's garden Koshigaya-Obukuro	HI International Consultant Co., Ltd.	November 2021	1,350	7,560	Sompo Risk Management Inc.	November 2021	2.99
Rd-39	T's garden Kajigaya	Sompo Risk Management Inc.	November 2021	—	2,815	Sompo Risk Management Inc.	November 2021	10.31
Rd-40	T's garden Tsuzuki-fureainooka	Sompo Risk Management Inc.	November 2021	—	5,105	Sompo Risk Management Inc.	November 2021	10.02
Rd-41	Green Star Heights	Sompo Risk Management Inc.	November 2021	—	3,235	Sompo Risk Management Inc.	November 2021	4.11
Entire portfolio (Note 5)								3.31

- (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) Tokio Marine & Nichido Risk Consulting Co., Ltd. changed its business name to Tokio Marine dR Co., Ltd. on July 1, 2021. Even if the name of the company was Tokio Marine & Nichido Risk Consulting Co., Ltd. at the time of obtaining the engineering report, the current business name is indicated. The same applies hereinafter.
- (Note 3) “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 4) “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 dR Co., Ltd.
- (Note 5) 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 November 2021.

(g) Status of Collateral

There are no security rights that Tosei Reit has agreed or committed to establishing for any asset under management as of October 31, 2022.

(h) 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 October 31, 2022.

(i) 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 (October 31, 2022). 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.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m ²)	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	4,598	147,617.45	76.4	November 30, 2022	Ordinary building lease agreement	2,442
		Nishidai NC Building	114	3,235.37	1.7	August 31, 2023	Ordinary building lease agreement	69
		T's garden Ojima Hachioji Tosei Building	186	5,457.56	2.8	May 31, 2023	Ordinary building lease agreement	135

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m ²)	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	Hon-Atsugi Tosei Building II Chiba-Chuo Tosei Building T's garden Center Minami Boulevard Maioka T's garden Koiwa T's garden Tsuzuki-fureainooka II Cerulean City T's garden Koshigaya-Obukuro T's garden Kajigaya T's garden Tsuzuki-fureainooka Green Star Heights	639	22,131.96	11.5	December 31, 2022	Ordinary building lease agreement	208

(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 October 31, 2022. The same applies hereinafter.

(Note 3) “Contract form” is the contract form indicated in the lease agreement with the concerned tenant as of October 31, 2022. The same applies hereinafter.

(Note 4) A pass-through ML agreement has been concluded between the trustee and Tosei Community as of October 31, 2022, 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.

(j) 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 (October 31, 2022). 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 ²)	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	3.2	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama	3,102.25	1.6	November 30, 2023	Fixed-term building lease agreement
Not disclosed (Note)	Inage Kaigan Building	105.67 2,883.34 Total: 2,989.01	1.5	December 31, 2023 December 31, 2022	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 316.04 293.74 Total: 2,168.06	1.1	January 4, 2023 October 14, 2024 September 30, 2024	Ordinary building lease agreement
Not disclosed (Note)	Kannai Wise Building	1,578.83	0.8	April 30, 2024	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,549.35	0.8	August 31, 2024	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	0.8	January 15, 2023 May 31, 2024 March 31, 2023 April 30, 2023 April 24, 2023	Ordinary building lease agreement
Not disclosed (Note)	KM Shinjuku Building	447.41 447.41 447.41 Total: 1,342.23	0.7	November 30, 2022 January 31, 2024 April 30, 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, 2024	Ordinary building lease agreement
Not disclosed (Note)	Hachioji Tosei Building	94.16 110.01 274.31 509.47 93.73 Total: 1,081.68	0.6	September 30, 2023 February 28, 2023 August 31, 2024 March 19, 2023 June 4, 2023	Ordinary building lease agreement

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

(k) 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) as of October 31, 2022.

Name of end-tenant	Property name	Total leased area (m ²)	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 1)	3,102.25	55	4	November 30, 2023	Fixed-term building lease agreement
Tosei Corporation	T's garden Koshigaya-Obukuro (Note 2)	768.12	15	7	December 31, 2025	Fixed-term building lease agreement

(Note 1) For T's garden Nagayama, the figures are those under the fixed-rent ML agreement concluded on November 5, 2019, for the residential portion.

(Note 2) For T's garden Koshigaya-Obukuro, the figures are those under the fixed-rent ML agreement concluded on December 24, 2021, for some sections.

(I) Earnings Performance of the Properties

16th Period (from May 1, 2022, to October 31, 2022)

(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	234,472	97,398	103,816	179,166	79,205	69,821
Rent revenue – real estate	183,463	88,110	91,477	158,293	69,719	65,869
Other lease business revenue	51,009	9,288	12,338	20,873	9,486	3,951
Total property-related operating expenses ②	103,629	29,082	33,932	58,351	23,939	25,640
Management fee	28,243	6,824	8,006	17,109	6,714	8,037
Trust fee	300	300	300	300	300	300
Utilities expenses	45,289	8,868	12,461	19,881	7,940	5,568
Insurance premium	413	137	135	245	108	150
Repair expenses	11,139	1,910	2,546	3,860	875	413
Property taxes	17,081	10,098	8,458	13,750	6,617	7,208
Other expenses	1,161	943	2,023	3,204	1,381	3,962
NOI ③ (①–②)	130,843	68,315	69,883	120,815	55,266	44,181
Depreciation ④	21,271	9,942	11,201	24,162	9,931	8,867
Property-related operating income (loss) ⑤ (③–④)	109,572	58,373	58,682	96,653	45,335	35,313
Capital expenditures ⑥	7,394	6,604	1,500	108,533	710	998
NCF ⑦ (③–⑥)	123,448	61,711	68,383	12,282	54,556	43,183

(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	66,765	119,704	58,545	47,704	131,129	121,407
Rent revenue – real estate	61,122	104,554	52,730	42,139	116,344	104,137
Other lease business revenue	5,643	15,150	5,814	5,565	14,785	17,270
Total property-related operating expenses ②	29,596	36,964	13,449	16,828	60,543	39,135
Management fee	8,729	10,676	4,129	5,205	21,758	13,352
Trust fee	300	300	300	300	300	300
Utilities expenses	10,717	14,399	4,811	5,182	16,004	13,720
Insurance premium	149	186	73	80	339	227
Repair expenses	832	1,105	—	2,691	3,997	1,060
Property taxes	8,231	9,625	4,096	3,075	13,679	10,095
Other expenses	635	671	38	293	4,465	378
NOI ③ (①–②)	37,169	82,740	45,095	30,876	70,585	82,272
Depreciation ④	11,196	13,142	6,488	11,890	15,392	13,492
Property-related operating income (loss) ⑤ (③–④)	25,972	69,598	38,606	18,985	55,192	68,780
Capital expenditures ⑥	—	3,171	933	8,053	9,867	3,027
NCF ⑦ (③–⑥)	37,169	79,569	44,162	22,822	60,718	79,245

(Unit: JPY thousand)

Property no.	(O-13)	(O-14)	(O-15)	(O-16)	(O-17)	(Rt-01)
Property name	Kannai Wise Building	Hon-Atsugi Tosei Building	Hachioji Tosei Building	Hon-Atsugi Tosei Building II	Chiba-Chuo Tosei Building	Inage Kaigan Building
Total property-related operating revenue ①	85,731	49,569	77,114	51,603	33,923	125,573
Rent revenue – real estate	74,435	43,378	61,901	47,067	28,577	98,912
Other lease business revenue	11,296	6,190	15,212	4,535	5,346	26,660
Total property-related operating expenses ②	27,836	19,691	34,047	14,995	11,016	50,069
Management fee	8,594	6,851	8,874	4,860	2,929	7,602
Trust fee	300	300	300	300	300	300
Utilities expenses	10,690	5,142	8,514	5,243	4,876	27,508
Insurance premium	161	107	136	111	64	212
Repair expenses	1,412	2,471	10,051	105	265	2,297
Property taxes	6,107	4,506	5,495	3,843	2,533	11,375
Other expenses	570	312	674	532	47	774
NOI ③ (①–②)	57,895	29,877	43,066	36,608	22,906	75,503
Depreciation ④	4,395	5,809	7,132	6,699	4,872	20,877
Property-related operating income (loss) ⑤ (③–④)	53,499	24,068	35,934	29,909	18,034	54,626
Capital expenditures ⑥	5,326	168	12,871	—	—	10,778
NCF ⑦ (③–⑥)	52,569	29,709	30,195	36,608	22,906	64,724

(Unit: JPY thousand)

Property no.	(Rt-02)	(Rt-04)	(Rd-01)	(Rd-02)	(Rd-03)	(Rd-04)
Property name	Musashi Fujisawa Tosei Building	Wako Building	T's garden Koenji	Live Akabane	Gekkocho Apartment	T's garden Kawasakidaishi
Total property-related operating revenue ①	72,186	70,875	52,445	55,489	35,998	36,830
Rent revenue – real estate	72,186	59,997	51,220	53,625	34,761	35,536
Other lease business revenue	—	10,877	1,225	1,863	1,236	1,294
Total property-related operating expenses ②	8,669	26,558	9,871	13,614	9,114	6,943
Management fee	1,080	9,816	3,685	5,312	2,831	2,579
Trust fee	300	300	300	300	300	300
Utilities expenses	—	10,443	482	837	296	272
Insurance premium	85	107	57	104	43	51
Repair expenses	1,521	2,830	1,452	2,903	2,431	758
Property taxes	5,660	2,970	3,016	3,405	2,143	1,923
Other expenses	22	88	875	752	1,068	1,058
NOI ③ (①–②)	63,516	44,316	42,574	41,874	26,884	29,887
Depreciation ④	9,010	8,657	5,962	4,531	4,234	5,522
Property-related operating income (loss) ⑤ (③–④)	54,506	35,659	36,611	37,342	22,649	24,364
Capital expenditures ⑥	2,250	2,241	253	14,347	1,338	1,234
NCF ⑦ (③–⑥)	61,266	42,075	42,321	27,527	25,545	28,653

(Unit: JPY thousand)

Property no.	(Rd-05)	(Rd-07)	(Rd-08)	(Rd-09)	(Rd-11)	(Rd-12)
Property name	Abitato Kamata	Avenir Shirotae	Dormitory Haramachida	SEA SCAPE Chiba Minato	T's garden Shinkoiwa	Twin Avenue
Total property-related operating revenue ①	29,683	37,778	30,166	123,352	26,061	65,552
Rent revenue – real estate	28,083	36,816	29,121	111,515	24,868	63,911
Other lease business revenue	1,599	961	1,044	11,837	1,193	1,641
Total property-related operating expenses ②	7,295	7,563	8,376	37,910	6,397	11,006
Management fee	2,741	2,974	2,730	9,991	2,578	3,564
Trust fee	300	300	300	300	300	300
Utilities expenses	618	876	720	11,643	631	880
Insurance premium	47	65	61	214	47	112
Repair expenses	1,128	701	1,376	4,835	1,096	1,327
Property taxes	1,555	2,051	2,478	8,888	1,461	4,580
Other expenses	904	594	709	2,037	282	240
NOI ③ (①–②)	22,387	30,214	21,790	85,442	19,664	54,545
Depreciation ④	3,390	7,191	6,242	24,822	2,852	5,243
Property-related operating income (loss) ⑤ (③–④)	18,997	23,023	15,547	60,619	16,811	49,302
Capital expenditures ⑥	472	1,051	—	2,115	1,007	1,682
NCF ⑦ (③–⑥)	21,915	29,163	21,790	83,326	18,656	52,863

(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	64,845	60,633	34,950	30,193	25,313	63,523
Rent revenue – real estate	61,065	58,637	33,459	29,868	24,445	60,977
Other lease business revenue	3,779	1,996	1,490	324	868	2,545
Total property-related operating expenses ②	17,410	13,745	9,316	6,473	7,404	11,791
Management fee	5,190	4,144	3,118	2,933	2,304	4,347
Trust fee	300	300	300	300	300	300
Utilities expenses	3,892	620	753	434	634	573
Insurance premium	105	132	63	63	44	98
Repair expenses	3,819	3,870	1,989	820	1,661	979
Property taxes	2,682	4,090	2,399	1,900	1,667	4,644
Other expenses	1,420	587	691	22	793	848
NOI ③ (①–②)	47,434	46,887	25,633	23,719	17,908	51,732
Depreciation ④	8,760	7,719	3,142	3,317	1,713	13,956
Property-related operating income (loss) ⑤ (③–④)	38,673	39,168	22,491	20,401	16,195	37,775
Capital expenditures ⑥	530	5,835	3,013	142	3,093	—
NCF ⑦ (③–⑥)	46,904	41,052	22,619	23,577	14,815	51,732

(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	38,323	29,589	27,439	42,052	119,372	41,918
Rent revenue – real estate	36,548	26,750	26,687	41,403	104,431	40,085
Other lease business revenue	1,774	2,839	751	649	14,940	1,833
Total property-related operating expenses ②	8,584	11,195	6,348	11,756	39,851	9,972
Management fee	3,694	2,653	2,352	4,027	10,075	3,866
Trust fee	300	300	300	300	300	300
Utilities expenses	722	1,928	739	638	12,690	519
Insurance premium	61	60	66	75	337	96
Repair expenses	1,434	3,933	816	2,009	5,809	2,351
Property taxes	2,106	1,594	1,799	1,611	8,734	2,374
Other expenses	264	724	274	3,093	1,903	464
NOI ③ (①–②)	29,739	18,394	21,090	30,296	79,520	31,946
Depreciation ④	2,649	2,904	3,812	4,231	20,664	5,414
Property-related operating income (loss) ⑤ (③–④)	27,089	15,489	17,278	26,064	58,856	26,531
Capital expenditures ⑥	1,840	2,863	378	289	9,947	324
NCF ⑦ (③–⑥)	27,898	15,530	20,712	30,007	69,573	31,621

(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	36,805	31,160	30,432	32,903	27,858	27,110
Rent revenue – real estate	35,873	30,117	30,061	30,986	27,045	25,712
Other lease business revenue	932	1,042	371	1,917	813	1,397
Total property-related operating expenses ②	10,786	9,001	8,843	9,804	7,234	10,670
Management fee	4,971	3,113	2,409	3,092	2,865	3,090
Trust fee	300	300	300	300	300	300
Utilities expenses	1,138	449	614	319	406	546
Insurance premium	117	57	80	77	65	76
Repair expenses	1,265	2,341	2,722	3,223	1,477	3,973
Property taxes	2,970	1,802	1,844	1,864	1,722	2,070
Other expenses	23	936	871	926	397	612
NOI ③ (①–②)	26,018	22,158	21,588	23,099	20,624	16,439
Depreciation ④	4,877	3,364	2,791	2,731	2,081	4,208
Property-related operating income (loss) ⑤ (③–④)	21,141	18,794	18,797	20,367	18,542	12,231
Capital expenditures ⑥	2,332	315	2,238	728	1,824	1,896
NCF ⑦ (③–⑥)	23,686	21,843	19,350	22,370	18,799	14,543

(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	Boulevard Maioka	T's garden Koiwa	T's garden Tsuzuki-fureainooka II
Total property-related operating revenue ①	18,459	15,828	40,705	33,647	18,005	21,649
Rent revenue – real estate	17,581	15,408	39,420	32,994	17,781	17,231
Other lease business revenue	878	420	1,284	652	224	4,418
Total property-related operating expenses ②	4,672	6,481	10,624	7,994	3,133	10,123
Management fee	1,567	2,088	3,546	2,772	1,604	2,100
Trust fee	300	300	300	300	300	300
Utilities expenses	322	337	584	294	252	3,200
Insurance premium	42	42	61	71	32	35
Repair expenses	963	2,377	2,075	1,657	148	2,108
Property taxes	1,032	1,070	2,586	2,571	696	1,152
Other expenses	444	266	1,470	326	99	1,226
NOI ③ (①–②)	13,787	9,346	30,081	25,653	14,872	11,526
Depreciation ④	3,141	2,040	4,861	3,337	2,010	1,354
Property-related operating income (loss) ⑤ (③–④)	10,645	7,306	25,219	22,315	12,861	10,171
Capital expenditures ⑥	245	7,588	2,333	1,434	160	370
NCF ⑦ (③–⑥)	13,542	1,758	27,748	24,218	14,712	11,156

(Unit: JPY thousand)

Property no.	(Rd-37)	(Rd-38)	(Rd-39)	(Rd-40)	(Rd-41)
Property name	Cerulean City	T's garden Koshigaya-Obukuro	T's garden Kajigaya	T's garden Tsuzuki-fureainooka	Green Star Heights
Total property-related operating revenue ①	43,774	35,613	24,092	27,674	24,331
Rent revenue – real estate	40,797	33,695	22,685	27,021	23,684
Other lease business revenue	2,977	1,917	1,406	653	647
Total property-related operating expenses ②	15,483	11,798	13,454	9,117	4,957
Management fee	4,389	3,838	2,070	3,083	2,504
Trust fee	300	300	300	300	300
Utilities expenses	3,065	1,278	432	1,439	247
Insurance premium	96	101	34	67	42
Repair expenses	2,882	2,868	5,419	1,738	523
Property taxes	2,596	2,542	1,335	2,119	1,285
Other expenses	2,153	868	3,862	368	54
NOI ③ (①–②)	28,291	23,814	10,637	18,557	19,374
Depreciation ④	5,146	3,524	1,984	2,103	1,702
Property-related operating income (loss) ⑤ (③–④)	23,144	20,289	8,652	16,454	17,671
Capital expenditures ⑥	1,528	135	305	—	—
NCF ⑦ (③–⑥)	26,763	23,679	10,332	18,557	19,374

(Unit: JPY thousand)

Property no.	Offices total	Retail facilities total	Residential properties total	Entire portfolio
Property name				
Total property-related operating revenue ①	1,607,080	268,634	1,561,569	3,437,285
Rent revenue – real estate	1,393,323	231,096	1,481,924	3,106,343
Other lease business revenue	213,757	37,538	79,645	330,941
Total property-related operating expenses ②	578,679	85,297	426,128	1,090,106
Management fee	170,897	18,498	136,803	326,200
Trust fee	5,100	900	11,700	17,700
Utilities expenses	199,314	37,951	56,335	293,602
Insurance premium	2,830	405	3,115	6,351
Repair expenses	44,735	6,650	85,272	136,657
Property taxes	134,504	20,006	98,375	252,886
Other expenses	21,296	885	34,525	56,707
NOI ③ (①–②)	1,028,401	183,337	1,135,440	2,347,179
Depreciation ④	185,889	38,545	199,545	423,980
Property-related operating income (loss) ⑤ (③–④)	842,511	144,791	935,894	1,923,198
Capital expenditures ⑥	169,158	15,270	75,195	259,624
NCF ⑦ (③–⑥)	859,242	168,066	1,060,244	2,087,554

(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 October 31, 2022. 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
Tama Center Tosei Building	Tama-shi, Tokyo	Update of absorption chiller and cold/hot water pump	From: November 2023 To: December 2023	76,000	—	—
Tama Center Tosei Building	Tama-shi, Tokyo	Refurbishment of common-use area	From: September 2022 To: November 2022	42,500	—	—
Shin Yokohama Center Building	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: February 2023 To: March 2023	16,400	—	—
Nishidai NC Building	Itabashi-ku, Tokyo	Update of chilling unit	From: April 2023 To: May 2023	19,400	—	—
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of air handling unit	From: March 2023 To: April 2023	69,000	—	—
Lumiere No. 3	Kawaguchi-shi, Saitama	Large-scale repair work	From: May 2022 To: November 2022	66,584	—	—

(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 October 31, 2022. Capital expenditures for the fiscal period under review amounted to JPY 259,624 thousand and, when combined with the JPY 136,657 thousand of repair expenses categorized under expenses for the fiscal period under review, the total amount of work implemented comes to JPY 396,282 thousand.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (JPY thousand)
Kannai Tosei Building II	Yokohama-shi, Kanagawa	Refurbishment of elevator	From: March 2022 To: May 2022	68,593
Kannai Tosei Building II	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: June 2022 To: July 2022	38,495
Inage Kaigan Building	Chiba-shi, Chiba	Renovation of multi-story parking lot	From: June 2022 To: June 2022	10,121
Live Akabane	Kita-ku, Tokyo	Replacement of heating equipment for hot water supply	From: July 2022 To: August 2022	14,236
Other				128,179
Total				259,624