

## (REIT) Financial Report for the Fiscal Period Ended April 30, 2020

June 15, 2020

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange  
 Securities Code: 3451 URL: <http://www.tosei-reit.co.jp/en/>  
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Scheduled date of commencement of cash distribution payment: July 8, 2020

Preparation of supplementary financial results briefing materials: Yes

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

(Amounts are rounded down to the nearest JPY million)

# 1. Status of Management and Assets for Fiscal Period Ended April 30, 2020 (November 1, 2019 – April 30, 2020)

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Ended Apr. 30, 2020	2,996	19.3	1,501	20.9	1,244	22.1	1,243	22.6
Ended Oct. 31, 2019	2,510	(8.6)	1,241	(16.7)	1,019	(20.0)	1,014	(17.5)

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	JPY	%	%	%
Ended Apr. 30, 2020	3,698	3.7	1.8	41.5
Ended Oct. 31, 2019	3,585	3.4	1.6	40.6

## (2) Cash Distributions

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Payout ratio	Ratio of cash distribution to net assets
	JPY	JPY million	JPY	JPY million	%	%
Ended Apr. 30, 2020	3,696	1,243	—	—	99.9	3.3
Ended Oct. 31, 2019	3,675	1,040	—	—	102.4	3.4

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

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

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

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

(Note 3) The difference between net income per unit and cash distribution per unit for the fiscal period ended October 31, 2019, is attributable to reversal of internal reserve.

## (3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Apr. 30, 2020	76,345	37,398	49.0	111,137
Ended Oct. 31, 2019	62,400	30,106	48.2	106,377

## (4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
Ended Apr. 30, 2020	1,546	(11,957)	12,136	7,540
Ended Oct. 31, 2019	1,534	(1,102)	(1,169)	5,815

2. Forecast for Management Status for Fiscal Period Ending October 31, 2020 (May 1, 2020 – October 31, 2020) and  
Forecast for Management Status for Fiscal Period Ending April 30, 2021 (November 1, 2020 – April 30, 2021)  
(% figures are the rate of period-on-period increase (decrease))

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Ending Oct. 31, 2020	3,040	1.5	1,453	(3.2)	1,172	(5.8)	1,171	(5.8)	3,520	—
Ending Apr. 30, 2021	3,009	(1.0)	1,450	(0.2)	1,180	0.7	1,179	0.7	3,520	—

(Reference) Forecast net income per unit for the fiscal period ending October 31, 2020, is JPY 3,440, and for the fiscal period ending April 30, 2021, is JPY 3,463 (assuming total number of investment units issued and outstanding at end of period of 340,505 units). There is a difference between forecast net income per unit and forecast cash distribution per unit since reversal of internal reserve is scheduled in the fiscal period ending October 31, 2020, and the fiscal period ending April 30, 2021.

\* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

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

Fiscal period ended April 30, 2020	336,505 units
Fiscal period ended October 31, 2019	283,015 units
Fiscal period ended April 30, 2020	0 units
Fiscal period ended October 31, 2019	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 25.

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

\* Special note

The outlook for management status and other forward-looking statements contained in this document is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the forecast for management status, please refer to “Assumptions for Outlook for Management Status for Fiscal Period Ending October 31, 2020 and Fiscal Period Ending April 30, 2021” 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.....	15
(5) Statement of Cash Flows.....	16
(6) Notes on Going Concern Assumption.....	17
(7) Notes on Matters Concerning Significant Accounting Policies.....	17
(8) Notes to Financial Statements.....	18
(9) Increase (Decrease) in Total Number of Investment Units Issued and Outstanding.....	27
3. Reference Information.....	28
(1) Information on Price of Assets under Management, etc. ....	28
(2) Status of Capital Expenditures.....	53

## 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 at the end of the fiscal period stands at 336,505 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 (11th Period: fiscal period ended April 30, 2020), the Japanese economy showed decrease in exports due to the impact of slowdown in overseas economies, and also showed decrease in domestic demand, such as private consumption and capital investment, due to the impact of the consumption tax hike, among other factors, but also showed signs of pick-up, such as in private consumption, as the impact of the consumption tax hike gradually waned. Recently, on the other hand, the Japanese economy is in an increasingly severe situation with significant change attributable to the impact of the spread of the novel coronavirus (COVID-19) in Japan and abroad.

In the real estate investment market, transaction prices continued to be in the high range, buoyed by aggressive investment demand from Japanese and overseas investors on the back of a favorable financing environment. However, the spread of COVID-19 casts uncertainty over the future.

In the real estate leasing market, for offices in the Tokyo metropolitan area (Note 1), particularly the Tokyo 5 central wards (Note 2), vacancy rates continued to hover at a low level and average rent continued to be on a slightly increasing trend. For rental housing, vacancy rates also hovered steadily at a low level and rent unit prices also maintained a high level. However, the leasing market is showing signs of stagnation as move-ins and move-outs are decreasing in number with the spread of COVID-19.

###### Management Performance:

Under such environment, as of the end of the fiscal period under review, Tosei Reit owns 49 properties with the total acquisition price (Note 3) of JPY 68,782 million and the occupancy rate of the assets under management is 97.7%.

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

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

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

(c) Overview of Fund Procurement

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

Tosei Reit conducted issuance of new investment units through public offering (52,000 units) with November 1, 2019, as the payment date and issuance of new investment units through third-party allotment (1,490 units) with November 27, 2019, as the payment date, and thereby procured JPY 7,088 million.

In addition, funds were procured through interest-bearing debt (a short-term loan of JPY 1,500 million as a bridge loan on November 5, 2019, and long-term loans of JPY 6,300 million on December 2, 2019) to allocate to part of the funds for the acquisition of real estate trust beneficiary rights to 12 properties and related expenses. Furthermore, a long-term loan of JPY 2,000 million was refinanced on November 29, 2019.

As of April 30, 2020, unitholders' capital was JPY 36,097 million and interest-bearing debt outstanding was JPY 35,500 million. At the end of the fiscal period under review, the ratio of interest-bearing debt to total assets (LTV) was 46.5%.

(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 2,996 million (up 19.3% period on period) and operating income of JPY 1,501 million (up 20.9% period on period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY 1,244 million (up 22.1% period on period) and net income of JPY 1,243 million (up 22.6% 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 3,696.

② Outlook for the Next Fiscal Period

The Japanese economy is likely to remain in a severe situation for the time being due to the impact of the spread of COVID-19 in Japan and abroad. So far, in the office, retail facility, and residential property leasing market of the Tokyo metropolitan area, vacancy rates remain at a low level and rent continues to rise albeit moderately. On the other hand, claims for reduction in amount or extension on payment of rent and other requests stemming from COVID-19 have also been received from some tenants, mainly retail tenants. At present, the view is that the adverse impact will be limited and the likelihood of the immediate impact of COVID-19 being significant is low. However, deterioration in the office leasing market could gradually emerge should further spread of COVID-19 cause corporate earnings to deteriorate and prolong economic stagnation. These call for the need for continued close attention to be paid to future economic developments.

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 highly advantageous real estate properties located in areas where acquisition competition is relatively low and where high yields can be expected or properties with strong potential regardless of the properties' age.

By leveraging one of the Sponsor's core competencies of good judgement, Tosei Reit acquires those real estate that can call for relatively high cap rate (Note 3) in terms of the area of location and building age of which are properties that can be expected to have high ability to attract tenants, strong rental demand, etc. over the medium to long term. Also, 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 that 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 1)

Tosei Reit manages assets totaling 49 properties and amounting to JPY 68,782 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 can be 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 2).

(Note 1) "Asset size" refers to the total amount of acquisition price as of the record date.

(Note 2) Tosei Reit concluded a sale and purchase contract for real estate trust beneficiary rights to Hachioji Tosei Building on May 13, 2020, and acquired the asset on May 29, 2020.

#### (c) Financial Strategy

At this point in time, given the Bank of Japan's monetary easing policy and the market interest rate trends, Tosei Reit has put forth efforts to lengthen maturities and fix interest rates. Going forward, Tosei Reit intends to continue to procure funds with fixed interest rates in principle (including interest rate swap agreements), taking into account the future risk of interest rate rise, 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 excluded.

#### (d) Outlook for Management Status for Fiscal Period Ending October 31, 2020 and Fiscal Period Ending April 30, 2021

Fiscal period	Operating revenue (JPY million)	Operating income (JPY million)	Ordinary income (JPY million)	Net income (JPY million)	Cash distribution per unit (not including cash distribution in excess of earnings) (JPY)	Cash distribution in excess of earnings per unit (JPY)
Ending Oct. 31, 2020	3,040	1,453	1,172	1,171	3,520	—
Ending Apr. 30, 2021	3,009	1,450	1,180	1,179	3,520	—

The outlook is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the outlook, please refer to "Assumptions for Outlook for Management Status for Fiscal Period Ending October 31, 2020 and Fiscal Period Ending April 30, 2021" on page 8.

## ③ Significant Subsequent Events

## (a) Acquisition of Asset

Tosei Reit concluded a sale and purchase contract concerning the acquisition of real estate trust beneficiary rights to the following property on May 13, 2020, and acquired the asset on May 29, 2020.

Type	Property no.	Property name	Location	Acquisition price (JPY million) (Note)
Office	O-15	Hachioji Tosei Building	Hachioji-shi, Tokyo	1,600

(Note) The sale and purchase price excluding trust beneficiary right transaction brokerage fees, property taxes, etc.

## (b) Debt Financing

Tosei Reit executed the following debt financing for allocation to a portion of the funds for the acquisition of real estate trust beneficiary rights as presented in “(a) Acquisition of Asset” earlier in this document, as well as related expenses.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
Mizuho Bank, Ltd.	400	Base rate (JBA 1 month JPY TIBOR) (Note 2) +0.200%	May 29, 2020	May 31, 2021	Lump-sum repayment on maturity date	Unsecured

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

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

Tosei Reit executed the following debt financing to repay JPY 2,400 million that matured on May 29, 2020.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. The Chiba Bank, Ltd.	2,400	1.11270% (fixed rate)	May 29, 2020	November 30, 2026	Lump-sum repayment on maturity date	Unsecured

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

## (c) Issuance of New Investment Units

Tosei Reit resolved, at its board of directors' meeting held on June 15, 2020, the following issuance of new investment units through third-party allotment.

(Issuance of new investment units through third-party allotment)

Number of new investment units issued:	4,000 units
Issue amount (paid-in amount):	JPY 104,900 per unit
Total issue amount (total paid-in amount):	JPY 419,600,000
Offering or allotment method:	By way of third-party allotment
Subscription date:	June 23, 2020
Payment date:	June 25, 2020
Allottee and number of units allotted:	Tosei Corporation 4,000 units

(Use of funds)

The funds are to be allocated to part of the funds for repayment of loans. The residual funds, if any, shall be retained as cash on hand to be allocated to part of the funds for acquisition of specified assets or part of the funds for repayment of loans in the future.

Assumptions for Outlook for Management Status for  
Fiscal Period Ending October 31, 2020 and Fiscal Period Ending April 30, 2021

Item	Assumptions		
Calculation period	<ul style="list-style-type: none"><li>• Fiscal period ending October 31, 2020 (12th Period): May 1, 2020 – October 31, 2020 (184 days)</li><li>• Fiscal period ending April 30, 2021 (13th Period): November 1, 2020 – April 30, 2021 (181 days)</li></ul>		
Assets under management	<ul style="list-style-type: none"><li>• It is assumed that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending April 30, 2021, to the real estate trust beneficiary rights owned by Tosei Reit as of the date of this document (50 properties in total) (the “Assets under Management”).</li><li>• In practice, there may be differences due to acquisition of new properties other than Assets under Management or sale of Assets under Management, etc.</li></ul>		
Operating revenue	<ul style="list-style-type: none"><li>• Rental revenues from Assets under Management are calculated taking into account lease agreements that are effective as of the date of this document, tenant and market trends, etc.</li><li>• For rental revenues, it is assumed that no rent payments will be behind or declined by tenants.</li><li>• Calculations are made by incorporating a certain degree of rent decrease and other impact of the spread of COVID-19.</li></ul>		
Operating expenses	<ul style="list-style-type: none"><li>• The following are the major items of operating expenses.</li></ul>		
		Fiscal period ending October 31, 2020	Fiscal period ending April 30, 2021
	Expenses related to rent business	JPY 1,313 million	JPY 1,284 million
	<i>Of which:</i> Management fee	JPY 292 million	JPY 293 million
	<i>[Of which:</i> Operational management costs	JPY 215 million	JPY 216 million)
	<i>[Of which:</i> Property management costs	JPY 76 million	JPY 76 million)
	Repair expenses	JPY 121 million	JPY 95 million
	Property taxes	JPY 219 million	JPY 230 million
	Depreciation	JPY 350 million	JPY 349 million
	Expenses other than expenses related to rent business	JPY 273 million	JPY 274 million
	<i>Of which:</i> Asset management fee	JPY 178 million	JPY 180 million
		<ul style="list-style-type: none"><li>• For expenditures for repair and maintenance (repair expenses) of buildings, the amount expected to be required in the fiscal period is assumed as expenses, based on the amount planned by the Asset Management Company, after considering the amount stated in the engineering report. However, the expenditure for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise urgently due to damages to buildings and such caused by unexpected factors, and because the variance in amounts generally tends to be significant from year to year and repair maintenance expenses do not arise regularly.</li><li>• For property taxes, upon transactions of real estate and other properties, it is a general practice to calculate and reimburse the pro rata portion of fixed asset taxes, city planning taxes and other public charges based on the number of days of ownership to the previous owner and settle them at the time of acquisition. However, the settled amount is included in the acquisition cost and is not recorded as expenses at the time of acquisition by Tosei Reit. Therefore, concerning the asset acquired in the 12th Period totaling 1 property that was acquired on May 29, 2020, fixed asset taxes, city planning taxes and other public charges in fiscal 2020 will not be recorded as expenses in the fiscal period ending October 31, 2020. The total of fixed asset taxes, city planning taxes and other public charges for the asset acquired in the 12th Period to be included in the acquisition cost is assumed to be JPY 6 million (equivalent to that for 217 days).</li></ul>	
NOI	<ul style="list-style-type: none"><li>• NOI for the entire portfolio is assumed to be JPY 2,077 million for the fiscal period ending October 31, 2020 (12th Period), and JPY 2,075 million for the fiscal period ending April 30, 2021 (13th Period).</li><li>• NOI is calculated by using the following formula. NOI = Property-related operating revenue — Property-related operating expenses + Depreciation</li></ul>		
Non-operating expenses	<ul style="list-style-type: none"><li>• Amortization of expenses for the issuance of investment units is assumed to be JPY 13 million for the fiscal period ending October 31, 2020, and JPY 10 million for the fiscal period ending April 30, 2021.</li><li>• Interest expenses and borrowing-related expenses are assumed to be JPY 267 million for the fiscal period ending October 31, 2020, and JPY 260 million for the fiscal period ending April 30, 2021. Among the borrowing-related expenses, JPY 80 million for the fiscal period ending October 31, 2020, and JPY 76 million for the fiscal period ending April 30, 2021, are assumed to be the amounts to be amortized in accordance with the borrowing periods.</li></ul>		



Item	Assumptions
Debt financing	<ul style="list-style-type: none"> <li>• Debt outstanding as of the date of this document is JPY 35,900 million. Debt outstanding is scheduled to become JPY 35,500 million due to prepayment of some loans by the end of the fiscal period ending October 31, 2020, and it is assumed that there will be no changes other than this through the end of the fiscal period ending April 30, 2021.</li> <li>• LTV is assumed to be 46.3% as of the end of the fiscal period ending October 31, 2020 (12th Period), and 46.3% as of the end of the fiscal period ending April 30, 2021 (13th Period).</li> <li>• LTV is calculated by using the following formula.  <math display="block">LTV = \text{Total interest-bearing debt} \div \text{Total assets} \times 100</math> </li> </ul>
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> <li>• It is assumed that the total number of investment units issued and outstanding will be 340,505 units (the total number of investment units issued and outstanding as of the date of this document of 336,505 units, plus the 4,000 units scheduled to be issued through the third-party allotment resolved at the board of directors' meeting held on June 15, 2020), and that there will be no changes to this number due to additional issuance of new investment units and such through the end of the fiscal period ending April 30, 2021.</li> <li>• Cash distribution per unit is calculated using the forecast total number of investment units issued and outstanding at the end of the fiscal period ending October 31, 2020, and the fiscal period ending April 30, 2021 (340,505 units).</li> </ul>
Cash distribution per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> <li>• Cash distribution per unit is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation.</li> <li>• It is assumed that almost the entire amount of unappropriated retained earnings will be distributed, excluding the portion where cash distribution per unit would be less than JPY 1.</li> <li>• Reversal of internal reserve is expected in the amount of JPY 27 million for the fiscal period ending October 31, 2020, and JPY 19 million for the fiscal period ending April 30, 2021.</li> <li>• It is possible that the cash distribution per unit (not including cash distribution in excess of earnings) could change due to various factors, including changes in Assets under Management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs, etc.</li> </ul>
Cash distribution in excess of earnings per unit	<ul style="list-style-type: none"> <li>• Tosei Reit does not currently anticipate cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption revisions will not be made to laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan ("The Investment Trusts Association") that impact forecast figures.</li> <li>• Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends and real estate market conditions, etc.</li> </ul>

## (2) Investment Risk

Of "Investment Risks" in the securities report (submitted on January 30, 2020), "(ウ) Risks of being affected by infectious disease, epidemic, etc." has been added to "(4) Risks relating to real estate and trust beneficiary rights." The content of the concerned risks is as follows:

### (ウ) Risks of being affected by infectious disease, epidemic, etc.

An outbreak in Japan or abroad of infectious disease, epidemic, etc., such as severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), novel coronavirus (COVID-19), and other external factors could hinder the normal operation, management, etc. of real estate, and cause the revenue-generating potential of real estate to decline due to decrease in visitors, etc., and thereby result in adverse impact on Tosei Reit's revenues, etc.

## 2. Financial Statements

## (1) Balance Sheet

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	1,255,860	2,463,231
Cash and deposits in trust	4,559,324	5,077,584
Operating accounts receivable	10,614	15,993
Prepaid expenses	130,471	201,373
Consumption taxes receivable	—	161,633
Other	701	—
Total current assets	5,956,972	7,919,816
Non-current assets		
Property, plant and equipment		
Buildings in trust	16,192,672	19,051,682
Accumulated depreciation	(1,731,092)	(2,038,732)
Buildings in trust, net	14,461,579	17,012,949
Structures in trust	171,247	185,380
Accumulated depreciation	(44,110)	(49,110)
Structures in trust, net	127,136	136,270
Machinery and equipment in trust	307,063	338,278
Accumulated depreciation	(112,282)	(126,520)
Machinery and equipment in trust, net	194,781	211,758
Tools, furniture and fixtures in trust	178,116	223,105
Accumulated depreciation	(52,956)	(66,342)
Tools, furniture and fixtures in trust, net	125,160	156,762
Land in trust	40,378,496	49,650,945
Total property, plant and equipment	55,287,154	67,168,685
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	253,654	342,254
Deferred tax assets	—	17
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	263,654	352,271
Total non-current assets	56,420,437	68,390,585
Deferred assets		
Investment unit issuance expenses	23,516	35,093
Total deferred assets	23,516	35,093
Total assets	62,400,925	76,345,496

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	91,879	178,680
Current portion of long-term loans payable	4,400,000	4,800,000
Accounts payable – other	119,106	141,637
Income taxes payable	605	956
Accrued consumption taxes	77,376	12,997
Advances received	416,768	489,103
Other	37,805	316,487
Total current liabilities	5,143,540	5,939,862
Non-current liabilities		
Long-term loans payable	24,800,000	30,700,000
Tenant leasehold and security deposits in trust	2,350,980	2,307,265
Total non-current liabilities	27,150,980	33,007,265
Total liabilities	32,294,520	38,947,127
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	29,009,048	36,097,061
Deduction from unitholders' capital		
Reserve for temporary difference adjustments	*2 (1,132)	*2 —
Total deduction from unitholders' capital	(1,132)	—
Unitholders' capital, net	29,007,916	36,097,061
Surplus		
Unappropriated retained earnings (undisposed loss)	1,098,661	1,301,306
Total surplus	1,098,661	1,301,306
Total unitholders' equity	30,106,578	37,398,368
Valuation and translation adjustments		
Deferred gains or losses on hedges	(172)	—
Total valuation and translation adjustments	(172)	—
Total net assets	*1 30,106,405	*1 37,398,368
Total liabilities and net assets	62,400,925	76,345,496

## (2) Statement of Income

(Unit: JPY thousand)

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Operating revenue		
Rent revenue – real estate	*1 2,266,387	*1 2,721,172
Other lease business revenue	*1 244,555	*1 275,128
Total operating revenue	2,510,942	2,996,301
Operating expenses		
Expenses related to rent business	*1 1,049,229	*1 1,240,112
Asset management fee	149,066	167,788
Asset custody fee	2,869	2,865
Administrative service fees	14,853	19,145
Directors' compensations	2,460	2,460
Other operating expenses	50,538	62,565
Total operating expenses	1,269,017	1,494,936
Operating income	1,241,925	1,501,364
Non-operating income		
Interest income	28	32
Insurance claim income	—	901
Interest on refund	418	—
Miscellaneous income	214	162
Total non-operating income	661	1,096
Non-operating expenses		
Interest expenses	137,141	161,790
Borrowing related expenses	74,508	84,936
Other	11,239	10,932
Total non-operating expenses	222,889	257,659
Ordinary income	1,019,697	1,244,801
Income before income taxes	1,019,697	1,244,801
Income taxes – current	605	961
Income taxes – deferred	4,377	(17)
Total income taxes	4,982	943
Net income	1,014,714	1,243,857
Retained earnings brought forward	83,947	57,449
Unappropriated retained earnings (undisposed loss)	1,098,661	1,301,306

## (3) Statement of Unitholders' Equity

10th Period (from May 1, 2019 to October 31, 2019)

(Unit: JPY thousand)

	Unitholders' equity				
	Unitholders' capital				Surplus
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)
		Reserve for temporary difference adjustments	Total deduction from unitholders' capital		
Balance at beginning of current period	29,009,048	(2,344)	(2,344)	29,006,704	1,231,936
Changes of items during period					
Dividends of surplus					(1,146,776)
Reversal of reserve for temporary difference adjustments		1,211	1,211	1,211	(1,211)
Net income					1,014,714
Net changes of items other than unitholders' equity					
Total changes of items during period	—	1,211	1,211	1,211	(133,274)
Balance at end of current period	*1 29,009,048	(1,132)	(1,132)	29,007,916	1,098,661

(Unit: JPY thousand)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total surplus				
Balance at beginning of current period	1,231,936	30,238,640	(1,175)	(1,175)	30,237,465
Changes of items during period					
Dividends of surplus	(1,146,776)	(1,146,776)			(1,146,776)
Reversal of reserve for temporary difference adjustments	(1,211)	—			—
Net income	1,014,714	1,014,714			1,014,714
Net changes of items other than unitholders' equity			1,002	1,002	1,002
Total changes of items during period	(133,274)	(132,062)	1,002	1,002	(131,060)
Balance at end of current period	1,098,661	30,106,578	(172)	(172)	30,106,405

## 11th Period (from November 1, 2019 to April 30, 2020)

(Unit: JPY thousand)

	Unitholders' equity				
	Unitholders' capital				Surplus
	Unitholders' capital	Deduction from unitholders' capital	Total deduction from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)
		Reserve for temporary difference adjustments			
Balance at beginning of current period	29,009,048	(1,132)	(1,132)	29,007,916	1,098,661
Changes of items during period					
Issuance of new investment units	7,088,013			7,088,013	
Dividends of surplus					(1,040,080)
Reversal of reserve for temporary difference adjustments		1,132	1,132	1,132	(1,132)
Net income					1,243,857
Net changes of items other than unitholders' equity					
Total changes of items during period	7,088,013	1,132	1,132	7,089,145	202,644
Balance at end of current period	*1 36,097,061	—	—	36,097,061	1,301,306

(Unit: JPY thousand)

	Unitholders' equity		Valuation and translation adjustments		Total net assets
	Surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total surplus				
Balance at beginning of current period	1,098,661	30,106,578	(172)	(172)	30,106,405
Changes of items during period					
Issuance of new investment units		7,088,013			7,088,013
Dividends of surplus	(1,040,080)	(1,040,080)			(1,040,080)
Reversal of reserve for temporary difference adjustments	(1,132)	—			—
Net income	1,243,857	1,243,857			1,243,857
Net changes of items other than unitholders' equity			172	172	172
Total changes of items during period	202,644	7,291,790	172	172	7,291,963
Balance at end of current period	1,301,306	37,398,368	—	—	37,398,368

## (4) Statement of Cash Distributions

(Unit: JPY)

Item	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
I. Unappropriated retained earnings	1,098,661,743	1,301,306,664
II. Incorporation into unitholders' capital	1,132,060	—
Out of which, reversal of reserve for temporary difference adjustments	1,132,060	—
III. Amount of cash distribution	1,040,080,125	1,243,722,480
[Amount of cash distribution per investment unit]	(3,675)	(3,696)
IV. Retained earnings carried forward	57,449,558	57,584,184
Method of calculating the amount of cash distribution	Cash distribution per investment unit for the fiscal period under review is JPY 3,675 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 the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the net income portion of the amount remained after subtracting reversal amount of reserve for temporary difference adjustments from 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. Adding 90 yen per investment unit from retained earnings brought forward, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,675.	Cash distribution per investment unit for the fiscal period under review is JPY 3,696 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 3,696.

## (5) Statement of Cash Flows

(Unit: JPY thousand)

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Cash flows from operating activities		
Income before income taxes	1,019,697	1,244,801
Depreciation	292,603	340,264
Borrowing related expenses	74,508	84,936
Interest income	(28)	(32)
Interest expenses	137,141	161,790
Decrease (increase) in operating accounts receivable	2,573	(5,379)
Decrease (increase) in consumption taxes refund receivable	119,462	(161,633)
Increase (decrease) in accrued consumption taxes	65,833	(64,379)
Decrease (increase) in prepaid expenses	30,259	(48,886)
Increase (decrease) in operating accounts payable	(8,381)	55,700
Increase (decrease) in accounts payable – other	(12,837)	22,531
Increase (decrease) in advances received	21,928	72,334
Other, net	(19,122)	6,511
Subtotal	1,723,637	1,708,559
Interest income received	28	32
Interest expenses paid	(140,087)	(161,790)
Income taxes paid	(48,848)	(605)
Net cash provided by (used in) operating activities	1,534,730	1,546,195
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(231,691)	(12,190,694)
Purchase of intangible assets in trust	(869,627)	—
Proceeds from tenant leasehold and security deposits in trust	91,223	286,718
Repayments of tenant leasehold and security deposits in trust	(92,277)	(53,331)
Net cash provided by (used in) investing activities	(1,102,372)	(11,957,308)
Cash flows from financing activities		
Proceeds from short-term loans payable	—	1,500,000
Decrease in short-term loans payable	—	(1,500,000)
Proceeds from long-term loans payable	1,176,817	8,111,320
Repayments of long-term loans payable	(1,200,000)	(2,000,000)
Proceeds from issuance of investment units	—	7,065,502
Dividends paid	(1,146,776)	(1,040,080)
Net cash provided by (used in) financing activities	(1,169,959)	12,136,742
Net increase (decrease) in cash and cash equivalents	(737,600)	1,725,630
Cash and cash equivalents at beginning of period	6,552,786	5,815,185
Cash and cash equivalents at end of period	*1 5,815,185	*1 7,540,815



## (6) Notes on Going Concern Assumption

Not applicable.

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

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is adopted. The useful life of principal property, plant and equipment is as follows:</p> <table> <tr> <td>Buildings</td><td>2-64 years</td></tr> <tr> <td>Structures</td><td>2-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>2-35 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2-27 years</td></tr> </table> <p>(2) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2-64 years	Structures	2-60 years	Machinery and equipment	2-35 years	Tools, furniture and fixtures	2-27 years
Buildings	2-64 years								
Structures	2-60 years								
Machinery and equipment	2-35 years								
Tools, furniture and fixtures	2-27 years								
2. Treatment of deferred assets	<p>Investment unit issuance expenses Equally amortized over a period of 3 years.</p>								
3. Standards for revenue and expense recognition	<p>Accounting for fixed asset tax, etc. Accounting for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as real estate rent expenses. Reimbursement of fixed asset tax, etc. in the fiscal year that includes the acquisition date paid to the seller upon acquisition of real estate, etc. is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc.</p>								
4. Hedge accounting	<p>(1) Hedge accounting approach for deferred hedges, etc. Deferral hedge accounting is adopted. (2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on loans (3) Hedging policy Tosei Reit conducts derivative transactions for the purpose of hedging the risks provided in the Articles of Incorporation pursuant to the financial policy. (4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative change in cash flows of the hedging instruments with the cumulative change in cash flows of the hedged items and verifying the ratio of the amount of change in the two.</p>								
5. Scope of funds in the statement of cash flows (cash and cash equivalents)	<p>The funds in the statement of cash flows (cash and cash equivalents) consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.</p>								
6. Other significant matters serving as basis for preparation of financial statements	<p>(1) Accounting for trust beneficiary rights that have real estate, etc. as assets in trust Concerning trust beneficiary rights that have real estate, etc. as assets in trust held, all accounts of assets and liabilities within assets in trust as well as all accounts of revenue and expenses from the assets in trust are recognized in the relevant account item of the balance sheet and the statement of income. The following material items of the assets in trust recognized in the relevant account item are separately listed on the balance sheet. ① Cash and deposits in trust ② Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; and land in trust ③ Land leasehold interests in trust ④ Tenant leasehold and security deposits in trust (2) Accounting method for consumption tax, etc. Consumption tax and local consumption tax are accounted for by excluding from transaction amounts. However, non-deductible consumption tax on non-current assets, etc. is included in the cost of acquisition of the respective non-current assets, etc.</p>								

## (8) Notes to Financial Statements

[Notes to Balance Sheet]

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

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
	50,000	50,000

## \*2 Reserve for temporary difference adjustments

10th Period (from May 1, 2019 to October 31, 2019)

## 1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at beginning of 10th Period	Reserve set aside during period	Reversal during period	Balance at end of 10th Period	Reason for reversal
Deferred gains or losses on hedges	Loss on interest-rate swaps	31,234	2,344	—	(1,211)	1,132	Change in fair value of derivative transactions

## 2. Method of reversal

Deferred gains or losses on hedges

Based on changes in the fair value of derivative transactions used as hedging instruments, the corresponding amount is scheduled to be reversed.

11th Period (from November 1, 2019 to April 30, 2020)

## 1. Reasons, related assets and amounts

(Unit: JPY thousand)

Related assets, etc.	Reason	Initial amount	Balance at beginning of 11th Period	Reserve set aside during period	Reversal during period	Balance at end of 11th Period	Reason for reversal
Deferred gains or losses on hedges	Loss on interest-rate swaps	31,234	1,132	—	(1,132)	—	Change in fair value of derivative transactions

## 2. Method of reversal

Deferred gains or losses on hedges

Based on changes in the fair value of derivative transactions used as hedging instruments, the corresponding amount is reversed.

## [Notes to Statement of Income]

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

(Unit: JPY thousand)

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
<b>A. Property-related operating revenue</b>		
Rent revenue – real estate		
Rental income	1,947,579	2,350,858
Common area maintenance income	211,659	241,164
Parking income	82,298	101,789
Other rental income	24,849	27,359
<b>Total</b>	<b>2,266,387</b>	<b>2,721,172</b>
Other lease business revenue		
Utilities reimbursement	197,272	208,755
Other income	47,282	66,372
<b>Total</b>	<b>244,555</b>	<b>275,128</b>
<b>Total property-related operating revenue</b>	<b>2,510,942</b>	<b>2,996,301</b>
<b>B. Property-related operating expenses</b>		
Expenses related to rent business		
Management fee	232,056	281,197
Trust fee	11,363	14,547
Utilities expenses	203,793	213,720
Insurance premium	4,422	5,164
Repair expenses	87,913	128,076
Property taxes	176,347	200,601
Depreciation	292,603	340,264
Other expenses	40,727	56,540
<b>Total property-related operating expenses</b>	<b>1,049,229</b>	<b>1,240,112</b>
<b>C. Property-related operating income (loss) (A–B)</b>	<b>1,461,713</b>	<b>1,756,188</b>

## [Notes to Statement of Unitholders' Equity]

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

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	283,015 units	336,505 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)

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Cash and deposits	1,255,860	2,463,231
Cash and deposits in trust	4,559,324	5,077,584
Cash and cash equivalents	5,815,185	7,540,815

## [Notes on Lease Transactions]

Operating lease transactions (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
Due within 1 year	532,576	364,833
Due after 1 year	49,156	152,453
Total	581,733	517,287

## [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.  
10th Period (as of October 31, 2019)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	1,255,860	1,255,860	—
(2) Cash and deposits in trust	4,559,324	4,559,324	—
Total assets	5,815,185	5,815,185	—
(3) Current portion of long-term loans payable	4,400,000	4,400,000	—
(4) Long-term loans payable	24,800,000	24,921,220	121,220
Total liabilities	29,200,000	29,321,220	121,220
(5) Derivative transactions*	(172)	(172)	—

(\*) Assets and liabilities arising from derivative transactions are offset and presented in the net amount, with the balance shown in parentheses ( ) when in a net liability position.

11th Period (as of April 30, 2020)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Cash and deposits	2,463,231	2,463,231	—
(2) Cash and deposits in trust	5,077,584	5,077,584	—
Total assets	7,540,815	7,540,815	—
(3) Current portion of long-term loans payable	4,800,000	4,800,000	—
(4) Long-term loans payable	30,700,000	30,756,141	56,141
Total liabilities	35,500,000	35,556,141	56,141

(Note 1) Method of calculating the fair value of financial instruments, and notes on derivative transactions

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

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

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

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

(5) Derivative transactions

Please refer to “Notes on Derivative Transactions” later in this document.

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

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

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
Tenant leasehold and security deposits in trust	2,384,917	2,618,304

(\*) The amount includes current portion of tenant leasehold and security deposits in trust (JPY 33,937 thousand for the 10th Period; JPY 311,038 thousand for the 11th Period).

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts  
10th Period (as of October 31, 2019)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	1,255,860	—	—	—	—	—
Cash and deposits in trust	4,559,324	—	—	—	—	—
Total	5,815,185	—	—	—	—	—

11th Period (as of April 30, 2020)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	2,463,231	—	—	—	—	—
Cash and deposits in trust	5,077,584	—	—	—	—	—
Total	7,540,815	—	—	—	—	—

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts  
10th Period (as of October 31, 2019)

(Unit: JPY thousand)

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

11th Period (as of April 30, 2020)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Long-term loans payable	4,800,000	5,600,000	6,400,000	5,200,000	6,200,000	7,300,000
Total	4,800,000	5,600,000	6,400,000	5,200,000	6,200,000	7,300,000

#### [Notes on Derivative Transactions]

##### 1. Derivative transactions to which hedge accounting is not applied

10th Period (as of October 31, 2019)

Not applicable.

11th Period (as of April 30, 2020)

Not applicable.

## 2. Derivative transactions to which hedge accounting is applied

10th Period (as of October 31, 2019)

The following is the contract amount or amount equivalent to the principal provided in the contract as of the date of settlement of accounts for each hedge accounting approach.

(Unit: JPY thousand)

Hedge accounting approach	Type, etc. of derivative transaction	Main hedged item	Contract amount, etc. (Note 1)		Fair value (Note 2)
				Of which, due after 1 year	
Principle accounting	Interest rate swap transaction Pay fixed Receive floating	Interest on long-term loans	2,000,000	—	(172)

(Note 1) Contract amount, etc. is based on notional principal.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

11th Period (as of April 30, 2020)

Not applicable.

## [Notes on Tax-Effect Accounting]

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

(Unit: JPY thousand)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
[Deferred tax assets]		
Non-deductible accrued enterprise tax	—	17
Deferred losses on hedges	54	—
Subtotal	54	17
Valuation allowance	(54)	—
Total deferred tax assets	—	17
Net deferred tax assets	—	17

## 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: %)

	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)
Statutory tax rate	31.51	31.46
[Adjustments]		
Deductible cash distribution payable	(31.12)	(31.43)
Other	0.10	0.05
Effective income tax rate after application of tax-effect accounting	0.49	0.08

## [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)

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Carrying amount (Note 1)		
Balance at beginning of period	55,335,436	56,156,782
Amount of increase (decrease) during period (Note 2)	821,345	11,881,531
Balance at end of period	56,156,782	68,038,313
Fair value at end of period (Note 3)	65,045,000	77,822,000

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

(Note 2) For the 10th Period, the amount of increase is mainly attributable to acquisition of T's garden Ojima (JPY 1,034,680 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 292,603 thousand). For the 11th Period, the amount of increase is mainly attributable to acquisition of properties, including Kannai Wise Building, totaling 12 properties (JPY 12,099,194 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 340,264 thousand).

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

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

## [Notes on Segment Information]

## Segment Information

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

## (Related Information)

10th Period (from May 1, 2019 to October 31, 2019)

## 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	296,074	Real estate lease business



11th Period (from November 1, 2019 to April 30, 2020)

1. Information on products and services

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

2. Information on regions

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	323,441	Real estate lease business

[Notes on Per Unit Information]

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Net assets per unit	JPY 106,377	JPY 111,137
Net income per unit	JPY 3,585	JPY 3,698

(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.

	10th Period (From: May 1, 2019 To: Oct. 31, 2019)	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)
Net income (JPY thousand)	1,014,714	1,243,857
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	1,014,714	1,243,857
Average number of investment units during period (units)	283,015	336,292

## [Notes on Significant Subsequent Events]

## 1. Acquisition of Asset

Tosei Reit concluded a sale and purchase contract concerning the acquisition of real estate trust beneficiary rights to the following property on May 13, 2020, and acquired the asset on May 29, 2020.

Property name	Type of asset	Acquisition price (JPY million) (Note)	Seller	Acquisition date
Hachioji Tosei Building	Trust beneficiary right	1,600	Tosei Corporation	May 29, 2020

(Note) The sale and purchase price excluding trust beneficiary right transaction brokerage fees, property taxes, etc.

## 2. Debt Financing

Tosei Reit executed the following debt financing for allocation to a portion of the funds for the acquisition of real estate trust beneficiary rights as presented in “1. Acquisition of Asset” earlier in this document, as well as related expenses.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
Mizuho Bank, Ltd.	400	Base rate (JBA 1 month JPY TIBOR) (Note 2) +0.200%	May 29, 2020	May 31, 2021	Lump-sum repayment on maturity date	Unsecured

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

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

Tosei Reit executed the following debt financing to repay JPY 2,400 million that matured on May 29, 2020.

Lender	Loan amount (JPY million)	Interest rate	Drawdown date	Maturity date	Repayment method	Security
MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. The Chiba Bank, Ltd.	2,400	1.11270% (fixed rate)	May 29, 2020	November 30, 2026	Lump-sum repayment on maturity date	Unsecured

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

## 3. Issuance of New Investment Units

Tosei Reit resolved, at its board of directors' meeting held on June 15, 2020, the following issuance of new investment units through third-party allotment.

(Issuance of new investment units through third-party allotment)

Number of new investment units issued:	4,000 units
Issue amount (paid-in amount):	JPY 104,900 per unit
Total issue amount (total paid-in amount):	JPY 419,600,000
Offering or allotment method:	By way of third-party allotment
Subscription date:	June 23, 2020
Payment date:	June 25, 2020
Allottee and number of units allotted:	Tosei Corporation 4,000 units

(Use of funds)

The funds are to be allocated to part of the funds for repayment of loans. The residual funds, if any, shall be retained as cash on hand to be allocated to part of the funds for acquisition of specified assets or part of the funds for repayment of loans in the future.

[Omission of disclosure]

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

(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 11)		Unitholders' capital (JPY million) (Note 12)		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)

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

### 3. Reference Information

#### (1) Information on Price of Assets under Management, etc.

##### (a) Investment Status

The following is an overview of the investment status as of the date of Tosei Reit's settlement of accounts (April 30, 2020). 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	11th Period (As of April 30, 2010)	
			Total amount held (JPY million) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate trust beneficiary rights	Tokyo metropolitan area	Offices	29,885	39.1
		Retail facilities	5,811	7.6
		Residential properties	32,341	42.4
	Major regional cities (Note 1)	—	—	—
	Total		68,038	89.1
Deposits and other assets			8,307	10.9
Total assets (Note 2)			76,345	100.0
Total liabilities (Note 2)			38,947	51.0
Total net assets (Note 2)			37,398	49.0

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

(Note 2) "Total amount held," "Total assets," "Total liabilities" and "Total net assets" are the amounts based on the carrying amounts (depreciated book value in the case of real estate trust beneficiary rights) as of April 30, 2020, in accordance with the asset valuation method provided in the Articles of Incorporation.

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

## (2) Investment Assets

## (a) Overview of Assets under Management

The following is the type, property name, location, acquisition price, investment ratio, real estate appraisal value, etc. and acquisition date of assets under management as of the date of Tosei Reit's settlement of accounts (April 30, 2020). 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	4.9	3,810	November 28, 2014
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	3.0	2,770	November 28, 2014
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	2.7	2,680	November 28, 2014
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	6.0	4,640	November 17, 2015
	O-05	Nishi Kasai Tosei Building	Edogawa-ku, Tokyo	1,710	2.5	2,060	November 17, 2015
	O-06	Shin Yokohama Center Building	Yokohama-shi, Kanagawa	1,364	2.0	1,810	November 17, 2015
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	2.2	1,800	August 31, 2016
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	3.5	2,910	November 2, 2016
	O-09	Hakusan Asanomi Building	Bunkyo-ku, Tokyo	1,380	2.0	1,680	November 2, 2016
	O-10	Chojamachi Duo Building	Yokohama-shi, Kanagawa	1,300	1.9	1,430	November 2, 2017
	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800	5.5	4,020	November 2, 2018
	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650	3.9	2,760	November 2, 2018
	O-13	Kannai Wise Building	Yokohama-shi, Kanagawa	2,050	3.0	2,170	December 2, 2019
	O-14	Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	880	1.3	910	November 5, 2019
	Subtotal			—	30,349	44.1	35,450
Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	3.5	2,750	November 28, 2014
	Rt-02	Musashi Fujisawa Tosei Building	Iruma-shi, Saitama	1,950	2.8	2,190	November 17, 2015
	Rt-03	Selection Hatsutomi	Kamagaya-shi, Chiba	310	0.5	364	November 2, 2016
	Rt-04	Wako Building	Chiba-shi, Chiba	1,400	2.0	1,410	November 2, 2017
	Subtotal			—	6,040	8.8	6,714
Offices and retail facilities combined subtotal			—	36,389	52.9	42,164	—
Residential properties	Rd-01	T's garden Koenji	Suginami-ku, Tokyo	1,544	2.2	2,040	November 28, 2014
	Rd-02	Live Akabane	Kita-ku, Tokyo	1,227	1.8	1,550	November 28, 2014
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	1.5	1,230	November 28, 2014
	Rd-04	T's garden Kawasakidaishi	Kawasaki-shi, Kanagawa	980	1.4	1,140	November 28, 2014
	Rd-05	Abitato Kamata	Ota-ku, Tokyo	836	1.2	932	November 28, 2014
	Rd-07	Avenir Shirotae	Yokohama-shi, Kanagawa	780	1.1	962	November 28, 2014
	Rd-08	Dormitory Haramachida	Machida-shi, Tokyo	600	0.9	754	November 28, 2014
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	4.1	3,180	November 17, 2015
	Rd-10	Prime Garden	Kamagaya-shi, Chiba	600	0.9	626	November 2, 2016
	Rd-11	T's garden Shinkoiwa	Katsushika-ku, Tokyo	670	1.0	746	November 2, 2016
	Rd-12	Twin Avenue	Nerima-ku, Tokyo	1,880	2.7	2,010	November 2, 2017
	Rd-13	Milestone Higashikurume	Higashikurume-shi, Tokyo	1,650	2.4	1,730	November 2, 2017
	Rd-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	2.1	1,570	November 2, 2017

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-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.3	878	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	1.0	748	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	0.9	622	November 2, 2017
	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812	2.6	1,860	November 2, 2018
	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090	1.6	1,170	November 2, 2018
	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740	1.1	794	November 2, 2018
	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600	0.9	653	November 2, 2018
	Rd-22	T's garden Ojima	Koto-ku, Tokyo	1,020	1.5	1,080	May 24, 2019
	Rd-23	T's garden Kitakashiwa	Kashiwa-shi, Chiba	2,770	4.0	2,850	December 2, 2019
	Rd-24	Century Urawa	Saitama-shi, Saitama	980	1.4	1,050	November 5, 2019
	Rd-25	T's garden Nagayama	Tama-shi, Tokyo	850	1.2	889	November 5, 2019
	Rd-26	Grandeur Fujimino	Fujimi-shi, Saitama	822	1.2	839	November 5, 2019
	Rd-27	T's garden Hitotsubashi-gakuen	Kodaira-shi, Tokyo	760	1.1	794	November 5, 2019
	Rd-28	T's garden Warabi II	Kawaguchi-shi, Saitama	750	1.1	808	November 5, 2019
	Rd-29	T's garden Warabi III	Kawaguchi-shi, Saitama	655	1.0	695	November 5, 2019
	Rd-30	T's garden Kashiwa	Kashiwa-shi, Chiba	595	0.9	628	November 5, 2019
	Rd-31	Suning Kitamatsudo	Matsudo-shi, Chiba	482	0.7	504	November 5, 2019
	Rd-32	T's garden Tanashi	Nishitokyo-shi, Tokyo	310	0.5	326	November 5, 2019
	Subtotal		—	32,393	47.1	35,658	—
	Total		—	68,782	100.0	77,822	—

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

(Note 2) Appraisal of the property is entrusted to Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. "Real estate appraisal value, etc." is the appraisal value stated in the real estate appraisal report or investigation report ("real estate appraisal report, etc.") with April 30, 2020 as the effective date of the appraisal (date of value). The same applies hereinafter.

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

## (b) Portfolio Composition

The following presents the portfolio composition as of the date of Tosei Reit's settlement of accounts (April 30, 2020) 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	14	30,349	44.1
Retail facilities	4	6,040	8.8
Residential properties	31	32,393	47.1
Total	49	68,782	100.0

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

## b. By geographical area

Geographical area	Number of properties	Acquisition price (JPY million)	Investment ratio by geographical area (%) (Note 1)
Tokyo metropolitan area	49 (Note 2)	68,782	100.0
Tokyo 5 central wards	2	3,887	5.7
Tokyo 23 wards (excluding Tokyo 5 central wards)	11	13,838	20.1
Tokyo metropolitan area (excluding Tokyo 23 wards)	36	51,057	74.2
Major regional cities	—	—	—
Total	49	68,782	100.0

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

(Note 2) The number of properties by prefecture is 20 properties in Tokyo, 13 properties in Kanagawa, 7 properties in Saitama, and 9 properties in Chiba.

## c. Number of investments by acquisition price

Acquisition price	Number of properties
Less than JPY 1.0 billion	22
JPY 1.0 billion or more, but less than JPY 2.0 billion	17
JPY 2.0 billion or more, but less than JPY 3.0 billion	7
JPY 3.0 billion or more	3
Total	49

## (c) Overview of Buildings, Etc.

The following is the construction completion, building age, annual rent, security and guarantee deposits, total leased area, total leasable area, occupancy rate and number of tenants of each asset under management.

The form of lease agreement for Tama Center Tosei Building (Note 1), some sections of JPT Motomachi Building (Note 2), Musashi Fujisawa Tosei Building (Note 3) and the residential portion of T's garden Nagayama (Note 4) is a pass-through-type master lease agreement ("ML agreement") and a fixed-rent ML agreement, while for each property other than said properties (including the sections of JPT Motomachi Building that are not under fixed-rent ML agreement, and the portions of T's garden Nagayama other than the residential portion), it is a pass-through-type ML agreement.

Type	Property no.	Property name	Construction completion (Note 5)	Building age (years) (Note 6)	Annual rent (JPY million) (Note 7) (Note 14)	Security and guarantee deposits (JPY million) (Note 8) (Note 14)	Total leased area (m <sup>2</sup> ) (Note 9) (Note 14)	Total leasable area (m <sup>2</sup> ) (Note 10)	Occupancy rate (%) (Note 11) (Note 14)	Number of tenants (Note 12) (Note 14)
Offices	O-01	Tama Center Tosei Building (Note 1)	July 1989	30.8	328	267	9,737.49	9,737.49	100.0 (98.4)	1 (44)
	O-02	KM Shinjuku Building	September 1991	28.6	160	81	3,403.95	3,403.95	100.0	7
	O-03	Nihonbashi-Hamacho Building	October 1990	29.5	165	129	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 13)	36.2 (Note 13)	287	323	6,920.83	6,920.83	100.0	33
	O-05	Nishi Kasai Tosei Building	January 1994	26.2	131	83	3,187.97	3,187.97	100.0	9
	O-06	Shin Yokohama Center Building	December 1990	29.4	135	97	3,888.28	3,888.28	100.0	12
	O-07	Nishidai NC Building	March 1992	28.1	140	89	3,798.48	3,798.48	100.0	7
	O-08	JPT Motomachi Building (Note 2)	October 1991	28.5	190	147	5,453.13	5,453.13	100.0 (100.0)	7 (8)
	O-09	Hakusan Asanomi Building	July 1993	26.8	99	72	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	26.8	92	69	2,204.74	2,204.74	100.0	10
	O-11	NU Kannai Building	February 1987	33.2	294	139	7,943.92	8,025.76	99.0	24
	O-12	Higashitotsuka West Building	February 1993	27.2	188	129	5,305.14	5,664.69	93.7	14
	O-13	Kannai Wise Building	February 1991	29.2	139	100	3,568.43	3,568.43	100.0	5
	O-14	Hon-Atsugi Tosei Building	January 1993	27.3	79	63	2,500.70	2,651.90	94.3	12
		Subtotal	—	—	2,433	1,797	63,107.97	63,700.56	99.1	160
Retail facilities	Rt-01	Inage Kaigan Building	November 1992	27.4	189	285	5,730.17	5,890.92	97.3	13
	Rt-02	Musashi Fujisawa Tosei Building (Note 3)	August 1997	22.7	144	72	6,089.72	6,089.72	100.0 (94.0)	1 (5)
	Rt-03	Selection Hatsutomi	June 2003	16.9	28	14	1,839.45	1,839.45	100.0	1
	Rt-04	Wako Building	May 1986	34.0	112	73	2,753.26	2,827.26	97.4	24
		Subtotal	—	—	473	445	16,412.60	16,647.35	98.6	39
	Offices and retail facilities combined subtotal		—	—	2,907	2,242	79,520.57	80,347.91	99.0	199
Residential properties	Rd-01	T's garden Koenji	January 2011	9.3	103	17	2,144.11	2,169.38	98.8	54
	Rd-02	Live Akabane	March 1989	31.1	94	10	3,658.95	3,876.43	94.4	67
	Rd-03	Gekkocho Apartment	March 2008	12.1	69	15	1,392.13	1,392.13	100.0	17
	Rd-04	T's garden Kawasakidaishi	January 2009	11.3	66	8	1,961.35	2,067.85	94.8	51
	Rd-05	Abitato Kamata	June 1991	28.9	52	7	1,768.23	1,768.23	100.0	27
	Rd-07	Avenir Shirotae	February 1995	25.2	68	7	2,393.55	2,499.93	95.7	39
	Rd-08	Dormitory Haramachida	July 1992	27.8	56	4	1,806.33	1,867.16	96.7	70
	Rd-09	SEA SCAPE Chiba Minato	March 2008	12.1	217	67	6,454.21	6,758.52	95.5	128
	Rd-10	Prime Garden	February 1995	25.2	55	6	3,439.36	3,687.99	93.3	56



Type	Property no.	Property name	Construction completion (Note 5)	Building age (years) (Note 6)	Annual rent (JPY million) (Note 7) (Note 14)	Security and guarantee deposits (JPY million) (Note 8) (Note 14)	Total leased area (m <sup>2</sup> ) (Note 9) (Note 14)	Total leasable area (m <sup>2</sup> ) (Note 10)	Occupancy rate (%) (Note 11) (Note 14)	Number of tenants (Note 12) (Note 14)
	Rd-11	T's garden Shinkoiwa	March 1998	22.1	46	6	1,592.59	1,652.93	96.3	23
	Rd-12	Twin Avenue	March 1992	28.2	128	29	4,558.96	4,558.96	100.0	50
	Rd-13	Milestone Higashikurume	September 1989	30.6	124	15	3,427.91	3,546.73	96.6	179
	Rd-14	Lumiere No. 3	September 1994	25.6	108	16	5,456.96	5,644.16	96.7	78
	Rd-15	T's garden Nishifunabashi	February 1991	29.2	61	6	2,570.40	2,643.84	97.2	25
	Rd-16	Quest Yamatedai	February 1989	31.2	56	33	2,802.74	2,802.74	100.0	31
	Rd-17	Sancerre Yonohonmachi	November 1990	29.5	49	4	1,399.38	1,419.39	98.6	52
	Rd-18	Rising Place Kawasaki No.2	February 2017	3.2	117	10	2,875.84	2,962.48	97.1	55
	Rd-19	J Palace Sakuradai	February 1994	26.2	68	9	2,395.48	2,395.48	100.0	29
	Rd-20	Personnage Yokohama	December 1990	29.4	54	6	1,857.37	1,989.43	93.4	68
	Rd-21	T's garden Nishihachioji West	January 1997	23.3	49	4	2,267.75	2,315.99	97.9	48
	Rd-22	T's garden Ojima	November 1989	30.5	80	26	2,586.00	2,705.70	95.6	56
	Rd-23	T's garden Kitakashiwa	January 1992 January 1992 September 2008 September 2008	28.3 28.3 11.6 11.6	193	12	13,099.96	13,377.44	97.9	138
	Rd-24	Century Urawa	March 1989	31.1	71	6	3,932.90	4,201.77	93.6	69
	Rd-25	T's garden Nagayama (Note 4)	June 1986	33.9	68	6	4,286.89	4,286.89	100.0 (95.3)	5 (98)
	Rd-26	Grandeur Fujimino	February 1997	23.2	64	5	2,122.68	2,144.34	99.0	94
	Rd-27	T's garden Hitotsubashi-gakuen	May 1988	31.9	56	1	2,608.77	2,845.88	91.7	55
	Rd-28	T's garden Warabi II	March 1987	33.1	58	4	2,999.42	3,053.42	98.2	56
	Rd-29	T's garden Warabi III	November 1989	30.4	51	9	2,461.90	2,461.90	100.0	38
	Rd-30	T's garden Kashiwa	March 1992	28.1	45	6	2,880.03	3,265.29	88.2	37
	Rd-31	Suning Kitamatsudo	March 2006	14.2	33	3	1,143.94	1,194.14	95.8	41
	Rd-32	T's garden Tanashi	September 1991	28.6	29	3	1,263.32	1,263.32	100.0	20
	Subtotal		—	—	2,402	375	95,609.41	98,819.84	96.8	1,756
	Total/Average		—	26.7 (Note 13)	5,310	2,618	175,129.98	179,167.75	97.7	1,955

(Note 1) For the property, a pass-through-type ML agreement was concluded between the trustee and Tosei Community Co., Ltd (“Tosei Community”) on July 31, 2014, and, furthermore, a pass-through-type ML agreement was concluded between the company and Tosei on the same date. The pass-through-type ML agreement between the company and Tosei was changed to a fixed-rent ML agreement upon acquisition of the property by Tosei Reit and ended on November 27, 2016. Afterward, a new fixed-rent ML agreement which begins on November 28, 2016, and ends on November 30, 2020, was concluded. The same applies hereinafter.

(Note 2) For the property, a pass-through-type ML agreement was concluded on February 29, 2016, between the trustee and Tosei Community. Of which, however, a fixed-rent ML agreement was concluded between the company and Tosei on September 9, 2016 for the second floor (leased area: 919.15 m<sup>2</sup>) and on September 28, 2016, for some sections on the seventh floor (leased area: 316.04 m<sup>2</sup>). The same applies hereinafter.

(Note 3) For the property, a pass-through-type ML agreement was concluded between the trustee and 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 4) For the property, a pass-through-type ML agreement was concluded between the trustee and Tosei Community on November 5, 2019. Of which, however, a fixed-rent ML agreement was concluded between the company and Tosei on November 5, 2019, for the residential portion. The same applies hereinafter.

(Note 5) “Construction completion” is the date of new construction in the real estate registry.

(Note 6) “Building age” is the number of years that has elapsed from the date of new construction in the real estate registry to April 30, 2020. In addition, that in the total/average column is the figure that is the weighted average based on acquisition price.

- (Note 7) “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 warehouse, signboard, parking lot, etc. usage fees; the same applies hereinafter) for the building indicated in the lease agreement for the asset under management as of April 30, 2020 (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-type ML agreement has been concluded (if the lessee of the pass-through-type 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 8) “Security and guarantee deposits” is the sum total amount of tenant security and guarantee deposits required based on the lease agreement for the asset under management as of April 30, 2020 (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-type 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 9) “Total leased area” is the sum total of the leased floor area indicated in the lease agreement for the asset under management as of April 30, 2020. 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-type 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 10) “Total leasable area” is the sum total of the floor area of the portion regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for the asset under management as of April 30, 2020. The same applies hereinafter.
- (Note 11) “Occupancy rate” is the ratio of the total leased area to total leasable area for the asset under management as of April 30, 2020. 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-type 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 12) “Number of tenants” is the number of tenants for the asset under management based on the lease agreement for the asset under management as of April 30, 2020 (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-type 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 13) As to Kannai Tosei Building II, the parking building was constructed in May 1980 and the office building was added at a later date. The construction completion is the date of new construction of the office building, which is the main part of the building, in the real estate registry, and the building age of Kannai Tosei Building II and average building age are the number of years calculated based on the said date of new construction.
- (Note 14) Even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent or other non-performance of obligations, in the case of agreements that are ongoing as of April 30, 2020, “Annual rent,” “Security and guarantee deposits,” “Total leased area,” “Occupancy rate” and “Number of tenants” are indicated on the basis that the concerned lease agreements with end-tenants are existing and thus based on the concerned lease agreements. The same applies hereinafter.

## (d) Changes in Occupancy Rate

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

	Number of properties	Total leased area (m <sup>2</sup> )	Total leasable area (m <sup>2</sup> )	Occupancy rate (%)
2nd Period (As of October 31, 2015)	12	39,713.19	40,734.02	97.5
3rd Period (As of April 30, 2016)	17	65,187.06	67,576.59	96.5
4th Period (As of October 31, 2016)	18	70,012.30	71,369.69	98.1
5th Period (As of April 30, 2017)	23	84,453.10	85,865.29	98.4
6th Period (As of October 31, 2017)	23	84,502.45	85,865.01	98.4
7th Period (As of April 30, 2018)	31	109,532.58	111,513.63	98.2
8th Period (As of October 31, 2018)	31	109,498.02	111,513.20	98.2
9th Period (As of April 30, 2019)	36	129,504.97	132,148.93	98.0
10th Period (As of October 31, 2019)	37	132,069.10	134,852.78	97.9
11th Period (As of April 30, 2020)	49	175,129.98	179,167.75	97.7

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	2nd Period (As of Oct. 31, 2015)	3rd Period (As of Apr. 30, 2016)	4th Period (As of Oct. 31, 2016)	5th Period (As of Apr. 30, 2017)	6th Period (As of Oct. 31, 2017)
O-01	Tama Center Tosei Building	100.0 (56.2)	100.0 (66.9)	100.0 (69.6)	100.0 (73.5)	100.0 (80.6)
O-02	KM Shinjuku Building	96.6	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	—	97.4	96.7	100.0	100.0
O-05	Nishi Kasai Tosei Building	—	100.0	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	—	92.3	100.0	100.0	100.0
O-07	Nishidai NC Building	—	—	100.0	90.8	94.4
O-08	JPT Motomachi Building	—	—	—	100.0 (100.0)	100.0 (100.0)
O-09	Hakusan Asanomi Building	—	—	—	91.7	91.7
O-10	Chojamachi Duo Building	—	—	—	—	—
O-11	NU Kannai Building	—	—	—	—	—
O-12	Higashitotsuka West Building	—	—	—	—	—
O-13	Kannai Wise Building	—	—	—	—	—
O-14	Hon-Atsugi Tosei Building	—	—	—	—	—
Rt-01	Inage Kaigan Building	100.0	100.0	100.0	100.0	100.0
Rt-02	Musashi Fujisawa Tosei Building	—	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (87.3)
Rt-03	Selection Hatsutomi	—	—	—	100.0	100.0
Rt-04	Wako Building	—	—	—	—	—
Rd-01	T's garden Koenji	98.6	95.6	97.9	98.8	100.0
Rd-02	Live Akabane	95.8	100.0	97.7	97.2	100.0
Rd-03	Gekkocho Apartment	87.7	82.4	87.8	93.1	100.0
Rd-04	T's garden Kawasaki-daishi	95.9	98.6	96.2	100.0	97.6
Rd-05	Abitato Kamata	92.6	96.3	100.0	100.0	100.0
Rd-06	MarLandFive (Note)	92.3	90.5	97.7	93.0	95.4
Rd-07	Avenir Shirotai	97.9	91.5	95.7	100.0	93.6
Rd-08	Dormitory Haramachida	96.7	95.5	93.7	94.7	94.3
Rd-09	SEA SPACE Chiba Minato	—	86.4	93.2	95.2	92.6
Rd-10	Prime Garden	—	—	—	98.3	100.0
Rd-11	T's garden Shinkoiwa	—	—	—	100.0	96.7
Rd-12	Twin Avenue	—	—	—	—	—
Rd-13	Milestone Higashikurume	—	—	—	—	—
Rd-14	Lumiere No. 3	—	—	—	—	—
Rd-15	T's garden Nishifunabashi	—	—	—	—	—
Rd-16	Quest Yamatedai	—	—	—	—	—
Rd-17	Sancerre Yonohonmachi	—	—	—	—	—
Rd-18	Rising Place Kawasaki No.2	—	—	—	—	—
Rd-19	J Palace Sakuradai	—	—	—	—	—
Rd-20	Personnage Yokohama	—	—	—	—	—
Rd-21	T's garden Nishihachioji West	—	—	—	—	—
Rd-22	T's garden Ojima	—	—	—	—	—
Rd-23	T's garden Kitakashiwa	—	—	—	—	—
Rd-24	Century Urawa	—	—	—	—	—
Rd-25	T's garden Nagayama	—	—	—	—	—
Rd-26	Grandeur Fujimino	—	—	—	—	—
Rd-27	T's garden Hitotsubashi-gakuen	—	—	—	—	—
Rd-28	T's garden Warabi II	—	—	—	—	—
Rd-29	T's garden Warabi III	—	—	—	—	—
Rd-30	T's garden Kashiwa	—	—	—	—	—
Rd-31	Suning Kitamatsudo	—	—	—	—	—
Rd-32	T's garden Tanashi	—	—	—	—	—

(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
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	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 Kawasakidaishi	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)	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 SPACE Chiba Minato	97.2	94.8	94.5	93.9	95.5
Rd-10	Prime Garden	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 Sakuradai	—	—	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

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

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

Tosei Reit and the Asset Management Company have obtained a real estate appraisal report, etc. for each asset under management from Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. The following is a summary of each asset under management's real estate appraisal report, etc. obtained by Tosei Reit and the Asset Management Company with April 30, 2020, as the effective date of the appraisal (date of value). Each real estate appraisal or investigation of the respective real estate appraisal report, etc. is no more than the appraiser's judgment and opinion at a certain point in time, and is not a guarantee of the validity or accuracy of the content, possibility of transaction at the concerned appraisal value, etc. and such. In addition, there is no special vested interest between Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K., which performed the real estate appraisal, etc., and Tosei Reit or the Asset Management Company.

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Offices	O-01	Tama Center Tosei Building	Japan Real Estate Institute	3,370	3,278	3,810	3,820	5.4	3,800	5.1	5.5
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	1,987	2,770	2,770	3.8	2,760	3.5	3.9
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,776	2,680	2,710	4.2	2,640	4.0	4.4
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	3,951	4,640	4,850	4.8	4,570	4.6	5.0
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,658	2,060	2,100	4.8	2,020	4.6	5.0
	O-06	Shin Yokohama Center Building	JLL Morii Valuation & Advisory K.K.	1,364	1,343	1,810	1,820	4.5	1,790	4.3	4.7
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,483	1,800	1,820	4.5	1,780	4.3	4.7
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,331	2,910	2,950	4.4	2,870	4.2	4.6
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,368	1,680	1,690	4.0	1,660	3.8	4.2
	O-10	Chojamachi Duo Building	JLL Morii Valuation & Advisory K.K.	1,300	1,300	1,430	1,450	4.4	1,400	4.2	4.6
	O-11	NU Kannai Building	Japan Valuers Co., Ltd.	3,800	3,800	4,020	4,090	4.8	3,940	4.6	5.0
	O-12	Higashitotsuka West Building	Japan Valuers Co., Ltd.	2,650	2,659	2,760	2,760	4.6	2,750	4.4	4.8
	O-13	Kannai Wise Building	Japan Valuers Co., Ltd.	2,050	2,060	2,170	2,200	4.6	2,140	4.4	4.8
	O-14	Hon-Atsugi Tosei Building	Japan Valuers Co., Ltd.	880	884	910	904	5.5	915	5.3	5.7
	Subtotal				30,349	29,885	35,450	35,934	—	35,035	—
Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,214	2,750	2,770	4.9	2,720	4.7	5.1
	Rt-02	Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,915	2,190	2,190	5.6	2,180	5.2	5.8
	Rt-03	Selection Hatsutomi	Japan Real Estate Institute	310	311	364	369	5.0	358	4.8	5.3
	Rt-04	Wako Building	Japan Real Estate Institute	1,400	1,369	1,410	1,420	5.0	1,390	4.8	5.2
	Subtotal				6,040	5,811	6,714	6,749	—	6,648	—
Offices and retail facilities combined subtotal				36,389	35,696	42,164	42,683	—	41,683	—	—
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,504	2,040	2,070	3.8	2,000	3.6	4.0
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,199	1,550	1,570	4.6	1,530	4.4	4.8
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	984	1,230	1,250	4.0	1,210	3.8	4.2
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	942	1,140	1,150	4.7	1,120	4.5	4.9
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	830	932	944	4.5	919	4.3	4.7
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	735	962	971	4.9	952	4.7	5.1
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	609	754	761	4.7	746	4.5	4.9
	Rd-09	SEA SPACE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,654	3,180	3,200	4.9	3,150	4.7	5.1
	Rd-10	Prime Garden	Japan Valuers Co., Ltd.	600	612	626	624	5.5	628	5.3	5.7
	Rd-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	670	746	754	4.3	738	4.1	4.5
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,886	2,010	2,030	4.6	1,980	4.4	4.8
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,631	1,730	1,750	4.9	1,710	4.7	5.1
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,415	1,570	1,580	5.1	1,560	4.9	5.3
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	863	878	890	4.9	865	4.7	5.1

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Residential properties	Rd-01	Quest Yamatedai	Japan Valuers Co., Ltd.	710	711	748	754	5.0	742	4.8	5.2
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	600	622	627	4.9	616	4.7	5.1
	Rd-18	Rising Place Kawasaki No.2	Japan Valuers Co., Ltd.	1,812	1,890	1,860	1,870	4.8	1,850	4.6	5.0
	Rd-19	J Palace Sakuradai	JLL Morii Valuation & Advisory K.K.	1,090	1,098	1,170	1,190	4.1	1,150	3.9	4.3
	Rd-20	Personnage Yokohama	Japan Valuers Co., Ltd.	740	749	794	793	5.1	794	4.8	5.2
	Rd-21	T's garden Nishihachioji West	Japan Real Estate Institute	600	606	653	659	4.8	647	4.6	5.0
	Rd-22	T's garden Ojima	Japan Valuers Co., Ltd.	1,020	1,029	1,080	1,090	4.8	1,070	4.5	5.1
	Rd-23	T's garden Kitakashiwa	Japan Valuers Co., Ltd.	2,770	2,812	2,850	2,880	4.7	2,810	4.5	4.9
	Rd-24	Century Urawa	JLL Morii Valuation & Advisory K.K.	980	994	1,050	1,070	4.8	1,030	4.6	5.0
	Rd-25	T's garden Nagayama	Japan Real Estate Institute	850	862	889	897	4.7	880	4.5	4.9
	Rd-26	Grandeur Fujimino	JLL Morii Valuation & Advisory K.K.	822	833	839	852	5.0	826	4.8	5.2
	Rd-27	T's garden Hitotsubashi-gakuen	Japan Real Estate Institute	760	771	794	803	4.9	784	4.7	5.1
	Rd-28	T's garden Warabi II	Japan Valuers Co., Ltd.	750	760	808	816	5.0	799	4.8	5.2
	Rd-29	T's garden Warabi III	Japan Valuers Co., Ltd.	655	665	695	701	5.0	688	4.8	5.2
	Rd-30	T's garden Kashiwa	JLL Morii Valuation & Advisory K.K.	595	605	628	639	4.6	616	4.4	4.8
	Rd-31	Suning Kitamatsudo	Japan Valuers Co., Ltd.	482	491	504	508	4.7	500	4.5	4.9
	Rd-32	T's garden Tanashi	Japan Real Estate Institute	310	316	326	329	4.7	323	4.5	4.9
	Subtotal			32,393	32,341	35,658	36,022	—	35,233	—	—
	Total			68,782	68,038	77,822	78,705	—	76,916	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of April 30, 2020, rounded down to the nearest JPY million.

(Note 2) "Estimated value at end of period" is the value stated in the real estate appraisal report, etc. prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. with April 30, 2020 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 & Nichido Risk Consulting Co., Ltd. The statements in the engineering report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sompo Risk Management Inc. or Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tosei Reit or the Asset Management Company. In addition, Tosei Reit has an evaluation of seismic risk analysis conducted by 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.

## Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended April 30, 2020

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML reevaluation report prepared by	Seismic PML reevaluation report date	PML value (%)
O-01	Tama Center Tosei Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	2,220	639,359	Sompo Risk Management Inc.	March 2015	4.36
O-02	KM Shinjuku Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	8,080	225,740	Sompo Risk Management Inc.	March 2015	5.52
O-03	Nihonbashi-Hamacho Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	—	292,700	Sompo Risk Management Inc.	March 2015	6.11
O-04	Kannai Tosei Building II	HI International Consultant Co., Ltd.	July 2015	170	27,239	Sompo Risk Management Inc.	July 2015	11.54
O-05	Nishi Kasai Tosei Building	HI International Consultant Co., Ltd.	July 2015	—	17,387 (Note 4)	Sompo Risk Management Inc.	July 2015	3.84
O-06	Shin Yokohama Center Building	Sompo Risk Management Inc.	August 2015	—	19,378	Sompo Risk Management Inc.	July 2015	6.47
O-07	Nishidai NC Building	Sompo Risk Management Inc.	May 2016	—	15,826	Sompo Risk Management Inc.	May 2016	5.25
O-08	JPT Motomachi Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 2016	—	25,150	Sompo Risk Management Inc.	July 2016	6.06
O-09	Hakusan Asanomi Building	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 2016	—	10,433	Sompo Risk Management Inc.	July 2016	7.31
O-10	Chojamachi Duo Building	Sompo Risk Management Inc.	August 2017	—	7,768	Sompo Risk Management Inc.	August 2017	3.56
O-11	NU Kannai Building	Sompo Risk Management Inc.	August 2018	—	32,518	Sompo Risk Management Inc.	August 2018	4.56
O-12	Higashitotsuka West Building	HI International Consultant Co., Ltd.	June 2018	12,810	24,404	Sompo Risk Management Inc.	July 2018	5.22
O-13	Kannai Wise Building	Sompo Risk Management Inc.	August 2019	—	12,208	Sompo Risk Management Inc.	August 2019	6.83
O-14	Hon-Atsugi Tosei Building	HI International Consultant Co., Ltd.	June 2019	2,940	10,635	Sompo Risk Management Inc.	August 2019	8.92
Rt-01	Inage Kaigan Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	1,100	298,230	Sompo Risk Management Inc.	March 2015	6.49
Rt-02	Musashi Fujisawa Tosei Building	Sompo Risk Management Inc.	September 2015	120	8,605	Sompo Risk Management Inc.	September 2015	5.85
Rt-03	Selection Hatsutomi	Sompo Risk Management Inc.	July 2016	—	3,103	Sompo Risk Management Inc.	July 2016	7.98
Rt-04	Wako Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,963	Sompo Risk Management Inc.	March 2017	9.32
Rd-01	T's garden Koenji	HI International Consultant Co., Ltd.	August 2019	880	6,115	Sompo Risk Management Inc.	March 2015	7.91
Rd-02	Live Akabane	HI International Consultant Co., Ltd.	August 2019	940	9,853	Sompo Risk Management Inc.	March 2015	7.45
Rd-03	Gekkocho Apartment	HI International Consultant Co., Ltd.	February 2020	520	4,322	Sompo Risk Management Inc.	March 2015	8.98
Rd-04	T's garden 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 SPACE Chiba Minato	Sompo Risk Management Inc.	July 2015	—	13,280	Sompo Risk Management Inc.	July 2015	7.30
Rd-10	Prime Garden	Sompo Risk Management Inc.	July 2016	—	4,954	Sompo Risk Management Inc.	July 2016	9.42
Rd-11	T's garden Shinkoiwa	HI International Consultant Co., Ltd.	August 2016	3,420	5,041	Sompo Risk Management Inc.	July 2016	4.41
Rd-12	Twin Avenue	HI International Consultant Co., Ltd.	March 2017	400	12,449	Sompo Risk Management Inc.	March 2017	5.70
Rd-13	Milestone Higashikurume	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,633	Sompo Risk Management Inc.	August 2017	4.34
Rd-14	Lumiere No. 3	Sompo Risk Management Inc.	August 2017	—	8,157	Sompo Risk Management Inc.	March 2017	2.58
Rd-15	T's garden Nishifunabashi	HI International Consultant Co., Ltd.	July 2017	7,620	7,994	Sompo Risk Management Inc.	August 2017	7.50
Rd-16	Quest Yamatedai	HI International Consultant Co., Ltd.	July 2017	3,780	6,625	Sompo Risk Management Inc.	August 2017	9.66
Rd-17	Sancerre Yonohomachi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 2017	—	4,336	Sompo Risk Management Inc.	July 2017	4.13
Rd-18	Rising Place Kawasaki No.2	Sompo Risk Management Inc.	August 2018	—	1,857	Sompo Risk Management Inc.	August 2018	3.94
Rd-19	J Palace Sakuradai	Sompo Risk Management Inc.	August 2018	—	6,462	Sompo Risk Management Inc.	August 2018	5.38
Rd-20	Personnage Yokohama	Sompo Risk Management Inc.	August 2018	—	6,288	Sompo Risk Management Inc.	July 2018	4.65
Rd-21	T's garden Nishihachioji West	HI International Consultant Co., Ltd.	June 2018	1,410	8,951	Sompo Risk Management Inc.	July 2018	7.44
Rd-22	T's garden Ojima	HI International Consultant Co., Ltd.	March 2019	1,140	9,798	Sompo Risk Management Inc.	April 2019	5.35



Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 2)	Long-term repair expenses (JPY thousand) (Note 3)	Seismic PML reevaluation report prepared by	Seismic PML reevaluation report date	PML value (%)
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
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) “Emergency and short-term repair expenses” is the sum total of the expenses stated in the engineering report as expenses in urgent need and repair and renewal expenses required within roughly one year.

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

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

(Note 4) Construction work to upgrade the air-conditioning for the property was implemented at the expense and under the responsibility of Tosei. Long-term repair expenses after completion of the concerned construction work is JPY 11,954 thousand (average amount per year) according to the “follow-up report to the building survey and diagnosis report” prepared by HI International Consultant 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 September 2019.

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

The following is the designer, structural designer, contractor, confirmation and inspection body and structural calculation confirmation body for each asset under management. Tosei Reit has entrusted third-party expert bodies HI International Consultant Co., Ltd., Sampo Risk Management Inc., Deloitte Tohmatsu Property Risk Solution Co., Ltd. and Tokio Marine & Nichido Risk Consulting Co., Ltd. with confirmation and verification of structural calculation documents and structural drawings for the 48 properties excluding Avenir Shirotae, and has obtained from them overall findings that no intentional falsification has been found in any part of the structural calculation documents and that the structural calculation documents and structural drawings are in alignment and that, accordingly, the buildings are deemed to meet the requirements for seismic safety under design standards at the time of design with the content stated in the structural calculation documents, subject to the condition that they were appropriately constructed according to the structural drawings at the time of construction of the building of each asset under management. On the other hand, concerning Avenir Shirotae, the report on verification of whether or not there was falsification of structural calculation documents has pointed out inconsistencies between the calculation documents after a change in the plan and the structural drawings at the time of application for confirmation, but the matter has already been rectified.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
O-01	Tama Center Tosei Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Taisei Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-02	KM Shinjuku Building	Mitsubishi Jisho Sekkei Inc., first-class architect office	Mitsubishi Jisho Sekkei Inc., first-class architect office	Taisei Corporation, Tokyo Branch	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-03	Nihonbashi-Hamacho Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Toda Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-04	Kannai Tosei Building II (Note 2)	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation Tokyo Head Office, Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sampo Risk Management Inc.
O-05	Nishi Kasai Tosei Building	Kitayama Architectural Engineering Office, Inc.	Kitayama Architectural Engineering Office, Inc.	Tobishima Corporation Tokyo Branch	Edogawa Ward building official	HI International Consultant Co., Ltd.
O-06	Shin Yokohama Center Building	Nikken Sekkei first-class architect office	Nikken Sekkei first-class architect office	Maeda Corporation	City of Yokohama, building official	Sampo Risk Management Inc.
O-07	Nishidai NC Building	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office	Nishimatsu Construction Co., Ltd., first-class architect office, Tokyo Construction Branch	Tokyo Metropolitan Government, building official	Sampo Risk Management Inc.
O-08	JPT Motomachi Building	Environment Designing Shimizu Research Laboratory	Structure Design Company Toshio Fujinuma	Kokune Corporation	City of Yokohama, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
O-09	Hakusan Asanomi Building	Takeo Igarashi Architectural Design Office Inc.	Globo First Class Architect Office Inc. (Note 3)	Fujita Corporation, Tokyo Branch	Bunkyo Ward, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.
O-10	Chojamachi Duo Building	Azusa Sekkei Co., Ltd.	Azusa Sekkei Co., Ltd.	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sampo Risk Management Inc.
O-11	NU Kannai Building	NISSOKEN Architects/Engineers	NISSOKEN Architects/Engineers	Kyoritsu Construction Co., Ltd.	City of Yokohama, building official	Sampo Risk Management Inc.
O-12	Higashitotsuka West Building	Institute of New Architecture Inc.	HI International Consultant Co., Ltd. (Note 3)	The Zenitaka Corporation	City of Yokohama, building official	HI International Consultant Co., Ltd.
O-13	Kannai Wise Building	Mitsui Home Co., Ltd., Specified Building Department, first-class architect office	Mitsui Home Co., Ltd.	Toda Corporation	City of Yokohama, building official	Sampo Risk Management Inc.
O-14	Hon-Atsugi Tosei Building	Shimizu Corporation, first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Shimizu Corporation, Yokohama Branch	City of Atsugi, building official	HI International Consultant Co., Ltd.
Rt-01	Inage Kaigan Building	Nikken Sekkei Ltd.	Nikken Sekkei Ltd.	Haseko Corporation	City of Chiba, building official	HI International Consultant Co., Ltd.
Rt-02	Musashi Fujisawa Tosei Building	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office	Saitama Prefectural Government, building official	Sampo Risk Management Inc.
Rt-03	Selection Hatsutomi	Sugioka Design Office Inc.	JTM 1st Class Qualified Architect. Office	SK Build Co., Ltd.	Japan ERI Co., Ltd.	Sampo Risk Management Inc.
Rt-04	Wako Building	LAND Architect Office	Globo First Class Architect Office Inc. (Note 3)	Nara Construction Co., Ltd.	City of Chiba, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
Rd-01	T's garden Koenji	YOKOHOUSE, Inc., first-class architect office	Yabuki Architecture Office	Maeda Corporation, Tokyo Branch	Houseplus Architectural Inspection, Inc.	HI International Consultant Co., Ltd.
Rd-02	Live Akabane	KK Arte Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	Toda Corporation	Kita Ward, building official	HI International Consultant Co., Ltd.
Rd-03	Gekkocho Apartment	Urban Design System Ltd., first-class architect office	Ove Arup & Partners Japan Limited	Kajima Corporation, Tokyo Architectural Construction Branch	Bureau Veritas Japan Co., Ltd.	HI International Consultant Co., Ltd.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
Rd-04	T's garden Kawasakidaishi	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch, first-class architect office	(Note 4)	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch	East Japan House Evaluation Center	HI International Consultant Co., Ltd.
Rd-05	Abitato Kamata	Tokyo Keizairen and KK Zenkoku Nokyo Sekkei	KK Zenkoku Nokyo Sekkei	Tanaka Doken Kogyo Co., Ltd.	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
Rd-07	Avenir Shirotae	KK San-a Sekkei	Party that prepared the structural calculation document not stated therein.	Toa Corporation, Yokohama Branch Office	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-08	Dormitory Haramachida	Mitsui Fudosan Kensetsu KK, first-class architect office	Mitsui Fudosan Kensetsu KK	Mitsui Fudosan Kensetsu KK	City of Machida, building official	HI International Consultant Co., Ltd.
Rd-09	SEA SPACE Chiba Minato	Kume Sekkei Co., Ltd.	Kume Sekkei Co., Ltd.	Taisei Corporation, Chiba Branch	UHEC	HI International Consultant Co., Ltd.
Rd-10	Prime Garden	Re-LAND Corporation Co., Ltd.	Kanai Design Inc.	Re-LAND Corporation Co., Ltd.	Chiba Prefectural government, building official	Sompo Risk Management Inc.
Rd-11	T's garden Shinkoiwa	Fumikazu Nakano Design Office Inc.	Kyoei Corporation (Note 3)	Penta-Ocean Corporation Co., Ltd. Tokyo Branch	Katsushika City building official	HI International Consultant Co., Ltd.
Rd-12	Twin Avenue	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K., first-class architect office	Uchino Komuten K.K.	Nerima Ward, building official	HI International Consultant Co., Ltd.
Rd-13	Milestone Higashikurume	Honma Architectural Design Office, K.K.	HI International Consultant Co., Ltd. (Note 3)	Okumura Corporation	Tokyo Metropolitan Government, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.
Rd-14	Lumiere No. 3	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd., first-class architect office	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-15	T's garden Nishifunabashi	Kumagai Gumi Co., Ltd., Yokohama first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Kumagai Gumi Co., Ltd., Yokohama Branch	City of Funabashi, building official	HI International Consultant Co., Ltd.
Rd-16	Quest Yamatedai	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-17	Sancerre Yonohonmachi	Haseko Corporation	Haseko Corporation	Haseko Corporation	Saitama Prefectural Government, building official	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Rd-18	Rising Place Kawasaki No.2	Atelier T-Plus Co., Ltd.	Leaf Design Studio Co., Ltd.	Mutsumi Construction Co., Ltd.	J Architecture Inspection Center	—
Rd-19	J Palace Sakuradai	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Kensetsu Kabushiki Kaisha, first-class architect office	Mitsui Construction Co., Ltd., Tokyo Branch	Nerima Ward, building official	Sompo Risk Management Inc.
Rd-20	Personnage Yokohama	Do Architect Planners Co., Ltd.	HI International Consultant Co., Ltd. (Note 3)	Tokyu Construction Co., Ltd.	City of Yokohama, building official	Sompo Risk Management Inc.
Rd-21	T's garden Nishihachioji West	Sekkei Kobo Sosakusha Ltd.	HI International Consultant Co., Ltd. (Note 3)	Tokyo Branch of Sumitomo Construction, Co., Ltd.	City of Hachioji, building official	HI International Consultant Co., Ltd.
Rd-22	T's garden Ojima	Plum Design Planning Inc.	HI International Consultant Co., Ltd. (Note 3)	Nakazato Construction Co., Ltd.	Koto Ward, building official	HI International Consultant Co., Ltd.
Rd-23	T's garden Kitakashiwa	(1) (2) Nice Partners Co., Ltd. (3) (4) K.K. Harada Shogo Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	(1) (2) Consortium of Kajima Corporation, Nippon Steel Corporation and Mitsui Kensetsu Kabushiki Kaisha (3) (4) Unknown	City of Kashiwa, building official	HI International Consultant Co., Ltd.
Rd-24	Century Urawa	K.K. Sokensha	HI International Consultant Co., Ltd. (Note 3)	Fushimi Construction Co., Ltd.	City of Urawa, building official	HI International Consultant Co., Ltd.
Rd-25	T's garden Nagayama	K.K. Sato Nobutoshi Kenchiku Jimusho, first-class architect office	TOTO STRUCTURAL DESIGN, Inc., first-class architect office (Note 3)	Consortium of Nishimatsu Construction Co., Ltd. and K.K. Nisshin Kensetsu	City of Tama, building official	HI International Consultant Co., Ltd.
Rd-26	Grandeur Fujimino	K.K. GOB, first-class architect office	K.K. GOB, first-class architect office	Mityaken Industrials Co., Ltd. Fudo Kensetsu K.K.	Saitama Prefectural Government, building official	HI International Consultant Co., Ltd.
Rd-27	T's garden Hitotsubashi-gakuen	ANDO Corporation, first-class architect office	ANDO Corporation, first-class architect office	ANDO Corporation	Tokyo Metropolitan Government, building official	Sompo Risk Management Inc.
Rd-28	T's garden Warabi II	Kawaguchi Construction Co., Ltd., first-class architect office	Globo First Class Architect Office Inc. (Note 3)	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-29	T's garden Warabi III	Kawaguchi Construction Co., Ltd., first-class architect office	Globo First Class Architect Office Inc. (Note 3)	Kawaguchi Construction Co., Ltd.	City of Kawaguchi, building official	Sompo Risk Management Inc.
Rd-30	T's garden Kashiwa	Nishimatsu Construction Co., Ltd., first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Nishimatsu Construction Co., Ltd.	City of Kashiwa, building official	HI International Consultant Co., Ltd.
Rd-31	Suning Kitamatsudo	K.K. Subaru Kobo Laid Planning, first-class architect office	HI International Consultant Co., Ltd. (Note 3)	K.K. Toyoda Kogyo	eHomes Inc.	Sompo Risk Management Inc.
Rd-32	T's garden Tanashi	Takeda Komuten, first-class architect office	HI International Consultant Co., Ltd. (Note 3)	Unknown	Tokyo Metropolitan Government, building official	Sompo Risk Management Inc.

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

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

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

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

#### (h) Status of Collateral

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

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

Of Tosei Reit's assets under management, there are no real estate of which annual rent accounts for 10% or more of the entire portfolio's annual rent as of April 30, 2020.

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

The following table lists tenants of Tosei Reit's assets under management that occupy 10% or more of the entire portfolio's total leased area as of the date of settlement of accounts of Tosei Reit (April 30, 2020). In the case of a property under a pass-through-type ML agreement, not only the master lease company but also end-tenants are counted as tenants. In addition, in the case of a property under a fixed-rent ML agreement, the master lease company alone is counted as tenants and end-tenants are not counted. For the entirety of Tama Center Tosei Building, the entirety of Musashi Fujisawa Tosei Building, the second floor (leased area: 919.15 m<sup>2</sup>) and some sections on the seventh floor (leased area: 316.04 m<sup>2</sup>) of JPT Motomachi Building, and the residential portion of T's garden Nagayama, as a pass-through-type ML agreement has been concluded between the trustee and the master lease company (Tosei Community), and furthermore a fixed-rent ML agreement has been concluded between the company and the submaster lease company (Tosei), both the master lease company and the submaster lease company are shown.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m <sup>2</sup> )	Leased area ratio (%) (Note 1)	Contract expiration date (Note 2)	Contract form (Note 3)	Security and guarantee deposits (JPY million)
Tosei Community Co., Ltd. (Note 4)	Property management business	Tama Center Tosei Building KM Shinjuku Building Nihonbashi-Hamacho Building Kannai Tosei Building II Nishi Kasai Tosei Building Shin Yokohama Center Building JPT Motomachi Building Chojamachi Duo Building NU Kannai Building Higashitotsuka West Building Kannai Wise Building Hon-Atsugi Tosei Building Inage Kaigan Building Musashi Fujisawa Tosei Building Selection Hatsutomi Wako Building T's garden Koenji Live Akabane Gekkocho Apartment T's garden Kawasakidaishi Abitato Kamata Avenir Shirotae Dormitory Haramachida SEA SPACE Chiba Minato Prime Garden 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	4,636	153,993.23	87.9	November 30, 2020	Ordinary building lease agreement	2,373
		Nishidai NC Building	140	3,798.48	2.2	August 31, 2020	Ordinary building lease agreement	89
		T's garden Ojima	80	2,586.00	1.5	May 31, 2020	Ordinary building lease agreement	26
Tosei Corporation	Real estate business	Tama Center Tosei Building (Note 5) JPT Motomachi Building (Note 5)	360	10,972.68	6.3	November 30, 2020	Fixed-term building lease agreement	282
		Musashi Fujisawa Tosei Building (Note 6)	144	6,089.72	3.5	November 30, 2025	Ordinary building lease agreement	72
		T's garden Nagayama (Note 5)	55	3,102.25	1.8	November 30, 2023	Fixed-term building lease agreement	4

- (Note 1) “Leased area ratio” is the ratio of the leased area indicated in the lease agreement with the concerned tenant to total leased area for the entire portfolio. The same applies hereinafter.
- (Note 2) “Contract expiration date” is the contract expiration date indicated in the lease agreement with the concerned tenant as of April 30, 2020. The same applies hereinafter.
- (Note 3) “Contract form” is the contract form indicated in the lease agreement with the concerned tenant as of April 30, 2020. The same applies hereinafter.
- (Note 4) A pass-through-type ML agreement has been concluded between the trustee and Tosei Community as of April 30, 2020, for assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2. Thus, the total leased area indicates the sum total of the floor areas actually leased under lease agreements concluded with end-tenants (Tosei is regarded as the end-tenant when Tosei Community has concluded a fixed-rent ML agreement with Tosei). If both parties of the lease agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- In addition, Tosei Community is a property management company of assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2, and has concluded a PM agreement with the trustee. If both parties of the PM agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- (Note 5) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement until the contract expiration date.
- (Note 6) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement for a period of five years from the contract date. If the agreement is cancelled during that period, the amount equivalent to the rent for the period from the date on which the agreement was cancelled to the end of the contract termination prohibition period shall be paid promptly by the lessee (Tosei) to the lessor (Tosei Reit). If both parties of the lease agreement do not express their intent otherwise to each other by six months prior to the contract expiration date, the agreement shall be renewed for another two years under the same terms and conditions, and the same shall apply upon expiration thereafter.

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

The following are the end-tenants of Tosei Reit's assets under management ranking in the top ten in terms of leased area of the entire portfolio as of the date of settlement of accounts (April 30, 2020). 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-type ML agreement, the entries are not concerning the master lease company but end-tenants and based on the lease agreement with end-tenants.

Name of end-tenant	Property name	Total leased area (m <sup>2</sup> )	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Tama Center Tosei Building	9,737.49	5.6	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	3.5	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama	3,102.25	1.8	November 30, 2023	Fixed-term building lease agreement
Not disclosed (Note)	Inage Kaigan Building	2,989.01	1.7	November 23, 2021	Ordinary building lease agreement
Not disclosed (Note)	Kannai Wise Building	1,578.83 460.68 Total: 2,039.51	1.2	April 30, 2020 January 31, 2021	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 293.74 Total: 1,852.02	1.1	January 4, 2021 September 30, 2020	Ordinary building lease agreement
Not disclosed (Note)	Selection Hatsutomi	1,839.45	1.1	June 3, 2023	Ordinary building lease agreement
FUJITSU CoWorCo Limited	Shin Yokohama Center Building	1,822.20	1.0	December 31, 2021	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,549.35	0.9	August 31, 2020	Ordinary building lease agreement
Misawa Homes Co., Ltd.	Higashitotsuka West Building	285.69 360.31 178.52 181.82 538.58 Total: 1,544.92	0.9	January 15, 2021 May 31, 2020 March 31, 2021 April 30, 2021 April 24, 2021	Ordinary building lease agreement

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

## (l) Overview of Leasing to Related Parties

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

Name of end-tenant	Property name	Total leased area (m <sup>2</sup> )	Annual rent (JPY million)	Security and guarantee deposits (JPY million)	Contract expiration date	Contract form
Tosei Corporation	Tama Center Tosei Building	9,737.49	328	267	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	JPT Motomachi Building (Note 1)	1,235.19	31	15	November 30, 2020	Fixed-term building lease agreement
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 2)	3,102.25	55	4	November 30, 2023	Fixed-term building lease agreement

(Note 1) For JPT Motomachi Building, the figures are the sum total of those under the fixed-rent ML agreement concluded on September 9, 2016, for the second floor (leased area: 919.15 m<sup>2</sup>) and of those under the fixed-rent ML agreement concluded on September 28, 2016, for some sections on the seventh floor (leased area: 316.04 m<sup>2</sup>).

(Note 2) For T's garden Nagayama, the figures are those under the fixed-rent ML agreement concluded on November 5, 2019, for the residential portion.

## (m) Earnings Performance of the Properties

11th Period (from November 1, 2019 to April 30, 2020)

(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	206,828	93,526	105,074	172,139	79,499	75,778
Rent revenue – real estate	168,295	85,612	92,585	154,297	63,882	71,614
Other lease business revenue	38,533	7,913	12,489	17,842	15,616	4,164
Total property-related operating expenses ②	80,322	26,179	32,039	53,970	31,132	22,263
Management fee	24,249	6,651	8,049	17,965	6,854	7,948
Trust fee	300	300	300	300	300	300
Utilities expenses	32,881	7,114	11,619	16,701	6,328	5,613
Insurance premium	380	127	125	226	100	140
Repair expenses	3,973	871	2,260	2,730	8,783	389
Property taxes	17,471	10,037	8,284	13,456	6,484	7,141
Other expenses	1,066	1,076	1,400	2,589	2,281	729
NOI ③ (①–②)	126,506	67,346	73,035	118,168	48,367	53,515
Depreciation ④	17,965	9,086	10,951	18,939	9,392	8,378
Property-related operating income (loss) ⑤ (③–④)	108,540	58,260	62,083	99,229	38,974	45,136
Capital expenditures ⑥	4,531	10,551	1,806	—	2,134	7,702
NCF ⑦ (③–⑥)	121,974	56,795	71,228	118,168	46,233	45,813

(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	80,047	114,449	58,850	51,626	167,404	111,425
Rent revenue – real estate	74,269	101,693	53,381	46,919	154,794	96,558
Other lease business revenue	5,777	12,755	5,469	4,706	12,610	14,866
Total property-related operating expenses ②	28,680	32,742	12,387	14,773	54,144	37,797
Management fee	8,977	10,619	4,122	5,275	21,820	13,184
Trust fee	300	300	300	300	300	300
Utilities expenses	9,132	10,741	3,467	4,859	15,116	11,681
Insurance premium	138	171	67	76	318	213
Repair expenses	863	730	329	903	1,884	303
Property taxes	8,301	9,524	4,039	3,201	13,490	10,359
Other expenses	966	654	61	157	1,214	1,754
NOI ③ (①–②)	51,366	81,706	46,463	36,853	113,260	73,627
Depreciation ④	10,816	12,643	6,170	10,400	11,780	9,755
Property-related operating income (loss) ⑤ (③–④)	40,550	69,063	40,292	26,452	101,480	63,871
Capital expenditures ⑥	19,799	5,384	5,430	8,407	6,019	9,000
NCF ⑦ (③–⑥)	31,567	76,322	41,033	28,445	107,240	64,627



(Unit: JPY thousand)

Property no.	(O-13)	(O-14)	(Rt-01)	(Rt-02)	(Rt-03)	(Rt-04)
Property name	Kannai Wise Building	Hon-Atsugi Tosei Building	Inage Kaigan Building	Musashi Fujisawa Tosei Building	Selection Hatsutomi	Wako Building
Total property-related operating revenue ①	67,379	45,226	127,279	72,186	14,250	71,031
Rent revenue – real estate	61,259	42,337	101,606	72,186	14,250	55,500
Other lease business revenue	6,119	2,888	25,673	—	—	15,530
Total property-related operating expenses ②	17,731	11,228	48,007	8,189	4,286	22,460
Management fee	6,952	6,705	7,540	1,080	1,104	9,061
Trust fee	250	294	300	300	300	300
Utilities expenses	6,608	3,544	25,707	—	—	7,682
Insurance premium	126	99	200	80	30	101
Repair expenses	255	341	1,905	948	483	1,978
Property taxes	3,013	—	11,434	5,759	2,239	3,128
Other expenses	524	243	919	21	129	207
NOI ③ (①–②)	49,647	33,997	79,271	63,996	9,963	48,570
Depreciation ④	4,499	4,247	20,553	8,353	1,288	10,118
Property-related operating income (loss) ⑤ (③–④)	45,147	29,749	58,718	55,643	8,675	38,452
Capital expenditures ⑥	197	—	904	7,743	—	1,201
NCF ⑦ (③–⑥)	49,449	33,997	78,367	56,253	9,963	47,369

(Unit: JPY thousand)

Property no.	(Rd-01)	(Rd-02)	(Rd-03)	(Rd-04)	(Rd-05)	(Rd-07)
Property name	T's garden Koenji	Live Akabane	Gekkocho Apartment	T's garden Kawakidaishi	Abitato Kamata	Avenir Shirotae
Total property-related operating revenue ①	52,893	53,971	36,474	37,363	29,718	37,535
Rent revenue – real estate	50,099	52,473	35,623	36,164	29,240	36,096
Other lease business revenue	2,794	1,497	850	1,198	478	1,439
Total property-related operating expenses ②	10,764	16,095	7,786	7,525	5,877	10,900
Management fee	4,029	4,747	2,985	2,622	2,432	2,816
Trust fee	300	300	300	300	300	300
Utilities expenses	434	735	415	204	593	747
Insurance premium	53	96	40	47	43	60
Repair expenses	1,697	5,341	942	1,836	667	3,812
Property taxes	3,002	3,351	2,119	1,956	1,541	2,055
Other expenses	1,245	1,522	982	558	299	1,108
NOI ③ (①–②)	42,129	37,876	28,687	29,837	23,841	26,635
Depreciation ④	5,809	3,820	3,440	5,096	3,423	6,554
Property-related operating income (loss) ⑤ (③–④)	36,319	34,055	25,247	24,740	20,418	20,080
Capital expenditures ⑥	—	906	—	1,080	247	470
NCF ⑦ (③–⑥)	42,129	36,969	28,687	28,757	23,594	26,165

(Unit: JPY thousand)

Property no.	(Rd-08)	(Rd-09)	(Rd-10)	(Rd-11)	(Rd-12)	(Rd-13)
Property name	Dormitory Haramachida	SEA SCAPE Chiba Minato	Prime Garden	T's garden Shinkoiwa	Twin Avenue	Milestone Higashikurume
Total property-related operating revenue ①	29,463	125,848	31,821	25,586	65,514	67,874
Rent revenue – real estate	27,466	108,074	30,859	24,709	63,847	61,894
Other lease business revenue	1,997	17,774	962	876	1,667	5,980
Total property-related operating expenses ②	11,096	49,956	11,193	7,491	12,223	23,397
Management fee	2,835	10,190	3,937	2,392	3,703	5,390
Trust fee	300	300	300	300	300	300
Utilities expenses	659	9,058	401	546	711	3,926
Insurance premium	56	200	84	44	104	99
Repair expenses	2,441	15,514	3,699	2,619	2,349	9,243
Property taxes	2,384	9,126	2,420	1,445	4,528	2,689
Other expenses	2,418	5,566	349	143	526	1,747
NOI ③ (①–②)	18,367	75,891	20,628	18,094	53,290	44,476
Depreciation ④	5,158	23,960	3,869	2,704	3,981	7,811
Property-related operating income (loss) ⑤ (③–④)	13,208	51,931	16,758	15,390	49,308	36,665
Capital expenditures ⑥	—	1,750	4,269	4,129	1,540	—
NCF ⑦ (③–⑥)	18,367	74,141	16,358	13,965	51,750	44,476

(Unit: JPY thousand)

Property no.	(Rd-14)	(Rd-15)	(Rd-16)	(Rd-17)	(Rd-18)	(Rd-19)
Property name	Lumiere No. 3	T's garden Nishifunabashi	Quest Yamatedai	Sancerre Yonohonmachi	Rising Place Kawasaki No.2	J Palace Sakuradai
Total property-related operating revenue ①	60,436	33,131	29,339	24,081	63,400	38,601
Rent revenue – real estate	57,610	30,909	28,402	23,189	61,056	36,219
Other lease business revenue	2,826	2,222	936	892	2,343	2,381
Total property-related operating expenses ②	19,829	9,818	8,816	9,021	13,636	8,227
Management fee	4,432	3,021	3,115	2,306	4,898	3,922
Trust fee	300	300	300	300	300	300
Utilities expenses	518	588	415	497	498	620
Insurance premium	125	60	59	41	93	58
Repair expenses	9,634	1,572	1,648	2,467	1,323	983
Property taxes	4,076	2,376	1,898	1,653	5,130	2,078
Other expenses	744	1,899	1,379	1,754	1,392	264
NOI ③ (①–②)	40,606	23,313	20,523	15,060	49,763	30,373
Depreciation ④	6,322	2,472	2,753	1,967	13,956	2,067
Property-related operating income (loss) ⑤ (③–④)	34,283	20,840	17,769	13,092	35,806	28,305
Capital expenditures ⑥	1,812	3,052	780	—	—	—
NCF ⑦ (③–⑥)	38,793	20,260	19,742	15,060	49,763	30,373

(Unit: JPY thousand)

Property no.	(Rd-20)	(Rd-21)	(Rd-22)	(Rd-23)	(Rd-24)	(Rd-25)
Property name	Personnage Yokohama	T's garden Nishihachioji West	T's garden Ojima	T's garden Kitakashiwa	Century Urawa	T's garden Nagayama
Total property-related operating revenue ①	28,778	26,544	42,167	92,323	38,389	36,036
Rent revenue – real estate	26,639	25,956	41,066	81,317	37,739	36,002
Other lease business revenue	2,138	588	1,101	11,006	650	34
Total property-related operating expenses ②	10,538	7,489	11,533	30,056	9,167	5,892
Management fee	2,431	2,178	3,979	8,160	3,653	4,435
Trust fee	300	300	300	250	294	294
Utilities expenses	1,657	606	568	7,232	366	855
Insurance premium	57	62	71	262	88	121
Repair expenses	2,645	1,856	4,127	5,660	3,422	167
Property taxes	1,606	1,831	—	4,397	—	—
Other expenses	1,840	653	2,487	4,092	1,341	18
NOI ③ (①–②)	18,239	19,054	30,634	62,266	29,221	30,144
Depreciation ④	3,484	3,648	2,891	14,895	3,539	4,449
Property-related operating income (loss) ⑤ (③–④)	14,755	15,406	27,742	47,371	25,682	25,694
Capital expenditures ⑥	2,784	1,236	681	1,218	2,418	108
NCF ⑦ (③–⑥)	15,454	17,818	29,952	61,048	26,803	30,036

(Unit: JPY thousand)

Property no.	(Rd-26)	(Rd-27)	(Rd-28)	(Rd-29)	(Rd-30)	(Rd-31)
Property name	Grandeur Fujimino	T's garden Hitotsubashi- gakuen	T's garden Warabi II	T's garden Warabi III	T's garden Kashiwa	Suning Kitamatsudo
Total property-related operating revenue ①	32,542	28,520	29,653	26,614	25,611	17,550
Rent revenue – real estate	30,569	27,561	28,866	25,489	24,540	16,392
Other lease business revenue	1,973	959	786	1,125	1,070	1,158
Total property-related operating expenses ②	9,979	5,721	5,374	6,041	7,350	4,875
Management fee	3,371	2,287	2,938	3,012	3,037	1,713
Trust fee	294	294	294	294	294	294
Utilities expenses	326	459	231	323	344	216
Insurance premium	53	74	71	60	71	36
Repair expenses	4,007	1,568	1,146	1,641	1,721	1,504
Property taxes	—	—	—	—	1,038	523
Other expenses	1,925	1,035	693	709	843	586
NOI ③ (①–②)	22,563	22,799	24,278	20,573	18,260	12,674
Depreciation ④	2,729	2,432	2,134	1,521	3,069	3,060
Property-related operating income (loss) ⑤ (③–④)	19,834	20,366	22,144	19,051	15,190	9,614
Capital expenditures ⑥	336	453	235	690	1,002	484
NCF ⑦ (③–⑥)	22,227	22,346	24,043	19,883	17,257	12,190

(Unit: JPY thousand)

Property no.	(Rd-32)	Offices total	Retail facilities total	Residential properties total	Entire portfolio
Property name	T's garden Tanashi				
Total property-related operating revenue ①	14,506	1,429,256	284,747	1,282,297	2,996,301
Rent revenue – real estate	14,051	1,267,501	243,542	1,210,127	2,721,172
Other lease business revenue	454	161,754	41,204	72,169	275,128
Total property-related operating expenses ②	3,827	455,394	82,944	361,509	899,847
Management fee	2,053	149,375	18,786	113,035	281,197
Trust fee	294	4,144	1,200	9,202	14,547
Utilities expenses	154	145,411	33,389	34,918	213,720
Insurance premium	38	2,311	413	2,439	5,164
Repair expenses	876	24,621	5,314	98,140	128,076
Property taxes	—	114,807	22,562	63,231	200,601
Other expenses	409	14,721	1,278	40,540	56,540
NOI ③ (①–②)	10,678	973,862	201,802	920,787	2,096,453
Depreciation ④	1,892	145,027	40,314	154,922	340,264
Property-related operating income (loss) ⑤ (③–④)	8,785	828,834	161,488	765,865	1,756,188
Capital expenditures ⑥	100	80,963	9,848	31,789	122,601
NCF ⑦ (③–⑥)	10,578	892,899	191,954	888,998	1,973,851

## (2) Status of Capital Expenditures

## (a) Schedule of Capital Expenditures

The following are the major capital expenditures arising from renovation work, etc. currently planned/undertaken for the assets held by Tosei Reit as of April 30, 2020. 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
JPT Motomachi Building	Yokohama-shi, Kanagawa	Update of automatic fire alarm system	From: February 2020 To: May 2020	9,500	—	—
KM Shinjuku Building	Shinjuku-ku, Tokyo	Update of air-conditioning equipment on the eighth floor	From: March 2020 To: June 2020	8,700	—	—
T's garden Tanashi	Nishitokyo-shi, Tokyo	Refurbishment of exterior wall and common-use area	From: May 2020 To: August 2020	19,950	—	—
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of pressurized water supply pump unit	From: September 2020 To: September 2020	9,200	—	—
Milestone Higashikurume	Higashikurume-shi, Tokyo	Update of elevator	From: June 2020 To: October 2020	13,000	—	—
NU Kannai Building	Yokohama-shi, Kanagawa	Replacement of main parts of high-voltage substation	From: July 2020 To: October 2020	15,500	—	—
Dormitory Haramachida	Machida-shi, Tokyo	Update of mechanical parking facility system	From: September 2020 To: October 2020	22,960	—	—
T's garden Ojima	Koto-ku, Tokyo	Refurbishment of elevator	From: September 2020 To: October 2020	21,500	—	—
Quest Yamatedai	Yokohama-shi, Kanagawa	Refurbishment of elevator	From: October 2020 To: October 2020	7,190	—	—

## (b) Capital Expenditures during the Period

The following summarizes the major work that constitutes capital expenditures implemented during the fiscal period under review for the assets held by Tosei Reit as of April 30, 2020. Capital expenditures for the fiscal period under review amounted to JPY 122,601 thousand and, when combined with the JPY 128,076 thousand of repair expenses categorized under expenses for the fiscal period under review, the total amount of work implemented comes to JPY 250,677 thousand.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (JPY thousand)
KM Shinjuku Building	Shinjuku-ku, Tokyo	Update of control panel of mechanical parking facility	From: March 2020 To: March 2020	9,961
Nishidai NC Building	Itabashi-ku, Tokyo	Update of air-conditioning equipment yet to be updated on the first floor and second floor, and air-conditioning equipment on the third floor	From: April 2020 To: April 2020	19,267
JPT Motomachi Building	Yokohama-shi, Kanagawa	Update of emergency broadcasting system	From: April 2020 To: April 2020	5,134
Chojamachi Duo Building	Yokohama-shi, Kanagawa	Update of air-conditioning system B on the second floor and C on the fourth floor	From: March 2020 To: March 2020	6,377
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of substation	From: April 2020 To: April 2020	8,700
Others				73,161
Total				122,601