

(REIT) Financial Report for the Fiscal Period Ended October 31, 2020

December 17, 2020

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange
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Scheduled date of commencement of cash distribution payment: January 13, 2021

Preparation of supplementary financial results briefing materials: Yes

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

(Amounts are rounded down to the nearest JPY million)

1. Status of Management and Assets for Fiscal Period Ended October 31, 2020 (May 1, 2020 – October 31, 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 Oct. 31, 2020	3,097	3.4	1,532	2.1	1,259	1.2	1,258	1.2
Ended Apr. 30, 2020	2,996	19.3	1,501	20.9	1,244	22.1	1,243	22.6

Fiscal period	Net income per unit	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenue
	JPY	%	%	%
Ended Oct. 31, 2020	3,710	3.3	1.6	40.7
Ended Apr. 30, 2020	3,698	3.7	1.8	41.5

(2) Cash Distributions

Fiscal period	Cash distribution per unit (not including cash distribution in excess of earnings)	Total cash distribution (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit	Total cash distribution in excess of earnings	Payout ratio	Ratio of cash distribution to net assets
	JPY	JPY million	JPY	JPY million	%	%
Ended Oct. 31, 2020	3,697	1,258	—	—	99.9	3.3
Ended Apr. 30, 2020	3,696	1,243	—	—	99.9	3.3

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

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

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

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

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Oct. 31, 2020	77,012	37,833	49.1	111,108
Ended Apr. 30, 2020	76,345	37,398	49.0	111,137

(4) Cash Flows

Fiscal period	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
Ended Oct. 31, 2020	1,987	(1,664)	(897)	6,966
Ended Apr. 30, 2020	1,546	(11,957)	12,136	7,540

2. Forecast for Management Status for Fiscal Period Ending April 30, 2021 (November 1, 2020 – April 30, 2021) and
Forecast for Management Status for Fiscal Period Ending October 31, 2021 (May 1, 2021 – October 31, 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 Apr. 30, 2021	3,123	0.8	1,487	(3.0)	1,203	(4.5)	1,202	(4.5)	3,530	—
Ending Oct. 31, 2021	3,084	(1.2)	1,453	(2.3)	1,160	(3.6)	1,159	(3.6)	3,530	—

(Reference) Forecast net income per unit is JPY 3,531 for the fiscal period ending April 30, 2021, and JPY 3,405 for the fiscal period ending October 31, 2021 (assuming total number of investment units issued and outstanding at end of period of 340,505 units). There is a difference between forecast net income per unit and forecast cash distribution per unit since a reversal of internal reserve is scheduled in the fiscal period ending October 31, 2021.

* Other

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

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

(2) Total Number of Investment Units Issued and Outstanding

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

Fiscal period ended October 31, 2020	340,505 units
Fiscal period ended April 30, 2020	336,505 units
Fiscal period ended October 31, 2020	0 units
Fiscal period ended April 30, 2020	0 units

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

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

* Special note

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

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1. Management Status

(1) Management Status

① Overview of the Fiscal Period Under Review

(a) Key Developments of the Investment Corporation

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

With issuance of new investment units through public offering (86,400 units) on November 26, 2014, Tosei Reit listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (the “J-REIT market” (Note)) (Securities Code: 3451) on November 27, 2014. The total number of investment units issued and outstanding at the end of the fiscal period ended October 31, 2020, stands at 340,505 units.

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

(b) Investment Environment and Management Performance

Investment Environment:

In the fiscal period under review (12th Period: fiscal period ended October 31, 2020), the Japanese economy saw a plunge mainly in exports and private consumption due to the impact of the spread of the novel coronavirus (COVID-19) and the state of emergency declared alongside the pandemic. However, with the resumption of economic activities, some recovery was seen supported by the accommodative financial environment and the effect of the government’s economic measures in addition to improvement in overseas economies and pent-up demand. Overseas economies also started to improve from the massive plunge after the resumption of economic activities, backed by aggressive macroeconomic measures taken by various countries and territories as well as other factors.

In the real estate investment market, with the acquisition appetite of domestic and overseas investors remaining robust amid the ongoing accommodative financial environment, real estate prices continued to be in the high range despite the uncertain outlook due to the spread of COVID-19, and the size of the transaction market in terms of transaction value remained above JPY 2 trillion in the first half of 2020.

In the real estate leasing market, for offices in the Tokyo metropolitan area (Note 1), particularly the Tokyo 5 central wards (Note 2), vacancy rates continued to rise due to the decline in tenant demand brought about by the deterioration of corporate earnings and introduction of remote work attributable to the COVID-19 pandemic, resulting in the average rent for offices turning to decrease. On the other hand, in the vicinity of Tokyo, there were moves to take in demand for satellite offices, and no notable increase in vacancy rates was seen like in the Tokyo 5 central wards. For rental housing, vacancy rates in the Tokyo metropolitan area hovered steadily at a low level while rent unit prices also maintained a high level. However, demand for rental apartments has slightly weakened as move-ins and move-outs are decreasing in number due to people refraining from moving with the spread of COVID-19.

Management Performance:

Under such environment, as of the end of the fiscal period under review, Tosei Reit owns 50 properties with the total acquisition price (Note 3) of JPY 70,382 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.

Funds were procured through interest-bearing debt (a short-term loan of JPY 400 million on May 29, 2020) to be allocated to part of the funds for the acquisition of real estate trust beneficiary rights and related expenses. Furthermore, a long-term loan of JPY 2,400 million was refinanced on May 29, 2020.

In addition, Tosei Reit conducted issuance of new investment units through third-party allotment (4,000 units) with June 25, 2020, as the payment date, thereby procuring JPY 419 million which was allocated to prepayment of existing long-term loans of JPY 400 million.

As of October 31, 2020, unitholders' capital was JPY 36,516 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 46.1%.

(d) Overview of Business Performance and Cash Distribution

As a result of the management described above, business performance in the fiscal period under review was operating revenue of JPY 3,097 million (up 3.4% period on period) and operating income of JPY 1,532 million (up 2.1% period on period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY 1,259 million (up 1.2% period on period) and net income of JPY 1,258 million (up 1.2% period on period).

Concerning cash distribution in the fiscal period under review, in accordance with the cash distribution policy provided in the Articles of Incorporation of Tosei Reit and to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended) (the "Special Taxation Measures Act")), Tosei Reit decided to distribute almost the entire amount of the net income portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit of JPY 3,697.

② Outlook for the Next Fiscal Period

The Japanese economy is believed to remain in a severe situation for the time being due to the impact of COVID-19 in Japan and abroad despite some signs of a pickup and because the pace of recovery is likely to remain modest with a lingering sense of caution on the resurgence of infection. If the end of the pandemic is delayed and the stagnation of economic activities prolongs, negative impact on the real estate leasing market from deteriorated corporate earnings and relaxed balance of labor supply and demand will become a concern. The office market may even see an accelerated review of the role of offices against the backdrop of the dissemination of remote work. At present, requests for rent reduction, deferment of rent payment and such attributable to the COVID-19 pandemic have calmed down. Although negative impacts from the pandemic have been limited, the consequences of the pandemic and its impact on the economy are extremely uncertain. Therefore, close attention should be paid to the infection status and movements of tenants going forward.

Future Management Policy and Challenges to Address

(a) Management Policy:

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

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

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

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

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

(b) Expansion of Asset Size (Note 1)

Tosei Reit manages assets totaling 50 properties and amounting to JPY 70,382 million as of the end of the fiscal period under review, but early expansion in size is thought to be necessary to realize stable cash distribution to unitholders.

In today's real estate market in which acquisition competition is fierce, Tosei Reit will aim for external growth through acquisition of carefully selected properties that are expected to have relatively high yields, while securing diverse investment opportunities by leveraging the sourcing support of the Sponsor along with also leveraging the Asset Management Company's own network from its management of private placement funds (Note 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 4 properties (T's garden Center Minami, Boulevard Maioka, T's garden Koiwa and T's garden Tsuzuki-fureainooka II) on November 25, 2020, and acquired the assets on December 17, 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 rising interest rates, economic conditions, etc. However, Tosei Reit will not execute interest rate swap agreements under the current negative interest rate policy as interest rate swap accounting and other associated risks cannot be sufficiently eliminated.

(d) Outlook for Management Status for Fiscal Period Ending April 30, 2021, and Fiscal Period Ending October 31, 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 Apr. 30, 2021	3,123	1,487	1,203	1,202	3,530	—
Ending Oct. 31, 2021	3,084	1,453	1,160	1,159	3,530	—

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

③ Significant Subsequent Events

(a) Acquisition of Asset

Tosei Reit concluded sale and purchase contracts concerning the acquisition of real estate trust beneficiary rights to the following properties on November 25, 2020, and acquired the assets on December 17, 2020.

Type	Property no.	Property name	Location	Acquisition price (JPY million) (Note)
Residential properties	Rd-33	T's garden Center Minami	Yokohama-shi, Kanagawa	1,140
Residential properties	Rd-34	Boulevard Maioka	Yokohama-shi, Kanagawa	810
Residential properties	Rd-35	T's garden Koiwa	Edogawa-ku, Tokyo	490
Residential properties	Rd-36	T's garden Tsuzuki-fureainooka II	Yokohama-shi, Kanagawa	480
Total (4 properties)			—	2,920

(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 (Note)	Drawdown date	Maturity date	Repayment method	Security
Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. AEON Bank, Ltd. Kansai Mirai Bank, Ltd.	1,500	0.80134% (fixed rate)	December 17, 2020	May 29, 2026	Lump-sum repayment on maturity date	Unsecured
Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. AEON Bank, Ltd. Kansai Mirai Bank, Ltd. Shizuoka Chuo Bank, Ltd.	1,500	0.90759% (fixed rate)	December 17, 2020	November 30, 2026	Lump-sum repayment on maturity date	Unsecured
Total	3,000	—	—	—	—	—

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

Tosei Reit executed the following debt financing to repay JPY 2,000 million that matured on November 30, 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. Sumitomo Mitsui Trust Bank, Ltd.	2,000	0.76273% (fixed rate)	November 30, 2020	November 28, 2025	Lump-sum repayment on maturity date	Unsecured

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

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

Item	Assumptions		
Calculation period	<ul style="list-style-type: none">• Fiscal period ending April 30, 2021 (13th Period): November 1, 2020 – April 30, 2021 (181 days)• Fiscal period ending October 31, 2021 (14th Period): May 1, 2021 – October 31, 2021 (184 days)		
Assets under management	<ul style="list-style-type: none">• It is assumed that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending October 31, 2021, to the real estate trust beneficiary rights owned by Tosei Reit as of the date of this document (54 properties in total) (the “Assets under Management”).• In practice, there may be differences due to acquisition of new properties other than Assets under Management or sale of Assets under Management, etc.		
Operating revenue	<ul style="list-style-type: none">• Rental revenues from Assets under Management are calculated taking into account lease agreements that are effective as of the date of this document, tenant and market trends, etc.• For rental revenues, it is assumed that no rent payments will be behind or declined by tenants.• Calculations are made by incorporating a certain degree of rent decrease and other impact of the spread of COVID-19.		
Operating expenses	<ul style="list-style-type: none">• The following are the major items of operating expenses.		
		Fiscal period ending April 30, 2021	Fiscal period ending October 31, 2021
	Expenses related to rent business	JPY 1,349 million	JPY 1,347 million
	<i>Of which:</i> Management fee	JPY 307 million	JPY 301 million
	<i>[Of which:</i> Operational management costs	JPY 221 million	JPY 223 million)
	<i>[Of which:</i> Property management costs	JPY 85 million	JPY 78 million)
	Repair expenses	JPY 122 million	JPY 101 million
	Property taxes	JPY 231 million	JPY 238 million
	Depreciation	JPY 367 million	JPY 375 million
	Expenses other than expenses related to rent business	JPY 286 million	JPY 283 million
	<i>Of which:</i> Asset management fee	JPY 179 million	JPY 185 million
		<ul style="list-style-type: none">• For expenditures for repair and maintenance (repair expenses) of buildings, the amount expected to be required in the fiscal period is assumed as expenses, based on the amount planned by the Asset Management Company, after considering the amount stated in the engineering report. However, the expenditure for repair and maintenance for the fiscal period could differ significantly from the estimated amount, as expenditures may arise urgently due to damages to buildings and such caused by unexpected factors, and because the variance in amounts generally tends to be significant from year to year and repair maintenance expenses do not arise regularly.• 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 13th Period totaling 4 properties that was acquired on December 17, 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 April 30, 2021. The total of fixed asset taxes, city planning taxes and other public charges for the assets acquired in the 13th Period to be included in the acquisition cost is assumed to be JPY 0 million (equivalent to that for 15 days).	
NOI	<ul style="list-style-type: none">• NOI for the entire portfolio is assumed to be JPY 2,141 million for the fiscal period ending April 30, 2021 (13th Period), and JPY 2,112 million for the fiscal period ending October 31, 2021 (14th Period).• NOI is calculated by using the following formula. NOI = Property-related operating revenue – Property-related operating expenses + Depreciation		
Non-operating expenses	<ul style="list-style-type: none">• Amortization of expenses for the issuance of investment units is assumed to be JPY 10 million for the fiscal period ending April 30, 2021, and JPY 10 million for the fiscal period ending October 31, 2021.• Interest expenses and borrowing-related expenses are assumed to be JPY 273 million for the fiscal period ending April 30, 2021, and JPY 282 million for the fiscal period ending October 31, 2021. Among the borrowing-related expenses, JPY 80 million for the fiscal period ending April 30, 2021, and JPY 82 million for the fiscal period ending October 31, 2021, are assumed to be the amounts to be amortized in accordance with the borrowing periods.		

Item	Assumptions
Debt financing	<ul style="list-style-type: none"> Debt outstanding as of the date of this document is JPY 38,500 million. It is assumed that there will be no changes to the amount through the end of the fiscal period ending October 31, 2021 (14th Period). LTV is assumed to be 48.1% as of the end of the fiscal period ending April 30, 2021 (13th Period), and 48.1% as of the end of the fiscal period ending October 31, 2021 (14th Period). LTV is calculated by using the following formula. $\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$
Total number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed that the total number of investment units issued and outstanding will be 340,505 units as of the date of this document, and that there will be no changes to this number due to additional issuance of new investment units and such through the end of the fiscal period ending October 31, 2021. 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 April 30, 2021, and the fiscal period ending October 31, 2021 (340,505 units).
Cash distribution per unit (not including cash distribution in excess of earnings)	<ul style="list-style-type: none"> Cash distribution per unit is calculated on the assumption described in the monetary cash distribution policy stipulated in Tosei Reit's Articles of Incorporation. 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. Reversal of internal reserve is expected in the amount of JPY 42 million for the fiscal period ending October 31, 2021. It is possible that the cash distribution per unit (not including cash distribution in excess of earnings) could change due to various factors, including changes in assets under management, changes in rental revenue accompanying changes in tenants, etc., and unexpected maintenance and repairs, etc.
Cash distribution in excess of earnings per unit	<ul style="list-style-type: none"> Tosei Reit does not currently anticipate cash distribution in excess of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act.
Other	<ul style="list-style-type: none"> Forecasts are based on the assumption revisions will not be made to laws and regulations, tax systems, accounting standards, listing rules, rules of The Investment Trusts Association, Japan ("The Investment Trusts Association") that impact forecast figures. Forecasts are based on the assumption there will be no major unforeseen changes to general economic trends and real estate market conditions, etc.

(2) Investment Risk

Disclosure is omitted because there is no significant change from "Investment Risks" in the securities report (submitted on July 31, 2020).

2. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
Assets		
Current assets		
Cash and deposits	2,463,231	1,470,633
Cash and deposits in trust	5,077,584	5,496,219
Operating accounts receivable	15,993	9,608
Prepaid expenses	201,373	157,359
Consumption taxes receivable	161,633	—
Total current assets	7,919,816	7,133,821
Non-current assets		
Property, plant and equipment		
Buildings in trust	19,051,682	19,490,613
Accumulated depreciation	(2,038,732)	(2,361,792)
Buildings in trust, net	17,012,949	17,128,820
Structures in trust	185,380	185,808
Accumulated depreciation	(49,110)	(54,170)
Structures in trust, net	136,270	131,637
Machinery and equipment in trust	338,278	376,179
Accumulated depreciation	(126,520)	(142,377)
Machinery and equipment in trust, net	211,758	233,802
Tools, furniture and fixtures in trust	223,105	245,464
Accumulated depreciation	(66,342)	(83,188)
Tools, furniture and fixtures in trust, net	156,762	162,275
Land in trust	49,650,945	50,992,179
Total property, plant and equipment	67,168,685	68,648,714
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	342,254	316,003
Deferred tax assets	17	14
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	352,271	326,018
Total non-current assets	68,390,585	69,844,361
Deferred assets		
Investment unit issuance expenses	35,093	34,147
Total deferred assets	35,093	34,147
Total assets	76,345,496	77,012,330

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	178,680	167,512
Current portion of long-term loans payable	4,800,000	4,800,000
Accounts payable – other	141,637	144,776
Income taxes payable	956	909
Accrued consumption taxes	12,997	79,414
Advances received	489,103	496,030
Other	316,487	352,625
Total current liabilities	5,939,862	6,041,269
Non-current liabilities		
Long-term loans payable	30,700,000	30,700,000
Tenant leasehold and security deposits in trust	2,307,265	2,437,891
Total non-current liabilities	33,007,265	33,137,891
Total liabilities	38,947,127	39,179,161
Net assets		
Unitholders' equity		
Unitholders' capital	36,097,061	36,516,661
Surplus		
Unappropriated retained earnings (undisposed loss)	1,301,306	1,316,507
Total surplus	1,301,306	1,316,507
Total unitholders' equity	37,398,368	37,833,169
Total net assets	¹ 37,398,368	¹ 37,833,169
Total liabilities and net assets	76,345,496	77,012,330

(2) Statement of Income

(Unit: JPY thousand)

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Operating revenue		
Rent revenue – real estate	* ₁ 2,721,172	* ₁ 2,818,952
Other lease business revenue	* ₁ 275,128	* ₁ 278,465
Total operating revenue	2,996,301	3,097,418
Operating expenses		
Expenses related to rent business	* ₁ 1,240,112	* ₁ 1,288,113
Asset management fee	167,788	183,098
Asset custody fee	2,865	3,387
Administrative service fees	19,145	19,216
Directors' compensations	2,460	2,460
Other operating expenses	62,565	68,380
Total operating expenses	1,494,936	1,564,657
Operating income	1,501,364	1,532,760
Non-operating income		
Interest income	32	34
Insurance claim income	901	2,344
Miscellaneous income	162	444
Total non-operating income	1,096	2,823
Non-operating expenses		
Interest expenses	161,790	174,451
Borrowing related expenses	84,936	88,022
Other	10,932	13,269
Total non-operating expenses	257,659	275,743
Ordinary income	1,244,801	1,259,840
Income before income taxes	1,244,801	1,259,840
Income taxes – current	961	914
Income taxes – deferred	(17)	2
Total income taxes	943	916
Net income	1,243,857	1,258,923
Retained earnings brought forward	57,449	57,584
Unappropriated retained earnings (undisposed loss)	1,301,306	1,316,507

(3) Statement of Unitholders' Equity

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

(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	(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

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

(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	36,097,061	1,301,306	1,301,306	37,398,368	37,398,368
Changes of items during period					
Issuance of new investment units	419,600			419,600	419,600
Dividends of surplus		(1,243,722)	(1,243,722)	(1,243,722)	(1,243,722)
Net income		1,258,923	1,258,923	1,258,923	1,258,923
Net changes of items other than unitholders' equity					—
Total changes of items during period	419,600	15,201	15,201	434,801	434,801
Balance at end of current period	*1 36,516,661	1,316,507	1,316,507	37,833,169	37,833,169

(4) Statement of Cash Distributions

(Unit: JPY)

Item	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
I. Unappropriated retained earnings	1,301,306,664	1,316,507,691
II. Amount of cash distribution [Amount of cash distribution per investment unit]	1,243,722,480 (3,696)	1,258,846,985 (3,697)
III. Retained earnings carried forward	57,584,184	57,660,706
Method of calculating the amount of cash distribution	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,696 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 of the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the net income portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,696.</p>	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,697 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 of the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the net income portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,697.</p>

(5) Statement of Cash Flows

(Unit: JPY thousand)

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Cash flows from operating activities		
Income before income taxes	1,244,801	1,259,840
Depreciation	340,264	360,823
Borrowing related expenses	84,936	88,022
Interest income	(32)	(34)
Interest expenses	161,790	174,451
Decrease (increase) in operating accounts receivable	(5,379)	6,384
Decrease (increase) in consumption taxes refund receivable	(161,633)	161,633
Increase (decrease) in accrued consumption taxes	(64,379)	66,417
Decrease (increase) in prepaid expenses	(48,886)	48,320
Increase (decrease) in operating accounts payable	55,700	(21,038)
Increase (decrease) in accounts payable – other	22,531	3,138
Increase (decrease) in advances received	72,334	6,927
Other, net	6,511	7,512
Subtotal	1,708,559	2,162,400
Interest income received	32	34
Interest expenses paid	(161,790)	(173,499)
Income taxes paid	(605)	(961)
Net cash provided by (used in) operating activities	1,546,195	1,987,974
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(12,190,694)	(1,830,982)
Proceeds from tenant leasehold and security deposits in trust	286,718	204,716
Repayments of tenant leasehold and security deposits in trust	(53,331)	(38,319)
Net cash provided by (used in) investing activities	(11,957,308)	(1,664,584)
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	8,111,320	2,739,093
Repayments of long-term loans payable	(2,000,000)	(2,800,000)
Proceeds from issuance of investment units	7,065,502	407,276
Dividends paid	(1,040,080)	(1,243,722)
Net cash provided by (used in) financing activities	12,136,742	(897,352)
Net increase (decrease) in cash and cash equivalents	1,725,630	(573,963)
Cash and cash equivalents at beginning of period	5,815,185	7,540,815
Cash and cash equivalents at end of period	*1 7,540,815	*1 6,966,852

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

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

(8) Notes to Financial Statements

[Notes to Balance Sheet]

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

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
	50,000	50,000

[Notes to Statement of Income]

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

(Unit: JPY thousand)

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
A. Property-related operating revenue		
Rent revenue – real estate		
Rental income	2,350,858	2,430,655
Common area maintenance income	241,164	251,874
Parking income	101,789	106,704
Other rental income	27,359	29,718
Total	2,721,172	2,818,952
Other lease business revenue		
Utilities reimbursement	208,755	219,495
Other income	66,372	58,970
Total	275,128	278,465
Total property-related operating revenue	2,996,301	3,097,418
B. Property-related operating expenses		
Expenses related to rent business		
Management fee	281,197	293,773
Trust fee	14,547	14,955
Utilities expenses	213,720	222,416
Insurance premium	5,164	5,436
Repair expenses	128,076	123,091
Property taxes	200,601	219,737
Depreciation	340,264	360,823
Other expenses	56,540	47,878
Total property-related operating expenses	1,240,112	1,288,113
C. Property-related operating income (loss) (A–B)	1,756,188	1,809,304

[Notes to Statement of Unitholders' Equity]

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

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	336,505 units	340,505 units

[Notes to Statement of Cash Flows]

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

(Unit: JPY thousand)

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Cash and deposits	2,463,231	1,470,633
Cash and deposits in trust	5,077,584	5,496,219
Cash and cash equivalents	7,540,815	6,966,852

[Notes on Lease Transactions]

Operating lease transactions (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
Due within 1 year	364,833	98,698
Due after 1 year	152,453	125,807
Total	517,287	224,505

[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.

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

12th Period (as of October 31, 2020)

(Unit: JPY thousand)

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

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

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

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

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

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

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

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

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
Tenant leasehold and security deposits in trust	2,618,304	2,784,701

(*) The amount includes current portion of tenant leasehold and security deposits in trust (JPY 311,038 thousand for the 11th Period; JPY 346,809 thousand for the 12th Period).

(Note 3) Amount of redemption of monetary claims scheduled to be due after the date of settlement of accounts
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	—	—	—	—	—

12th Period (as of October 31, 2020)

(Unit: JPY thousand)

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

(Note 4) Amount of repayment of loans scheduled to be due after the date of settlement of accounts
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

12th Period (as of October 31, 2020)

(Unit: JPY thousand)

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

[Notes on Tax-Effect Accounting]

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

(Unit: JPY thousand)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
[Deferred tax assets]		
Non-deductible accrued enterprise tax	17	14
Total deferred tax assets	17	14
Net deferred tax assets	17	14

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: %)

	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible cash distribution payable	(31.43)	(31.44)
Other	0.05	0.05
Effective income tax rate after application of tax-effect accounting	0.08	0.07

[Notes on Investment and Rental Properties]

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

(Unit: JPY thousand)

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Carrying amount (Note 1)		
Balance at beginning of period	56,156,782	68,038,313
Amount of increase (decrease) during period (Note 2)	11,881,531	1,480,028
Balance at end of period	68,038,313	69,518,342
Fair value at end of period (Note 3)	77,822,000	79,613,000

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

(Note 2) 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). For the 12th Period, the amount of increase is mainly attributable to acquisition of Hachioji Tosei Building (JPY 1,619,519 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 360,823 thousand).

(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)

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

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

1. Information on products and services

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

2. Information on regions

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: JPY thousand)

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

[Notes on Per Unit Information]

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Net assets per unit	JPY 111,137	JPY 111,108
Net income per unit	JPY 3,698	JPY 3,710

(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.

	11th Period (From: Nov. 1, 2019 To: Apr. 30, 2020)	12th Period (From: May 1, 2020 To: Oct. 31, 2020)
Net income (JPY thousand)	1,243,857	1,258,923
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	1,243,857	1,258,923
Average number of investment units during period (units)	336,292	339,309

[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 November 25, 2020, and acquired the asset on December 17, 2020.

Property name	Type of asset	Acquisition price (JPY million) (Note)	Seller	Acquisition date
T's garden Center Minami	Trust beneficiary right	1,140	Tosei Corporation	December 17, 2020
Boulevard Maioka	Trust beneficiary right	810	Tosei Corporation	December 17, 2020
T's garden Koiwa	Trust beneficiary right	490	Tosei Corporation	December 17, 2020
T's garden Tsuzuki-fureainooka II	Trust beneficiary right	480	Tosei Corporation	December 17, 2020
Total (4 properties)		2,920	—	—

(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. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. AEON Bank, Ltd. Kansai Mirai Bank, Ltd.	1,500	0.80134% (fixed rate)	December 17, 2020	May 29, 2026	Lump-sum repayment on maturity date	Unsecured
Mizuho Bank, Ltd. Resona Bank, Limited Shinsei Bank, Limited Aozora Bank, Ltd. The Bank of Fukuoka, Ltd. AEON Bank, Ltd. Kansai Mirai Bank, Ltd. Shizuoka Chuo Bank, Ltd.	1,500	0.90759% (fixed rate)	December 17, 2020	November 30, 2026	Lump-sum repayment on maturity date	Unsecured
Total	3,000	—	—	—	—	—

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

Tosei Reit executed the following debt financing to repay JPY 2,000 million that matured on November 30, 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. Sumitomo Mitsui Trust Bank, Ltd.	2,000	0.76273% (fixed rate)	November 30, 2020	November 28, 2025	Lump-sum repayment on maturity date	Unsecured

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

[Omission of disclosure]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (Note 11) Investment units were issued through third-party allotment at an issue amount of JPY 104,900 per unit for the purpose of allocating funds to repayment of loans, etc.
- (Note 12) There exist no investment units without voting rights provided in Article 308 Paragraph 2 of the Companies Act which will be applied mutatis mutandis pursuant to Article 94 of the Investment Trusts Act (treasury investment units) or investment units without voting rights provided in Article 160 of the Ordinance for Enforcement of Investment Trusts Act (mutual-holding investment units).
- (Note 13) Fluctuation of unitholders' capital in line with implementation of distribution in excess of earnings with reserve for temporary difference adjustments is not considered.

3. Reference Information

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

(a) Investment Status

The following is an overview of the investment status as of the date of Tosei Reit's settlement of accounts (October 31, 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	12th Period (As of October 31, 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	31,436	40.8
		Retail facilities	5,772	7.5
		Residential properties	32,308	42.0
	Major regional cities (Note 1)	—	—	—
	Total		69,518	90.3
Deposits and other assets			7,493	9.7
Total assets (Note 2)			77,012	100.0
Total liabilities (Note 2)			39,179	50.9
Total net assets (Note 2)			37,833	49.1

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

(Note 2) "Total amount held," "Total assets," "Total liabilities" and "Total net assets" are the amounts based on the carrying amounts (depreciated book value in the case of real estate trust beneficiary rights) as of October 31, 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 (October 31, 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	4.8	3,810	November 28, 2014	
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	2.9	2,840	November 28, 2014	
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	2.6	2,680	November 28, 2014	
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	5.8	4,690	November 17, 2015	
	O-05	Nishi Kasai Tosei Building	Edogawa-ku, Tokyo	1,710	2.4	2,060	November 17, 2015	
	O-06	Shin Yokohama Center Building	Yokohama-shi, Kanagawa	1,364	1.9	1,810	November 17, 2015	
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	2.1	1,800	August 31, 2016	
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	3.4	2,960	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	1.8	1,430	November 2, 2017	
	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800	5.4	4,070	November 2, 2018	
	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650	3.8	2,770	November 2, 2018	
	O-13	Kannai Wise Building	Yokohama-shi, Kanagawa	2,050	2.9	2,180	December 2, 2019	
	O-14	Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	880	1.3	910	November 5, 2019	
	O-15	Hachioji Tosei Building	Hachioji-shi, Tokyo	1,600	2.3	1,670	May 29, 2020	
	Subtotal			—	31,949	45.4	37,360	—
	Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	3.4	2,590	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	0.4	364	November 2, 2016	
Rt-04		Wako Building	Chiba-shi, Chiba	1,400	2.0	1,410	November 2, 2017	
Subtotal			—	6,040	8.6	6,554	—	
Offices and retail facilities combined subtotal			—	37,989	54.0	43,914	—	
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	1.7	1,550	November 28, 2014	
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	1.4	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	757	November 28, 2014	
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	4.0	3,150	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	747	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	2.3	1,730	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-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	2.0	1,580	November 2, 2017
	Rd-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.2	878	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	1.0	748	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	0.9	625	November 2, 2017
	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812	2.6	1,880	November 2, 2018
	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090	1.5	1,170	November 2, 2018
	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740	1.1	795	November 2, 2018
	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600	0.9	654	November 2, 2018
	Rd-22	T's garden Ojima	Koto-ku, Tokyo	1,020	1.4	1,100	May 24, 2019
	Rd-23	T's garden Kitakashiwa	Kashiwa-shi, Chiba	2,770	3.9	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	810	November 5, 2019
	Rd-29	T's garden Warabi III	Kawaguchi-shi, Saitama	655	0.9	695	November 5, 2019
	Rd-30	T's garden Kashiwa	Kashiwa-shi, Chiba	595	0.8	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	0.4	336	November 5, 2019
	Subtotal			—	32,393	46.0	35,699
Total			—	70,382	100.0	79,613	—

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

(Note 2) Appraisal of the property is entrusted to Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. "Real estate appraisal value, etc." is the appraisal value stated in the real estate appraisal report or investigation report ("real estate appraisal report, etc.") with October 31, 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 (October 31, 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	15	31,949	45.4
Retail facilities	4	6,040	8.6
Residential properties	31	32,393	46.0
Total	50	70,382	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	50 (Note 2)	70,382	100.0
Tokyo 5 central wards	2	3,887	5.5
Tokyo 23 wards (excluding Tokyo 5 central wards)	11	13,838	19.7
Tokyo metropolitan area (excluding Tokyo 23 wards)	37	52,657	74.8
Major regional cities	—	—	—
Total	50	70,382	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 21 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	18
JPY 2.0 billion or more, but less than JPY 3.0 billion	7
JPY 3.0 billion or more	3
Total	50

(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 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 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 ²) (Note 9) (Note 14)	Total leasable area (m ²) (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	31.3	328	269	9,737.49	9,737.49	100.0 (97.8)	1 (44)
	O-02	KM Shinjuku Building	September 1991	29.1	163	83	3,403.95	3,403.95	100.0	7
	O-03	Nihonbashi-Hamacho Building	October 1990	30.0	165	129	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 13)	36.7 (Note 13)	272	359	6,343.04	6,920.63	91.7	36
	O-05	Nishi Kasai Tosei Building	January 1994	26.8	125	87	2,997.03	3,187.97	94.0	8
	O-06	Shin Yokohama Center Building	December 1990	29.9	135	97	3,888.28	3,888.28	100.0	12
	O-07	Nishidai NC Building	March 1992	28.6	140	89	3,798.48	3,798.48	100.0	7
	O-08	JPT Motomachi Building (Note 2)	October 1991	29.0	190	148	5,453.13	5,453.13	100.0 (100.0)	7 (8)
	O-09	Hakusan Asanomi Building	July 1993	27.3	99	71	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	27.3	92	69	2,204.74	2,204.74	100.0	10
	O-11	NU Kannai Building	February 1987	33.7	295	144	7,943.92	8,025.76	99.0	25
	O-12	Higashitotsuka West Building	February 1993	27.7	200	132	5,664.69	5,664.69	100.0	16
	O-13	Kannai Wise Building	February 1991	29.7	139	100	3,568.43	3,568.43	100.0	5
	O-14	Hon-Atsugi Tosei Building	January 1993	27.8	83	66	2,651.90	2,651.90	100.0	13
	O-15	Hachioji Tosei Building	February 1988	32.7	123	115	3,530.42	3,530.42	100.0	11
	Subtotal		—	—	2,557	1,965	66,380.41	67,230.78	98.7	177
Retail facilities	Rt-01	Inage Kaigan Building	November 1992	27.9	191	279	5,813.08	5,890.90	98.7	14
	Rt-02	Musashi Fujisawa Tosei Building (Note 3)	August 1997	23.2	144	72	6,089.72	6,089.72	100.0 (94.0)	1 (5)
	Rt-03	Selection Hatsutomi	June 2003	17.4	28	14	1,839.45	1,839.45	100.0	1
	Rt-04	Wako Building	May 1986	34.5	106	73	2,620.63	2,827.26	92.7	23
	Subtotal		—	—	470	439	16,362.88	16,647.33	98.3	39
Offices and retail facilities combined subtotal			—	—	3,027	2,404	82,743.29	83,878.11	98.6	216
F e Residential properties	Rd-01	T's garden Koenji	January 2011	9.8	104	17	2,169.38	2,169.38	100.0	55
	Rd-02	Live Akabane	March 1989	31.6	95	10	3,714.16	3,876.44	95.8	68
	Rd-03	Gekkocho Apartment	March 2008	12.6	70	14	1,392.13	1,392.13	100.0	17
	Rd-04	T's garden Kawasakidaishi	January 2009	11.8	70	8	2,067.85	2,067.85	100.0	53
	Rd-05	Abitato Kamata	June 1991	29.4	50	7	1,702.74	1,768.23	96.3	26
	Rd-07	Avenir Shirotae	February 1995	25.7	62	6	2,180.79	2,499.93	87.2	35
	Rd-08	Dormitory Haramachida	July 1992	28.3	55	4	1,777.07	1,866.62	95.2	69
	Rd-09	SEA SCAPE Chiba Minato	March 2008	12.6	221	71	6,468.12	6,758.52	95.7	129
	Rd-10	Prime Garden	February 1995	25.7	59	7	3,687.98	3,687.98	100.0	60

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 ²) (Note 9) (Note 14)	Total leasable area (m ²) (Note 10)	Occupancy rate (%) (Note 11) (Note 14)	Number of tenants (Note 12) (Note 14)
	Rd-11	T's garden Shinkoiwa	March 1998	22.6	48	6	1,652.93	1,652.93	100.0	25
	Rd-12	Twin Avenue	March 1992	28.7	126	29	4,493.86	4,558.96	98.6	49
	Rd-13	Milestone Higashikurume	September 1989	31.1	120	14	3,327.29	3,546.73	93.8	173
	Rd-14	Lumiere No. 3	September 1994	26.1	108	16	5,456.96	5,644.16	96.7	79
	Rd-15	T's garden Nishifunabashi	February 1991	29.7	62	6	2,643.84	2,643.84	100.0	26
	Rd-16	Quest Yamatedai	February 1989	31.7	55	33	2,732.98	2,802.74	97.5	30
	Rd-17	Sancerre Yonohonmachi	November 1990	30.0	49	4	1,399.83	1,419.39	98.6	54
	Rd-18	Rising Place Kawasaki No.2	February 2017	3.7	115	10	2,832.34	2,962.48	95.6	56
	Rd-19	J Palace Sakuradai	February 1994	26.7	67	9	2,337.42	2,395.49	97.6	28
	Rd-20	Personnage Yokohama	December 1990	29.9	52	6	1,796.22	1,988.93	90.3	65
	Rd-21	T's garden Nishihachioji West	January 1997	23.8	49	5	2,260.99	2,315.99	97.6	48
	Rd-22	T's garden Ojima	November 1989	31.0	80	26	2,593.56	2,705.70	95.9	56
	Rd-23	T's garden Kitakashiwa	January 1992 January 1992 September 2008 September 2008	28.8 28.8 12.1 12.1	190	14	12,835.24	13,377.44	95.9	136
	Rd-24	Century Urawa	March 1989	31.6	75	6	4,149.52	4,201.77	98.8	73
	Rd-25	T's garden Nagayama (Note 4)	June 1986	34.4	68	6	4,236.84	4,286.89	98.8 (90.1)	4 (89)
	Rd-26	Grandeur Fujimino	February 1997	23.7	64	5	2,122.68	2,144.34	99.0	95
	Rd-27	T's garden Hitotsubashi-gakuen	May 1988	32.4	57	2	2,656.08	2,845.88	93.3	56
	Rd-28	T's garden Warabi II	March 1987	33.6	59	4	3,051.82	3,051.82	100.0	57
	Rd-29	T's garden Warabi III	November 1989	30.9	51	9	2,406.90	2,461.90	97.8	37
	Rd-30	T's garden Kashiwa	March 1992	28.6	51	6	3,196.43	3,265.29	97.9	41
	Rd-31	Suning Kitamatsudo	March 2006	14.7	34	3	1,162.66	1,194.14	97.4	42
	Rd-32	T's garden Tanashi	September 1991	29.1	28	3	1,203.73	1,263.32	95.3	21
		Subtotal	—	—	2,409	379	95,710.34	98,817.21	96.9	1,763
		Total/Average	—	27.3 (Note 13)	5,437	2,784	178,453.63	182,695.32	97.7	1,979

(Note 1) For the property, a pass-through ML agreement was concluded between the trustee and Tosei Community Co., Ltd ("Tosei Community") on July 31, 2014, and, furthermore, a pass-through ML agreement was concluded between the company and Tosei on the same date. The pass-through 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. Tosei Community will succeed from Tosei the status of lessor and the rights and obligations based on the status under the building lease agreement concluded between Tosei and the end tenants from December 1, 2020. The same applies hereinafter.

(Note 2) For the property, a pass-through 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 m²) and on September 28, 2016, for some sections on the seventh floor (leased area: 316.04 m²). Concerning the agreement, an agreement for a change was concluded on November 2, 2016, stating that the start date shall be November 2, 2016, and the end date shall be November 30, 2020. Tosei Community will succeed from Tosei the status of lessor and the rights and obligations based on the status under the building lease agreement concluded between Tosei and the end tenants from December 1, 2020. The same applies hereinafter.

(Note 3) For the property, a pass-through 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 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 October 31, 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 October 31, 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 ML agreement has been concluded (if the lessee of the pass-through ML agreement has concluded a fixed-rent ML agreement, the lessee of the concerned fixed-rent ML agreement is counted as end-tenants; the same applies hereinafter), and it is the amount annualized by multiplying by 12 the monthly rent based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 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 October 31, 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 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 October 31, 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 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 October 31, 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 October 31, 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 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 October 31, 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 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 October 31, 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 ²)	Total leasable area (m ²)	Occupancy rate (%)
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
12th Period (As of October 31, 2020)	50	178,453.63	182,695.32	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	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)	7th Period (As of Apr. 30, 2018)
O-01	Tama Center Tosei Building	100.0 (66.9)	100.0 (69.6)	100.0 (73.5)	100.0 (80.6)	100.0 (87.2)
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	97.4	96.7	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	92.3	100.0	100.0	100.0	100.0
O-07	Nishidai NC Building	—	100.0	90.8	94.4	100.0
O-08	JPT Motomachi Building	—	—	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
O-09	Hakusan Asanomi Building	—	—	91.7	91.7	91.7
O-10	Chojamachi Duo Building	—	—	—	—	89.4
O-11	NU Kannai Building	—	—	—	—	—
O-12	Higashitotsuka West Building	—	—	—	—	—
O-13	Kannai Wise Building	—	—	—	—	—
O-14	Hon-Atsugi Tosei Building	—	—	—	—	—
O-15	Hachioji Tosei Building	—	—	—	—	—
Rt-01	Inage Kaigan Building	100.0	100.0	100.0	100.0	100.0
Rt-02	Musashi Fujisawa Tosei Building	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (87.3)	100.0 (94.0)
Rt-03	Selection Hatsutomi	—	—	100.0	100.0	100.0
Rt-04	Wako Building	—	—	—	—	98.1
Rd-01	T's garden Koenji	95.6	97.9	98.8	100.0	100.0
Rd-02	Live Akabane	100.0	97.7	97.2	100.0	95.0
Rd-03	Gekkocho Apartment	82.4	87.8	93.1	100.0	85.2
Rd-04	T's garden Kawasakidaishi	98.6	96.2	100.0	97.6	98.6
Rd-05	Abitato Kamata	96.3	100.0	100.0	100.0	100.0
Rd-06	MarLandFive (Note)	90.5	97.7	93.0	95.4	100.0
Rd-07	Avenir Shirotae	91.5	95.7	100.0	93.6	97.9
Rd-08	Dormitory Haramachida	95.5	93.7	94.7	94.3	100.0
Rd-09	SEA SPACE Chiba Minato	86.4	93.2	95.2	92.6	97.2
Rd-10	Prime Garden	—	—	98.3	100.0	98.3
Rd-11	T's garden Shinkoiwa	—	—	100.0	96.7	96.7
Rd-12	Twin Avenue	—	—	—	—	94.3
Rd-13	Milestone Higashikurume	—	—	—	—	98.3
Rd-14	Lumiere No. 3	—	—	—	—	95.6
Rd-15	T's garden Nishifunabashi	—	—	—	—	94.4
Rd-16	Quest Yamatedai	—	—	—	—	100.0
Rd-17	Sancerre Yonohonmachi	—	—	—	—	97.2
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	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)	12th Period (As of Oct. 31, 2020)
O-01	Tama Center Tosei Building	100.0 (89.9)	100.0 (98.4)	100.0 (98.4)	100.0 (98.4)	100.0 (97.8)
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	91.7
O-05	Nishi Kasai Tosei Building	100.0	100.0	100.0	100.0	94.0
O-06	Shin Yokohama Center Building	100.0	100.0	97.6	100.0	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	100.0	100.0	100.0	100.0	100.0
O-10	Chojamachi Duo Building	89.4	89.4	100.0	100.0	100.0
O-11	NU Kannai Building	—	99.0	99.0	99.0	99.0
O-12	Higashitotsuka West Building	—	100.0	93.7	93.7	100.0
O-13	Kannai Wise Building	—	—	—	100.0	100.0
O-14	Hon-Atsugi Tosei Building	—	—	—	94.3	100.0
O-15	Hachioji Tosei Building	—	—	—	—	100.0
Rt-01	Inage Kaigan Building	98.6	96.4	98.6	97.3	98.7
Rt-02	Musashi Fujisawa Tosei Building	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi	100.0	100.0	100.0	100.0	100.0
Rt-04	Wako Building	92.1	92.1	89.5	97.4	92.7
Rd-01	T's garden Koenji	97.9	96.3	97.2	98.8	100.0
Rd-02	Live Akabane	100.0	97.3	97.2	94.4	95.8
Rd-03	Gekkocho Apartment	94.7	100.0	100.0	100.0	100.0
Rd-04	T's garden Kawasakidaishi	96.2	98.6	100.0	94.8	100.0
Rd-05	Abitato Kamata	96.3	96.3	100.0	100.0	96.3
Rd-06	MarLandFive (Note)	93.0	—	—	—	—
Rd-07	Avenir Shirotae	95.7	91.5	97.9	95.7	87.2
Rd-08	Dormitory Haramachida	96.8	97.4	98.3	96.7	95.2
Rd-09	SEA SPACE Chiba Minato	94.8	94.5	93.9	95.5	95.7
Rd-10	Prime Garden	100.0	98.3	100.0	93.3	100.0
Rd-11	T's garden Shinkoiwa	100.0	96.7	100.0	96.3	100.0
Rd-12	Twin Avenue	97.1	98.6	100.0	100.0	98.6
Rd-13	Milestone Higashikurume	96.9	96.5	92.9	96.6	93.8
Rd-14	Lumiere No. 3	96.7	98.9	97.8	96.7	96.7
Rd-15	T's garden Nishifunabashi	100.0	97.2	94.4	97.2	100.0
Rd-16	Quest Yamatedai	100.0	97.2	94.7	100.0	97.5
Rd-17	Sancerre Yonohonmachi	94.5	98.6	94.5	98.6	98.6
Rd-18	Rising Place Kawasaki No.2	—	97.8	97.1	97.1	95.6
Rd-19	J Palace Sakuradai	—	100.0	100.0	100.0	97.6
Rd-20	Personnage Yokohama	—	89.2	88.8	93.4	90.3
Rd-21	T's garden Nishihachioji West	—	93.2	96.9	97.9	97.6
Rd-22	T's garden Ojima	—	—	97.3	95.6	95.9
Rd-23	T's garden Kitakashiwa	—	—	—	97.9	95.9
Rd-24	Century Urawa	—	—	—	93.6	98.8
Rd-25	T's garden Nagayama	—	—	—	100.0 (95.3)	98.8 (90.1)
Rd-26	Grandeur Fujimino	—	—	—	99.0	99.0
Rd-27	T's garden Hitotsubashi-gakuen	—	—	—	91.7	93.3
Rd-28	T's garden Warabi II	—	—	—	98.2	100.0
Rd-29	T's garden Warabi III	—	—	—	100.0	97.8
Rd-30	T's garden Kashiwa	—	—	—	88.2	97.9
Rd-31	Suning Kitamatsudo	—	—	—	95.8	97.4
Rd-32	T's garden Tanashi	—	—	—	100.0	95.3

(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 October 31, 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	3,264	3,810	3,820	5.4	3,790	5.1	5.5	
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	1,995	2,840	2,840	3.8	2,830	3.5	3.9	
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,770	2,680	2,710	4.2	2,650	4.0	4.4	
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	3,939	4,690	4,870	4.8	4,630	4.6	5.0	
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,648	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	1,334	1,810	1,820	4.5	1,790	4.3	4.7	
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,473	1,800	1,810	4.5	1,780	4.3	4.7	
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,328	2,960	2,990	4.4	2,920	4.2	4.6	
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,362	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	1,292	1,430	1,450	4.4	1,400	4.2	4.6	
	O-11	NU Kannai Building	Japan Valuers Co., Ltd.	3,800	3,804	4,070	4,140	4.8	4,000	4.6	5.0	
	O-12	Higashitotsuka West Building	Japan Valuers Co., Ltd.	2,650	2,664	2,770	2,770	4.6	2,760	4.4	4.8	
	O-13	Kannai Wise Building	Japan Valuers Co., Ltd.	2,050	2,062	2,180	2,210	4.6	2,150	4.4	4.8	
	O-14	Hon-Atsugi Tosei Building	Japan Valuers Co., Ltd.	880	882	910	907	5.5	913	5.3	5.7	
	O-15	Hachioji Tosei Building	Japan Valuers Co., Ltd.	1,600	1,612	1,670	1,700	4.5	1,640	4.3	4.7	
	Subtotal				31,949	31,436	37,360	37,827	—	36,933	—	—
	Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,194	2,590	2,610	4.9	2,560	4.7	5.1
Rt-02		Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,907	2,190	2,190	5.6	2,180	5.2	5.8	
Rt-03		Selection Hatsutomi	Japan Real Estate Institute	310	310	364	370	5.0	358	4.8	5.3	
Rt-04		Wako Building	Japan Real Estate Institute	1,400	1,359	1,410	1,420	5.0	1,390	4.8	5.2	
Subtotal				6,040	5,772	6,554	6,590	—	6,488	—	—	
Offices and retail facilities combined subtotal				37,989	37,209	43,914	44,417	—	43,421	—	—	
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,499	2,040	2,070	3.8	2,000	3.6	4.0	
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,196	1,550	1,570	4.6	1,530	4.4	4.8	
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	982	1,230	1,250	4.0	1,210	3.8	4.2	
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	938	1,140	1,150	4.7	1,120	4.5	4.9	
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	829	932	946	4.5	918	4.3	4.7	
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	729	962	973	4.9	951	4.7	5.1	
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	628	757	764	4.7	749	4.5	4.9	
	Rd-09	SEA SPACE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,631	3,150	3,180	4.9	3,110	4.7	5.1	
	Rd-10	Prime Garden	Japan Valuers Co., Ltd.	600	611	626	623	5.5	628	5.3	5.7	
	Rd-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	668	747	755	4.3	739	4.1	4.5	
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,882	2,010	2,030	4.6	1,980	4.4	4.8	
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,637	1,730	1,750	4.9	1,710	4.7	5.1	
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,411	1,580	1,590	5.1	1,570	4.9	5.3	
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	863	878	888	4.9	867	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-16	Quest Yamatedai	Japan Valuers Co., Ltd.	710	718	748	754	5.0	741	4.8	5.2
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	600	625	630	4.9	619	4.7	5.1
	Rd-18	Rising Place Kawasaki No.2	Japan Valuers Co., Ltd.	1,812	1,876	1,880	1,900	4.8	1,860	4.6	5.0
	Rd-19	J Palace Sakuradai	JLL Morii Valuation & Advisory K.K.	1,090	1,096	1,170	1,190	4.1	1,150	3.9	4.3
	Rd-20	Personnage Yokohama	Japan Valuers Co., Ltd.	740	746	795	796	5.1	794	4.8	5.2
	Rd-21	T's garden Nishihachioji West	Japan Real Estate Institute	600	603	654	661	4.8	647	4.6	5.0
	Rd-22	T's garden Ojima	Japan Valuers Co., Ltd.	1,020	1,049	1,100	1,110	4.8	1,080	4.5	5.1
	Rd-23	T's garden Kitakashiwa	Japan Valuers Co., Ltd.	2,770	2,797	2,850	2,880	4.7	2,820	4.5	4.9
	Rd-24	Century Urawa	JLL Morii Valuation & Advisory K.K.	980	993	1,050	1,070	4.8	1,030	4.6	5.0
	Rd-25	T's garden Nagayama	Japan Real Estate Institute	850	860	889	897	4.7	881	4.5	4.9
	Rd-26	Grandeur Fujimino	JLL Morii Valuation & Advisory K.K.	822	832	839	851	5.0	826	4.8	5.2
	Rd-27	T's garden Hitotsubashi-gakuen	Japan Real Estate Institute	760	768	794	803	4.9	785	4.7	5.1
	Rd-28	T's garden Warabi II	Japan Valuers Co., Ltd.	750	758	810	818	5.0	801	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	604	628	639	4.6	617	4.4	4.8
	Rd-31	Suning Kitamatsudo	Japan Valuers Co., Ltd.	482	488	504	508	4.7	499	4.5	4.9
	Rd-32	T's garden Tanashi	Japan Real Estate Institute	310	335	336	339	4.7	332	4.5	4.9
Subtotal				32,393	32,308	35,699	36,086	—	35,252	—	—
Total				70,382	69,518	79,613	80,503	—	78,673	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of October 31, 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 October 31, 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., Sampo Risk Management Inc. (Note 1) and Tokio Marine & Nichido Risk Consulting Co., Ltd. The statements in the engineering report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sampo Risk Management Inc. or Tokio Marine & Nichido Risk Consulting Co., Ltd. and Tosei Reit or the Asset Management Company.

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

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	58,123	Sompo Risk Management Inc.	March 2015	4.36
O-02	KM Shinjuku Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	8,080	20,521	Sompo Risk Management Inc.	March 2015	5.52
O-03	Nihonbashi-Hamacho Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	—	26,609	Sompo Risk Management Inc.	March 2015	6.11
O-04	Kannai Tosei Building II	HI International Consultant Co., Ltd.	July 2015	170	27,239	Sompo Risk Management Inc.	July 2015	11.54
O-05	Nishi Kasai Tosei Building	HI International Consultant Co., Ltd.	August 2020	—	12,675	Sompo Risk Management Inc.	July 2015	3.84
O-06	Shin Yokohama Center Building	Sompo Risk Management Inc.	October 2020	—	19,436	Sompo Risk Management Inc.	July 2015	6.47
O-07	Nishidai NC Building	Sompo Risk Management Inc.	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
O-15	Hachioji Tosei Building	HI International Consultant Co., Ltd.	March 2020	1,220	20,920	Sompo Risk Management Inc.	April 2020	5.01
Rt-01	Inage Kaigan Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	1,100	27,111	Sompo Risk Management Inc.	March 2015	6.49
Rt-02	Musashi Fujisawa Tosei Building	Sompo Risk Management Inc.	September 2015	120	8,605	Sompo Risk Management Inc.	September 2015	5.85
Rt-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 Kawasakidaishi	HI International Consultant Co., Ltd.	August 2019	—	4,411	Sompo Risk Management Inc.	March 2015	7.38
Rd-05	Abitato Kamata	HI International Consultant Co., Ltd.	August 2019	1,190	4,326	Sompo Risk Management Inc.	March 2015	7.82
Rd-07	Avenir Shirotae	HI International Consultant Co., Ltd.	February 2020	2,850	8,088	Sompo Risk Management Inc.	March 2015	7.57
Rd-08	Dormitory Haramachida	HI International Consultant Co., Ltd.	August 2019	1,510	9,997	Sompo Risk Management Inc.	March 2015	5.29
Rd-09	SEA SPACE Chiba Minato	Sompo Risk Management Inc.	October 2020	—	16,816	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

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-22	T's garden Ojima	HI International Consultant Co., Ltd.	March 2019	1,140	9,798	Sompo Risk Management Inc.	April 2019	5.35
Rd-23	T's garden Kitakashiwa	HI International Consultant Co., Ltd.	May 2019	4,020	26,155	Sompo Risk Management Inc.	August 2019	4.32
Rd-24	Century Urawa	HI International Consultant Co., Ltd.	June 2019	2,750	9,599	Sompo Risk Management Inc.	August 2019	4.54
Rd-25	T's garden Nagayama	HI International Consultant Co., Ltd.	June 2019	1,650	15,145	Sompo Risk Management Inc.	August 2019	7.72
Rd-26	Grandeur Fujimino	HI International Consultant Co., Ltd.	May 2019	1,280	8,058	Sompo Risk Management Inc.	August 2019	4.14
Rd-27	T's garden Hitotsubashi-gakuen	Sompo Risk Management Inc.	August 2019	—	6,488	Sompo Risk Management Inc.	August 2019	10.05
Rd-28	T's garden Warabi II	Sompo Risk Management Inc.	August 2019	—	6,086	Sompo Risk Management Inc.	August 2019	4.43
Rd-29	T's garden Warabi III	Sompo Risk Management Inc.	August 2019	—	5,479	Sompo Risk Management Inc.	August 2019	3.03
Rd-30	T's garden Kashiwa	HI International Consultant Co., Ltd.	May 2019	1,490	7,395	Sompo Risk Management Inc.	August 2019	8.26
Rd-31	Suning Kitamatsudo	Sompo Risk Management Inc.	August 2019	—	2,772	Sompo Risk Management Inc.	August 2019	3.17
Rd-32	T's garden Tanashi	Sompo Risk Management Inc.	August 2019	—	3,299	Sompo Risk Management Inc.	August 2019	8.83
Entire portfolio (Note 4)								3.26

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

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

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

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

(Note 4) The value stated in “Entire portfolio” is the PML value concerning the entire portfolio based on the “seismic PML evaluation report” by Sompo Risk Management Inc. dated April 2020.

(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., Sompo 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 Hon-Atsugi Tosei Building and Avenir Shirotae, and has obtained from them overall findings that no intentional falsification has been found in any part of the structural calculation documents and that the structural calculation documents and structural drawings are in alignment and that, accordingly, the buildings are deemed to meet the requirements for seismic safety under design standards at the time of design with the content stated in the structural calculation documents, subject to the condition that they were appropriately constructed according to the structural drawings at the time of construction of the building of each asset under management. On the other hand, concerning Hon-Atsugi Tosei Building, the report on verification of whether or not there was falsification of structural calculation documents has pointed out that, for the penthouse of the office building, members and structural format in the structural calculation documents differ from those in the drawing. However, reinforcement work has already been implemented. Furthermore, concerning Avenir Shirotae, the report on verification of whether or not there was falsification of structural calculation documents has pointed out inconsistencies between the calculation documents after a change in the plan and the structural drawings at the time of application for confirmation, but the matter has already been rectified.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
O-01	Tama Center Tosei Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Taisei Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-02	KM Shinjuku Building	Mitsubishi Jisho Sekkei Inc., first-class architect office	Mitsubishi Jisho Sekkei Inc., first-class architect office	Taisei Corporation, Tokyo Branch	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-03	Nihonbashi-Hamacho Building	Ishimoto Architectural & Engineering Firm, Inc.	Ishimoto Architectural & Engineering Firm, Inc.	Toda Corporation	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
O-04	Kannai Tosei Building II (Note 2)	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation First Class Licensed Architect Office	Takenaka Corporation Tokyo Head Office, Mitsui Construction Co., Ltd., Yokohama Branch	City of Yokohama, building official	Sompo 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	Sompo 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	Sompo 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	Sompo Risk Management Inc.
O-11	NU Kannai Building	NISSOKEN Architects/Engineers	NISSOKEN Architects/Engineers	Kyoritsu Construction Co., Ltd.	City of Yokohama, building official	Sompo 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	Sompo Risk Management Inc.
O-14	Hon-Atsugi Tosei Building	Shimizu Corporation, first-class architect office	HI International Consultant Co., Ltd (Note 3)	Shimizu Corporation, Yokohama Branch	City of Atsugi, building official	HI International Consultant Co., Ltd.
O-15	Hachioji Tosei Building	MHS Planners, Architects & Engineers Ltd.	MHS Planners, Architects & Engineers Ltd.	Ikeda Construction	City of Hachioji, building official	HI International Consultant Co., Ltd.
Rt-01	Inage Kaigan Building	Nikken Sekkei Ltd.	Nikken Sekkei Ltd.	Haseko Corporation	City of Chiba, building official	HI International Consultant Co., Ltd.
Rt-02	Musashi Fujisawa Tosei Building	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office, first-class architect office	Matsumura-Gumi Corporation, Tokyo Head Office	Saitama Prefectural Government, building official	Sompo 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.	Sompo Risk Management Inc.
Rt-04	Wako Building	LAND Architect Office	Globo First Class Architect Office Inc. (Note 3)	Nara Construction Co., Ltd.	City of Chiba, building official	Deloitte Tohmatsu Property Risk Solution Co., Ltd.

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Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
Rd-01	T's garden Koenji	YOKOHOUSE, Inc., first-class architect office	Yabuki Architecture Office	Maeda Corporation, Tokyo Branch	Houseplus Architectural Inspection, Inc.	HI International Consultant Co., Ltd.
Rd-02	Live Akabane	KK Arte Kenchiku Sekkei Jimusho	HI International Consultant Co., Ltd. (Note 3)	Toda Corporation	Kita Ward, building official	HI International Consultant Co., Ltd.
Rd-03	Gekkocho Apartment	Urban Design System Ltd., first-class architect office	Ove Arup & Partners Japan Limited	Kajima Corporation, Tokyo Architectural Construction Branch	Bureau Veritas Japan Co., Ltd.	HI International Consultant Co., Ltd.
Rd-04	T's garden Kawasakidaishi	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch, first-class architect office	(Note 4)	Sekisui House, Ltd., Yokohama Kita Sha Maison Branch	East Japan House Evaluation Center	HI International Consultant Co., Ltd.
Rd-05	Abitato Kamata	Tokyo Keizairen and KK Zenkoku Nokyō Sekkei	KK Zenkoku Nokyō Sekkei	Tanaka Doken Kogyō Co., Ltd.	Tokyo Metropolitan Government, building official	HI International Consultant Co., Ltd.
Rd-07	Avenir Shirotai	KK San-a Sekkei	Party that prepared the structural calculation document not stated therein.	Toa Corporation, Yokohama Branch Office	City of Yokohama, building official	HI International Consultant Co., Ltd.
Rd-08	Dormitory Haramachida	Mitsui Fudosan Kensetsu KK, first-class architect office	Mitsui Fudosan Kensetsu KK	Mitsui Fudosan Kensetsu KK	City of Machida, building official	HI International Consultant Co., Ltd.
Rd-09	SEA 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.

Property no.	Property name	Designer	Structural designer	Contractor	Confirmation and inspection body	Structural calculation confirmation body
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 October 31, 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 (October 31, 2020). In the case of a property under a pass-through ML agreement, not only the master lease company but also end-tenants are counted as tenants. In addition, in the case of a property under a fixed-rent ML agreement, the master lease company alone is counted as tenants and end-tenants are not counted. For the entirety of Tama Center Tosei Building, the entirety of Musashi Fujisawa Tosei Building, the second floor (leased area: 919.15 m²) and some sections on the seventh floor (leased area: 316.04 m²) of JPT Motomachi Building, and the residential portion of T's garden Nagayama, as a pass-through ML agreement has been concluded between the trustee and the master lease company (Tosei Community), and furthermore a fixed-rent ML agreement has been concluded between the company and the submaster lease company (Tosei), both the master lease company and the submaster lease company are shown.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m ²)	Leased area ratio (%) (Note 1)	Contract expiration date (Note 2)	Contract form (Note 3)	Security and guarantee deposits (JPY million)
Tosei Community Co., Ltd. (Note 4)	Property management business	Tama Center Tosei Building KM Shinjuku Building Nihonbashi-Hamacho Building Kannai Tosei Building II Nishi Kasai Tosei Building Shin Yokohama Center Building JPT Motomachi Building Chojamachi Duo Building NU Kannai Building Higashitotsuka West Building Kannai Wise Building Hon-Atsugi Tosei Building Inage Kaigan Building Musashi Fujisawa Tosei Building Selection Hatsutomi Wako Building T's garden Koenji Live Akabane Gekkocho Apartment T's garden Kawasakidaishi Abitato Kamata Avenir Shirotai 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	4,642	153,887.5	86.2	November 30, 2020	Ordinary building lease agreement	2,425
		Nishidai NC Building	140	3,798.48	2.1	August 31, 2021	Ordinary building lease agreement	89
		T's garden Ojima Hachioji Tosei Building	204	6,123.98	3.4	May 31, 2021	Ordinary building lease agreement	141
Tosei Corporation	Real estate business	Tama Center Tosei Building (Note 5) JPT Motomachi Building (Note 5)	360	10,972.68	6.1	November 30, 2020	Fixed-term building lease agreement	285
		Musashi Fujisawa Tosei Building (Note 6)	144	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement	72
		T's garden Nagayama (Note 5)	55	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement	4

- (Note 1) “Leased area ratio” is the ratio of the leased area indicated in the lease agreement with the concerned tenant to total leased area for the entire portfolio. The same applies hereinafter.
- (Note 2) “Contract expiration date” is the contract expiration date indicated in the lease agreement with the concerned tenant as of October 31, 2020. The same applies hereinafter.
- (Note 3) “Contract form” is the contract form indicated in the lease agreement with the concerned tenant as of October 31, 2020. The same applies hereinafter.
- (Note 4) A pass-through ML agreement has been concluded between the trustee and Tosei Community as of October 31, 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 (October 31, 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 ML agreement, the entries are not concerning the master lease company but end-tenants and based on the lease agreement with end tenants.

Name of end-tenant	Property name	Total leased area (m ²)	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Tama Center Tosei Building	9,737.49	5.5	November 30, 2020	Fixed-term building lease agreement
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement
Not disclosed (Note)	Inage Kaigan Building	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	1.1	April 30, 2022 January 31, 2021	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 293.74 Total: 1,852.02	1.0	January 4, 2021 September 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Selection Hatsutomi	1,839.45	1.0	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, 2022	Ordinary building lease agreement
Misawa Homes Co., Ltd.	Higashitotsuka West Building	285.69 360.31 178.52 181.82 538.58 Total: 1,544.92	0.9	January 15, 2021 May 31, 2022 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 ²)	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	269	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 m²) 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 m²).

(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

12th Period (from May 1, 2020 to October 31, 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	209,056	93,928	104,987	177,051	76,412	76,223
Rent revenue – real estate	168,276	86,191	93,707	147,959	67,923	72,328
Other lease business revenue	40,780	7,737	11,279	29,092	8,489	3,895
Total property-related operating expenses ②	81,364	29,092	28,878	55,483	27,557	22,308
Management fee	24,243	6,807	8,054	17,886	6,680	8,048
Trust fee	300	300	300	300	300	300
Utilities expenses	35,478	7,298	10,240	16,003	7,145	5,048
Insurance premium	384	129	127	229	102	142
Repair expenses	2,304	3,818	604	1,707	5,087	1,367
Property taxes	17,460	10,013	8,262	13,419	6,510	7,124
Other expenses	1,191	726	1,288	5,936	1,730	278
NOI ③ (①–②)	127,692	64,835	76,109	121,568	48,855	53,915
Depreciation ④	18,074	9,889	10,997	19,161	9,435	8,768
Property-related operating income (loss) ⑤ (③–④)	109,617	54,946	65,111	102,406	39,420	45,147
Capital expenditures ⑥	4,208	18,107	5,841	6,369	210	—
NCF ⑦ (③–⑥)	123,484	46,728	70,268	115,198	48,645	53,915

(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	80,011	116,947	58,757	52,934	169,581	114,082
Rent revenue – real estate	74,260	102,565	52,890	48,067	156,754	98,055
Other lease business revenue	5,750	14,382	5,866	4,867	12,827	16,026
Total property-related operating expenses ②	29,910	33,905	13,421	13,938	55,212	40,316
Management fee	8,981	10,639	4,093	5,273	21,913	13,282
Trust fee	300	300	300	300	300	300
Utilities expenses	10,088	11,351	3,673	4,672	15,442	12,264
Insurance premium	140	173	68	77	322	216
Repair expenses	1,384	1,286	1,210	296	2,141	2,501
Property taxes	8,294	9,464	4,030	3,158	13,451	10,276
Other expenses	719	689	44	161	1,641	1,474
NOI ③ (①–②)	50,101	83,042	45,335	38,996	114,369	73,765
Depreciation ④	11,425	13,524	6,253	10,617	12,031	10,305
Property-related operating income (loss) ⑤ (③–④)	38,675	69,517	39,082	28,379	102,338	63,459
Capital expenditures ⑥	959	9,710	—	1,722	15,770	15,581
NCF ⑦ (③–⑥)	49,141	73,332	45,335	37,274	98,599	58,183

(Unit: JPY thousand)

Property no.	(O-13)	(O-14)	(O-15)	(Rt-01)	(Rt-02)	(Rt-03)
Property name	Kannai Wise Building	Hon-Atsugi Tosei Building	Hachioji Tosei Building	Inage Kaigan Building	Musashi Fujisawa Tosei Building	Selection Hatsutomi
Total property-related operating revenue ①	83,820	47,201	62,685	120,195	72,258	14,250
Rent revenue – real estate	73,960	43,305	55,919	99,127	72,258	14,250
Other lease business revenue	9,859	3,895	6,766	21,068	—	—
Total property-related operating expenses ②	20,509	15,471	19,736	43,231	12,145	4,069
Management fee	8,743	7,241	9,368	7,708	1,222	1,104
Trust fee	300	300	255	300	300	300
Utilities expenses	7,386	2,811	6,724	21,428	—	—
Insurance premium	154	102	110	202	81	31
Repair expenses	392	495	2,840	979	4,754	275
Property taxes	3,013	4,390	—	11,395	5,762	2,231
Other expenses	519	130	438	1,217	23	127
NOI ③ (①–②)	63,310	31,730	42,948	76,963	60,113	10,180
Depreciation ④	5,585	4,289	7,016	20,583	8,566	1,288
Property-related operating income (loss) ⑤ (③–④)	57,725	27,440	35,932	56,380	51,546	8,891
Capital expenditures ⑥	8,354	2,113	—	647	1,375	—
NCF ⑦ (③–⑥)	54,956	29,616	42,948	76,316	58,738	10,180

(Unit: JPY thousand)

Property no.	(Rt-04)	(Rd-01)	(Rd-02)	(Rd-03)	(Rd-04)	(Rd-05)
Property name	Wako Building	T's garden Koenji	Live Akabane	Gekkocho Apartment	T's garden Kawasakidaishi	Abitato Kamata
Total property-related operating revenue ①	64,927	53,477	54,612	37,399	36,611	28,053
Rent revenue – real estate	56,392	52,288	52,808	35,942	35,082	26,725
Other lease business revenue	8,534	1,189	1,804	1,457	1,529	1,327
Total property-related operating expenses ②	21,982	9,439	14,224	7,203	7,919	8,322
Management fee	8,985	4,107	5,102	3,250	2,483	2,555
Trust fee	300	300	300	300	300	300
Utilities expenses	7,884	388	689	403	230	598
Insurance premium	103	54	97	41	48	44
Repair expenses	1,385	968	3,467	833	1,679	1,887
Property taxes	3,116	3,010	3,350	2,112	1,935	1,535
Other expenses	206	610	1,218	263	1,242	1,401
NOI ③ (①–②)	42,945	44,038	40,388	30,195	28,692	19,731
Depreciation ④	10,157	5,855	3,959	3,544	5,147	3,488
Property-related operating income (loss) ⑤ (③–④)	32,788	38,182	36,428	26,650	23,545	16,242
Capital expenditures ⑥	—	275	929	2,157	301	2,437
NCF ⑦ (③–⑥)	42,945	43,763	39,458	28,038	28,390	17,293

(Unit: JPY thousand)

Property no.	(Rd-07)	(Rd-08)	(Rd-09)	(Rd-10)	(Rd-11)	(Rd-12)
Property name	Avenir Shirotae	Dormitory Haramachida	SEA SCAPE Chiba Minato	Prime Garden	T's garden Shinkoiwa	Twin Avenue
Total property-related operating revenue ①	34,417	30,940	127,851	31,148	26,048	64,400
Rent revenue – real estate	33,192	29,929	110,601	30,108	24,666	63,043
Other lease business revenue	1,224	1,010	17,250	1,040	1,381	1,356
Total property-related operating expenses ②	10,919	8,527	41,411	12,528	7,801	12,271
Management fee	2,766	2,665	9,903	3,972	2,714	3,780
Trust fee	300	300	300	300	300	300
Utilities expenses	713	582	9,020	400	531	724
Insurance premium	61	57	203	85	44	105
Repair expenses	3,415	1,886	10,082	4,134	2,500	2,488
Property taxes	2,053	2,370	9,034	2,408	1,440	4,520
Other expenses	1,610	665	2,867	1,227	269	351
NOI ③ (①–②)	23,497	22,412	86,439	18,620	18,246	52,129
Depreciation ④	6,550	5,560	24,030	4,210	2,888	4,040
Property-related operating income (loss) ⑤ (③–④)	16,947	16,852	62,409	14,409	15,357	48,088
Capital expenditures ⑥	559	24,118	783	3,469	849	324
NCF ⑦ (③–⑥)	22,938	(1,706)	85,656	15,151	17,397	51,804

(Unit: JPY thousand)

Property no.	(Rd-13)	(Rd-14)	(Rd-15)	(Rd-16)	(Rd-17)	(Rd-18)
Property name	Milestone Higashikurume	Lumiere No. 3	T's garden Nishifunabashi	Quest Yamatedai	Sancerre Yonohonmachi	Rising Place Kawasaki No.2
Total property-related operating revenue ①	65,166	59,340	33,970	29,491	24,887	62,097
Rent revenue – real estate	61,264	57,689	32,806	29,126	24,225	59,487
Other lease business revenue	3,901	1,651	1,163	364	661	2,609
Total property-related operating expenses ②	18,378	12,830	8,613	7,763	9,084	12,633
Management fee	5,285	4,198	2,931	2,871	2,301	4,242
Trust fee	300	300	300	300	300	300
Utilities expenses	3,531	501	585	393	479	493
Insurance premium	100	126	60	60	42	94
Repair expenses	5,671	3,060	1,599	1,929	3,246	1,352
Property taxes	2,688	4,069	2,373	1,916	1,653	5,126
Other expenses	802	572	764	290	1,060	1,023
NOI ③ (①–②)	46,787	46,510	25,356	21,728	15,802	49,463
Depreciation ④	7,948	6,528	2,733	3,046	2,010	13,956
Property-related operating income (loss) ⑤ (③–④)	38,838	39,981	22,623	18,682	13,792	35,507
Capital expenditures ⑥	13,707	2,893	2,027	10,127	1,816	—
NCF ⑦ (③–⑥)	33,079	43,616	23,328	11,600	13,986	49,463

(Unit: JPY thousand)

Property no.	(Rd-19)	(Rd-20)	(Rd-21)	(Rd-22)	(Rd-23)	(Rd-24)
Property name	J Palace Sakuradai	Personnage Yokohama	T's garden Nishihachioji West	T's garden Ojima	T's garden Kitakashiwa	Century Urawa
Total property-related operating revenue ①	37,398	28,726	26,271	41,062	114,019	39,792
Rent revenue – real estate	35,936	26,504	25,696	40,628	99,683	37,758
Other lease business revenue	1,462	2,221	574	434	14,335	2,033
Total property-related operating expenses ②	8,776	9,694	7,493	10,603	36,040	13,622
Management fee	3,539	2,568	2,275	3,856	9,910	3,738
Trust fee	300	300	300	300	300	300
Utilities expenses	599	1,647	594	547	10,029	410
Insurance premium	58	58	63	72	320	91
Repair expenses	1,904	2,353	1,827	1,808	8,479	5,482
Property taxes	2,077	1,605	1,827	1,616	4,397	2,388
Other expenses	296	1,161	603	2,402	2,603	1,209
NOI ③ (①–②)	28,621	19,032	18,777	30,459	77,978	26,170
Depreciation ④	2,204	3,606	3,741	3,022	18,471	4,012
Property-related operating income (loss) ⑤ (③–④)	26,417	15,425	15,035	27,436	59,507	22,158
Capital expenditures ⑥	821	950	814	22,922	4,220	3,474
NCF ⑦ (③–⑥)	27,799	18,082	17,962	7,536	73,757	22,695

(Unit: JPY thousand)

Property no.	(Rd-25)	(Rd-26)	(Rd-27)	(Rd-28)	(Rd-29)	(Rd-30)
Property name	T's garden Nagayama	Grandeur Fujimino	T's garden Hitotsubashi-gakuen	T's garden Warabi II	T's garden Warabi III	T's garden Kashiwa
Total property-related operating revenue ①	36,991	32,666	28,760	32,041	26,585	24,793
Rent revenue – real estate	36,786	32,110	28,067	30,918	25,957	23,885
Other lease business revenue	204	556	693	1,122	627	907
Total property-related operating expenses ②	10,239	7,355	7,712	7,580	7,533	13,151
Management fee	4,605	3,126	2,339	3,083	2,733	2,952
Trust fee	300	300	300	300	300	300
Utilities expenses	1,036	364	505	269	335	402
Insurance premium	123	54	76	73	62	73
Repair expenses	1,112	1,129	1,622	1,679	2,020	6,870
Property taxes	3,039	1,792	1,835	1,853	1,701	1,038
Other expenses	21	587	1,033	321	379	1,515
NOI ③ (①–②)	26,752	25,310	21,048	24,460	19,051	11,642
Depreciation ④	4,688	2,896	2,501	2,134	1,619	3,344
Property-related operating income (loss) ⑤ (③–④)	22,064	22,413	18,547	22,326	17,431	8,297
Capital expenditures ⑥	3,302	1,006	410	—	1,881	2,458
NCF ⑦ (③–⑥)	23,450	24,304	20,638	24,460	17,169	9,183

(Unit: JPY thousand)

Property no.	(Rd-31)	(Rd-32)	Offices total	Retail facilities total	Residential properties total	Entire portfolio
Property name	Suning Kitamatsudo	T's garden Tanashi				
Total property-related operating revenue ①	18,188	14,890	1,523,683	271,631	1,302,103	3,097,418
Rent revenue – real estate	17,346	14,486	1,342,165	242,028	1,234,758	2,818,952
Other lease business revenue	841	404	181,517	29,602	67,345	278,465
Total property-related operating expenses ②	4,515	4,560	487,105	81,428	358,755	927,289
Management fee	1,531	2,100	161,257	19,020	113,495	293,773
Trust fee	300	300	4,455	1,200	9,300	14,955
Utilities expenses	248	214	155,630	29,313	37,473	222,416
Insurance premium	38	40	2,480	418	2,537	5,436
Repair expenses	1,218	545	27,437	7,394	88,258	123,091
Property taxes	523	1,060	118,872	22,506	78,358	219,737
Other expenses	654	299	16,972	1,575	29,330	47,878
NOI ③ (①–②)	13,672	10,329	1,036,577	190,202	943,348	2,170,128
Depreciation ④	3,100	2,008	157,374	40,595	162,853	360,823
Property-related operating income (loss) ⑤ (③–④)	10,571	8,321	879,202	149,607	780,494	1,809,304
Capital expenditures ⑥	403	20,972	88,945	2,022	130,417	221,385
NCF ⑦ (③–⑥)	13,269	(10,643)	947,631	188,180	812,930	1,948,742

(2) Status of Capital Expenditures

(a) Schedule of Capital Expenditures

The following are the major capital expenditures arising from renovation work, etc. currently planned/undertaken for the assets held by Tosei Reit as of October 31, 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
Tama Center Tosei Building	Tama-shi, Tokyo	Update of car lifts	From: January 2021 To: February 2021	17,500	—	—
Tama Center Tosei Building	Tama-shi, Tokyo	Update of chilling units	From: March 2021 To: May 2021	37,000	—	—
Kannai Tosei Building II	Yokohama-shi, Kanagawa	Update of key boxes	From: November 2020 To: November 2020	5,450	—	—
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of drive shafts and control components of mechanical parking	From: March 2021 To: April 2021	21,079	—	—
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of chilling units	From: March 2021 To: April 2021	35,500	—	—

(b) Capital Expenditures during the Period

The following summarizes the major work that constitutes capital expenditures implemented during the fiscal period under review for the assets held by Tosei Reit as of October 31, 2020. Capital expenditures for the fiscal period under review amounted to JPY 221,385 thousand and, when combined with the JPY 123,091 thousand of repair expenses categorized under expenses for the fiscal period under review, the total amount of work implemented comes to JPY 344,476 thousand.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (JPY thousand)
NU Kannai Building	Yokohama-shi, Kanagawa	Correction of matters pointed out concerning non-utility electric facilities	From: October 2020 To: October 2020	15,770
Dormitory Haramachida	Machida-shi, Tokyo	Update of mechanical parking facility system	From: September 2020 To: September 2020	23,304
Milestone Higashikurume	Higashikurume-shi, Tokyo	Refurbishment of elevator	From: September 2020 To: September 2020	13,245
T's garden Ojima	Koto-ku, Tokyo	Refurbishment of elevator	From: October 2020 To: October 2020	21,830
T's garden Tanashi	Nishitokyo-shi, Tokyo	Refurbishment of exterior wall and common-use area	From: May 2020 To: August 2020	20,264
Others				126,971
Total				221,385