

(REIT) Financial Report for the Fiscal Period Ended October 31, 2021

December 15, 2021

REIT Securities Issuer: Tosei Reit Investment Corporation Stock Exchange Listing: Tokyo Stock Exchange
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Scheduled date of submission of securities report: January 28, 2022

Scheduled date of commencement of cash distribution payment: January 12, 2022

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, 2021 (May 1, 2021 – October 31, 2021)

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Ended Oct. 31, 2021	3,157	(4.7)	1,532	(7.3)	1,244	(9.4)	1,240	(7.4)
Ended Apr. 30, 2021	3,311	6.9	1,652	7.8	1,373	9.0	1,339	6.4

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, 2021	3,643	3.3	1.6	39.4
Ended Apr. 30, 2021	3,932	3.5	1.7	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, 2021	3,643	1,240	—	—	99.9	3.2
Ended Apr. 30, 2021	3,750	1,276	—	—	95.3	3.3

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

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

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

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

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

(3) Financial Position

Fiscal period	Total assets	Net assets	Equity ratio	Net assets per unit
	JPY million	JPY million	%	JPY
Ended Oct. 31, 2021	79,985	37,877	47.4	111,237
Ended Apr. 30, 2021	80,252	37,913	47.2	111,344

(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, 2021	1,644	(306)	(1,349)	8,170
Ended Apr. 30, 2021	2,774	(3,192)	1,632	8,182

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

Fiscal period	Operating revenue		Operating income		Ordinary income		Net income		Cash distribution per unit (not including cash distribution in excess of earnings)	Cash distribution in excess of earnings per unit
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY	JPY
Ending Apr. 30, 2022	3,274	3.7	1,548	1.0	1,252	0.7	1,251	0.9	3,550	—
Ending Oct. 31, 2022	3,330	1.7	1,599	3.3	1,292	3.2	1,291	3.2	3,570	—

(Reference) Forecast net income per unit is JPY 3,462 for the fiscal period ending April 30, 2022, and JPY 3,572 for the fiscal period ending October 31, 2022 (assuming total number of investment units issued and outstanding at end of period of 361,505 units). There is a difference between forecast net income per unit and forecast cash distribution per unit since a reversal of internal reserve is scheduled in the fiscal period ending April 30, 2022.

* Other

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

- | | |
|---|-----|
| ① Changes in accounting policies accompanying amendments to accounting standards, etc.: | Yes |
| 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, 2021	340,505 units
Fiscal period ended April 30, 2021	340,505 units
Fiscal period ended October 31, 2021	0 units
Fiscal period ended April 30, 2021	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 28.

* 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, 2022, and Fiscal Period Ending October 31, 2022” on page 9.

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1. Management Status

(1) Management Status

① Overview of the Fiscal Period Under Review

(a) Key Developments of the Investment Corporation

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

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

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

(b) Investment Environment and Management Performance

Investment Environment:

In the fiscal period under review (14th Period: fiscal period ended October 31, 2021), the Japanese economy remained in a severe situation due to the impact of COVID-19, but showed signs of picking up as a whole.

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

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

Management Performance:

Under such environment, as of the end of the fiscal period under review, Tosei Reit owns a total of 52 properties with the total acquisition price (Note 3) of JPY 72,392 million and the occupancy rate of the assets under management is 96.6%.

In addition, Tosei Reit is promoting ESG initiatives, the key initiatives of which include consideration of the environment and energy conservation and contributing to local communities and society. At the end of the fiscal period under review, Tosei Reit obtained DBJ Green Building Certification (Note 4) for five properties and BELS Certification (Note 5) for one property. .

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

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

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

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

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

(c) Overview of Fund Procurement

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

By issuing Tosei Reit Investment Corporation 1st Series Unsecured Investment Corporation Bond (Green Bond) (total issue amount: JPY 1,000 million) on September 16, 2021, funds to be allocated in full to funds for early repayment of loans were procured through interest-bearing debt. Furthermore, a short-term loan of JPY 400 million was refinanced on May 31, 2021, and a short-term loan of JPY 400 million and a long-term loan of JPY 2,400 million was refinanced on October 29, 2021.

As of the end of the fiscal period under review, unitholders’ capital was JPY 36,516 million and interest-bearing debt outstanding was JPY 38,500 million. At the end of the fiscal period under review, the ratio of interest-bearing debt to total assets (LTV) was 48.1%.

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

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

(d) Overview of Business Performance and Cash Distribution

As a result of the management described above, business performance in the fiscal period under review was operating revenue of JPY 3,157 million (down 4.7% period on period) and operating income of JPY 1,532 million (down 7.3% period on period), and that after deducting interest expenses on loans and other expenses was ordinary income of JPY 1,244 million (down 9.4% period on period) and net income of JPY 1,240 million (down 7.4% period on period).

Concerning cash distribution in the fiscal period under review, in accordance with the cash distribution policy provided in the Articles of Incorporation of Tosei Reit and to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; as amended) (the “Special Taxation Measures Act”)), Tosei Reit decided to distribute almost the entire amount of the amount of the income before income taxes portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act, 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 3,643.

② Outlook for the Next Fiscal Period

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

Future Management Policy and Challenges to Address

(a) Management Policy:

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

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

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

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

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

(b) Expansion of Asset Size (Note 1)

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

In today's real estate market in which acquisition competition is fierce, Tosei Reit will aim for external growth through acquisition of carefully selected properties that are expected to have relatively high yields, while securing diverse investment opportunities by leveraging the sourcing support of the Sponsor along with also leveraging the Asset Management Company's own network from its management of private placement funds (Note 2).

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

(Note 2) Tosei Reit is scheduled to conclude sale and purchase contracts for the trust beneficiary rights of 7 properties, namely Hon-Atsugi Tosei Building II, Chiba-Chuo Tosei Building, Cerulean City, T's garden Koshigaya-Obukuro, T's garden Kajigaya, T's garden Tsuzuki-fureainooka and Green Star Heights on December 15, 2021, and acquire the concerned assets on December 24, 2021.

(c) Financial Strategy

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

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

Fiscal period	Operating revenue (JPY million)	Operating income (JPY million)	Ordinary income (JPY million)	Net income (JPY million)	Cash distribution per unit (not including cash distribution in excess of earnings) (JPY)	Cash distribution in excess of earnings per unit (JPY)
Ending Apr. 30, 2022	3,274	1,548	1,252	1,251	3,550	—
Ending Oct. 31, 2022	3,330	1,599	1,292	1,291	3,570	—

The outlook is based on information currently available to and certain assumptions deemed reasonable by Tosei Reit, and the actual management status, etc. may differ materially due to various factors. In addition, the forecast is not a guarantee of the amount of cash distribution. For the assumptions for the outlook, please refer to "Assumptions for Outlook for Management Status for Fiscal Period Ending April 30, 2022, and Fiscal Period Ending October 31, 2022" on page 9.

③ Significant Subsequent Events

1. Acquisition of Assets

Tosei Reit is scheduled to conclude sale and purchase contracts for the acquisition of the real estate trust beneficiary rights of the following properties on December 15, 2021, and acquire the concerned assets on December 24, 2021.

Type	Property no.	Property name	Location	Scheduled acquisition price (JPY million) (Note)
Office	O-16	Hon-Atsugi Tosei Building II	Atsugi-shi, Kanagawa	1,115
Office	O-17	Chiba-Chuo Tosei Building	Chiba-shi, Chiba	833
Residential property	Rd-37	Cerulean City	Higashikurume-shi, Tokyo	1,060
Residential property	Rd-38	T's garden Koshigaya-Obukuro	Koshigaya-shi, Saitama	804
Residential property	Rd-39	T's garden Kajigaya	Kawasaki-shi, Kanagawa	790
Residential property	Rd-40	T's garden Tsuzuki-fureainooka	Yokohama-shi, Kanagawa	660
Residential property	Rd-41	Green Star Heights	Arakawa-ku, Tokyo	620
Total (7 properties)			—	5,882

(Note) The scheduled acquisition price indicates the sale and purchase price excluding the sale and purchase brokerage fee for the trust beneficiary rights and property taxes, etc.

(b) Debt Financing

Tosei Reit is scheduled to execute the following debt financing and allocate the funds to part of the funds for the acquisition of real estate trust beneficiary rights and related expenses stated in “(a) Acquisition of Assets” above.

Lender	Scheduled loan amount (JPY million)	Interest rate (Note 1)	Scheduled drawdown date	Maturity date	Repayment method	Security
Syndicate of lenders with MUFG Bank, Ltd. as an arranger	1,200	To be determined (fixed interest rate) (Note 2)	December 24, 2021	May 31, 2027	Lump-sum repayment on maturity date	Unsecured
Syndicate of lenders with MUFG Bank, Ltd. as an arranger	1,200	To be determined (fixed interest rate) (Note 2)	December 24, 2021	November 30, 2027	Lump-sum repayment on maturity date	Unsecured
Total	2,400	—	—	—	—	—

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

(Note 2) The interest rate shall be announced once it is determined.

Tosei Reit executed the following debt financing to repay JPY 2,200 million which matured on November 30, 2021.

Lender	Loan amount (JPY million)	Interest rate (Note)	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, Limited	2,200	0.93662% (fixed interest rate)	November 30, 2021	November 30, 2027	Lump-sum repayment on maturity date	Unsecured

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

(c) Issuance of New Investment Units

Tosei Reit resolved at its board of directors' meeting held on December 15, 2021, the issuance of new investment units through third-party allotment as described below.

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

Number of new investment units to be issued :	21,000 units
Issue amount (paid-in amount) :	JPY 137,084 per unit
Total issue amount (paid-in amount) :	JPY 2,878,764,000
Offering or allotment method :	By way of third-party allotment
Subscription deadline :	December 23, 2021
Payment date :	December 23, 2021
Allottee and number of units to be allotted :	Tosei Corporation, 21,000 units

(Use of funds)

Tosei Reit is scheduled to allocate the funds to part of the funds for the acquisition of the to-be-acquired assets and related expenses stated in “(a) Acquisition of Assets” above. The residual funds, if any, shall be retained as cash on hand to be allocated to the funds for acquisition of specified assets or funds for repayment of loans in the future.

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

Item	Assumptions		
Calculation period	<ul style="list-style-type: none">• Fiscal period ending April 30, 2022 (15th Period): November 1, 2021 – April 30, 2022 (181 days)• Fiscal period ending October 31, 2022 (16th Period): May 1, 2022 – October 31, 2022 (184 days)		
Assets under management	<ul style="list-style-type: none">• It is assumed that there will be no change (acquisition of new properties other than the to-be-acquired assets, disposition of assets under management, etc.) except for the acquisition of the trust beneficiary rights in real estate to be newly acquired on December 24, 2021 (7 properties in total) (the “to-be-acquired assets”) after the issuance of new investment units, which was resolved at the board of directors’ meeting held today.• In practice, this may vary due to acquisition of new properties other than the to-be-acquired assets or disposition 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. Rental revenues from the to-be-acquired assets are calculated taking into account the information obtained from the present owners and such of the to-be-acquired assets.• 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">• <u>The following are the major items of operating expenses.</u>		
		Fiscal period ending April 30, 2022	Fiscal period ending October 31, 2022
	Expenses related to rent business		JPY 1,428 million
	JPY 1,424 million		
	<i>Of which:</i> Management fee	JPY 315 million	JPY 317 million
	<i>[Of which:</i> Operational management costs	JPY 229 million	JPY 234 million
	<i>[Of which:</i> Property management costs	JPY 85 million	JPY 83 million
	Repair expenses	JPY 156 million	JPY 115 million
	Property taxes	JPY 235 million	JPY 252 million
	Depreciation	JPY 404 million	JPY 410 million
	Expenses other than expenses related to rent business		JPY 297 million
	JPY 306 million		
	<i>Of which:</i> Asset management fee	JPY 188 million	JPY 197 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 property taxes, city planning taxes and other public charges based on the number of days of ownership to the current 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. The total amount of fixed property taxes, city planning taxes and other public charges to be included in the acquisition cost of the to-be-acquired assets which will be recorded in the fiscal period ending April 30, 2022, is assumed to be JPY 0 million (equivalent to that for 8 days).			

Item	Assumptions
NOI	<ul style="list-style-type: none"> • NOI for the entire portfolio is assumed to be JPY 2,250 million for the fiscal period ending April 30, 2022, and JPY 2,317 million for the fiscal period ending October 31, 2022. • Out of the above, NOI for the to-be-acquired assets is assumed to be JPY 124 million and JPY 162 million for the fiscal period ending April 30, 2022, and for the fiscal period ending October 31, 2022, respectively. • NOI is calculated by using the following formula. $\text{NOI} = \text{Property-related operating revenue} - \text{Property-related operating expenses} + \text{Depreciation}$
Non-operating expenses	<ul style="list-style-type: none"> • The expenses for the issuance of new investment units related to the issuance of new investment units resolved at the board of directors' meetings held today are scheduled to be amortized over 36 months using the straight-line method. Amortization of expenses for the issuance of investment units is assumed to be JPY 8 million each for the fiscal period ending April 30, 2022, and the fiscal period ending October 31, 2022. • Interest expenses, interest of investment corporation bonds, amortization of expenses for the issuance of investment corporation bonds and borrowing-related expenses are assumed to be JPY 287 million for the fiscal period ending April 30, 2022, and JPY 298 million for the fiscal period ending October 31, 2022. Among the borrowing-related expenses, JPY 81 million for the fiscal period ending April 30, 2022, and JPY 83 million for the fiscal period ending October 31, 2022, are assumed to be the amounts to be amortized in accordance with their respective borrowing periods.
Interest-bearing debt	<ul style="list-style-type: none"> • It is assumed that, in addition to JPY 38,500 million of interest-bearing debt outstanding as of the date of this document, new borrowing of JPY 2,400 million will be executed. • It is also assumed that there will be no changes, other than the above, in interest-bearing debt outstanding through to the end of the fiscal period ending October 31, 2022 (16th Period) • LTV is assumed to be 47.8% as of the end of the fiscal period ending April 30, 2022, and 47.9% as of the end of the fiscal period ending October 31, 2022. • 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, in addition to a total of 340,505 investment units issued and outstanding as of the date of this document, all of the investment units scheduled to be newly issued will be issued through third-party allotment (the "Third-Party Allotment") as was resolved at the board of directors' meeting held today. • It is assumed that, except for the above, there will be no changes in the number of investment units due to additional issuance of new investment units and such through the end of the fiscal period ending October 31, 2022 (16th Period). • Cash distribution per unit is calculated based on the forecast number of investment units issued and outstanding at the end of the fiscal period ending April 30, 2022 (15th Period) and the end of the fiscal period ending October 31, 2022 (16th Period) (361,505 units) including 21,000 units scheduled to be newly issued as stated above.
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 net income 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 31 million for the fiscal period ending April 30, 2022. • 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.

Item	Assumptions
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

With regard to the “Investment Risks” in the securities report (submitted on July 30, 2021), only the items that were changed significantly have been extracted and the amended parts have been underlined.

(Omitted)

- ③ Risks on concerned parties and system of Tosei Reit
- (a) Risks on dependence on Tosei Group and conflict of interest
- a. Risks on dependence on Tosei Group

Tosei Reit has a basic policy to aim for the maximization of unitholder value by leveraging Tosei's core competencies of good judgment, leasing capability and revitalization capability as well as receiving sourcing support, warehousing support, construction management support, leasing support and other support from Tosei based on the memorandum on sponsor support, etc. In addition, as of the date of this document, Tosei owns the Asset Management Company in its entirety and is a company from which all officers and employees other than the chairman, the president & representative director of the Asset Management Company are seconded as well as at which the part-time directors and auditors of the Asset Management Company each concurrently hold positions.

Tosei Group is the seller of all the assets under management and the to-be-acquired assets other than Shin Yokohama Center Building and Rising Place Kawasaki No.2. In addition, the trustee for the assets under management and the to-be-acquired assets entrusted PM business to Tosei Community and concluded a pass-through ML agreement except for Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2. Furthermore, a fixed-rent ML agreement is concluded or scheduled to be concluded between Tosei and Tosei Community for the entire portion of Musashi Fujisawa Tosei Building, some sections of T's garden Nagayama and some sections of T's garden Koshigaya-Obukuro. Property acquisitions from Tosei Group, entrustment of PM business, conclusion of fixed-rent ML agreements and such are expected to continue as well. Furthermore, Tosei Reit has received license for the use of trademark from Tosei.

As such, it can be said that Tosei Reit and the Asset Management Company have a close relationship with Tosei Group, and the degree of dependence on Tosei Group in the investment policy is fairly high. Accordingly, in cases where Tosei Reit and the Asset Management Company cannot maintain the same relationship as that as of the date of this document with Tosei and other companies in Tosei Group, the position of Tosei Reit in Tosei Group changes due to the change in Tosei Group's business policy, and Tosei Group's reputation, brand power, etc. decline or when Tosei Group's business performance or financial position deteriorate and the sponsor support scheduled to be provided upon property acquisitions cannot be received for other reasons, there may be negative impacts such as not being able to gain the expected revenue of Tosei Reit.

(Omitted)

2. Financial Statements

(1) Balance Sheet

(Unit: JPY thousand)

	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
Assets		
Current assets		
Cash and deposits	2,678,085	2,652,728
Cash and deposits in trust	5,504,329	5,518,112
Operating accounts receivable	11,056	17,942
Prepaid expenses	220,377	161,069
Other	2,492	5
Total current assets	8,416,342	8,349,858
Non-current assets		
Property, plant and equipment		
Buildings in trust	19,995,919	20,119,962
Accumulated depreciation	(2,656,520)	(2,994,110)
Buildings in trust, net	17,339,398	17,125,852
Structures in trust	188,656	189,308
Accumulated depreciation	(57,288)	(62,487)
Structures in trust, net	131,368	126,820
Machinery and equipment in trust	420,993	485,493
Accumulated depreciation	(160,036)	(180,265)
Machinery and equipment in trust, net	260,956	305,228
Tools, furniture and fixtures in trust	278,743	296,373
Accumulated depreciation	(100,048)	(121,644)
Tools, furniture and fixtures in trust, net	178,695	174,729
Land in trust	52,684,861	52,684,861
Total property, plant and equipment	70,595,281	70,417,493
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	334,332	309,776
Deferred tax assets	3,001	—
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	347,333	319,776
Total non-current assets	71,812,242	71,606,897
Deferred assets		
Investment unit issuance expenses	24,390	14,633
Investment corporation bond issuance expenses	—	14,015
Total deferred assets	24,390	28,648
Total assets	80,252,975	79,985,404

(Unit: JPY thousand)

	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	269,412	138,635
Current portion of long-term loans payable	6,000,000	5,200,000
Accounts payable – other	156,729	146,404
Income taxes payable	37,089	605
Accrued consumption taxes	73,958	26,106
Advances received	525,591	510,862
Other	140,285	138,959
Total current liabilities	7,203,066	6,161,572
Non-current liabilities		
Investment corporation bonds	—	1,000,000
Long-term loans payable	32,500,000	32,300,000
Tenant leasehold and security deposits in trust	2,636,516	2,646,800
Total non-current liabilities	35,136,516	35,946,800
Total liabilities	42,339,583	42,108,373
Net assets		
Unitholders' equity		
Unitholders' capital	36,516,661	36,516,661
Surplus		
Unappropriated retained earnings (undisposed loss)	1,396,730	1,360,369
Total surplus	1,396,730	1,360,369
Total unitholders' equity	37,913,392	37,877,031
Total net assets	*1 37,913,392	*1 37,877,031
Total liabilities and net assets	80,252,975	79,985,404

(2) Statement of Income

(Unit: JPY thousand)

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Operating revenue		
Rent revenue – real estate	* ₁ 2,914,696	* ₁ 2,882,389
Other lease business revenue	* ₁ 300,705	* ₁ 275,201
Gain on sale of real estate properties	* ₂ 96,207	—
Total operating revenue	3,311,609	3,157,591
Operating expenses		
Expenses related to rent business	* ₁ 1,362,260	* ₁ 1,345,447
Asset management fee	189,155	186,977
Asset custody fee	3,412	3,534
Administrative service fees	18,617	18,020
Directors' compensations	2,460	2,460
Other operating expenses	82,957	68,298
Total operating expenses	1,658,864	1,624,737
Operating income	1,652,745	1,532,853
Non-operating income		
Interest income	34	37
Insurance claim income	2,329	1,279
Miscellaneous income	132	526
Total non-operating income	2,496	1,843
Non-operating expenses		
Interest expenses	181,977	187,631
Amortization of investment corporation bond issuance expenses	—	235
Borrowing related expenses	90,329	92,933
Other	9,757	9,757
Total non-operating expenses	282,064	290,558
Ordinary income	1,373,177	1,244,139
Income before income taxes	1,373,177	1,244,139
Income taxes – current	37,094	605
Income taxes – deferred	(2,986)	3,001
Total income taxes	34,107	3,606
Net income	1,339,070	1,240,532
Retained earnings brought forward	57,660	119,836
Unappropriated retained earnings (undisposed loss)	1,396,730	1,360,369

(3) Statement of Unitholders' Equity

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

(Unit: JPY thousand)

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

14th Period (from May 1, 2021, to October 31, 2021)

(Unit: JPY thousand)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	36,516,661	1,396,730	1,396,730	37,913,392	37,913,392
Changes of items during period					
Dividends of surplus		(1,276,893)	(1,276,893)	(1,276,893)	(1,276,893)
Net income		1,240,532	1,240,532	1,240,532	1,240,532
Total changes of items during period	—	(36,361)	(36,361)	(36,361)	(36,361)
Balance at end of period	*1 36,516,661	1,360,369	1,360,369	37,877,031	37,877,031

(4) Statement of Cash Distributions

(Unit: JPY)

Item	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
I. Unappropriated retained earnings	1,396,730,708	1,360,369,254
II. Amount of cash distribution [Amount of cash distribution per investment unit]	1,276,893,750 [3,750]	1,240,459,715 [3,643]
III. Retained earnings carried forward	119,836,958	119,909,539
Method of calculating the amount of cash distribution	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,750 as stated above.</p> <p>Concerning cash distribution of earnings (not including cash distribution in excess of earnings), in order to ensure that the maximum amount of cash distribution of earnings would be included in deductible expenses based on application of special provisions for taxation on investment corporations (Article 67-15 Paragraph 1 of the Special Taxation Measures Act), Tosei Reit decided to distribute almost the entire amount of the amount of the income before income taxes portion of earnings defined in Article 136 Paragraph 1 of the Investment Trusts Act remaining after deducting gain on sale of real estate properties, excluding the portion where cash distribution per investment unit would be less than JPY 1. As a result, Tosei Reit declared a cash distribution per investment unit (not including cash distribution in excess of earnings) of JPY 3,750.</p>	<p>Cash distribution per investment unit for the fiscal period under review is JPY 3,643 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 3,643.</p>

(5) Statement of Cash Flows

(Unit: JPY thousand)

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Cash flows from operating activities		
Income before income taxes	1,373,177	1,244,139
Depreciation	375,478	384,613
Borrowing related expenses	90,329	92,933
Interest income	(34)	(37)
Interest expenses	181,977	187,631
Decrease (increase) in operating accounts receivable	(1,447)	(6,885)
Increase (decrease) in accrued consumption taxes	(5,456)	(47,852)
Decrease (increase) in prepaid expenses	(54,409)	(55,680)
Increase (decrease) in operating accounts payable	30,828	(14,579)
Increase (decrease) in accounts payable – other	11,952	(10,324)
Increase (decrease) in advances received	29,560	(14,728)
Decrease in property, plant and equipment in trust due to sale	915,945	—
Other, net	10,785	(3,711)
Subtotal	2,958,687	1,866,878
Interest income received	34	37
Interest expenses paid	(182,929)	(185,626)
Income taxes paid	(914)	(37,095)
Net cash provided by (used in) operating activities	2,774,877	1,644,194
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(3,170,391)	(323,023)
Proceeds from tenant leasehold and security deposits in trust	100,395	126,271
Repayments of tenant leasehold and security deposits in trust	(122,062)	(110,012)
Net cash provided by (used in) investing activities	(3,192,059)	(306,764)
Cash flows from financing activities		
Proceeds from short-term loans payable	—	400,000
Repayments of short-term loans payable	—	(400,000)
Proceeds from long-term loans payable	4,891,591	2,742,141
Repayments of long-term loans payable	(2,000,000)	(3,800,000)
Proceeds from issuance of investment corporation bonds	—	985,748
Dividends paid	(1,258,846)	(1,276,893)
Net cash provided by (used in) financing activities	1,632,744	(1,349,003)
Net increase (decrease) in cash and cash equivalents	1,215,562	(11,574)
Cash and cash equivalents at beginning of period	6,966,852	8,182,415
Cash and cash equivalents at end of period	*1 8,182,415	*1 8,170,841

(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 border="0"> <tr> <td>Buildings</td><td>2-64 years</td></tr> <tr> <td>Structures</td><td>2-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>2-35 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2-27 years</td></tr> </table> <p>(2) Long-term prepaid expenses The straight-line method is adopted.</p>	Buildings	2-64 years	Structures	2-60 years	Machinery and equipment	2-35 years	Tools, furniture and fixtures	2-27 years
Buildings	2-64 years								
Structures	2-60 years								
Machinery and equipment	2-35 years								
Tools, furniture and fixtures	2-27 years								
2. Treatment of deferred assets	<p>(1) Investment unit issuance expenses Equally amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance expenses Amortized over the period until redemption using the straight-line method.</p>								
3. Standards for revenue and expense recognition	<p>(1) Standard for recording revenue The main content of the performance obligation regarding the revenue from contracts with the customers of the Tosei Reit and the normal point of time when satisfying the concerned performance obligation (normal point of time when recognizing revenue) are as follows.</p> <p>① Sale of real estate, etc. For the revenue from sale of real estate, etc., revenue is recorded when the buyer who is a customer gains control of the concerned real estate, etc. by performing the obligation of handover stipulated in the contract for real estate sales.</p> <p>② Utilities reimbursement, etc. For utilities reimbursement, revenue is recorded in accordance with the supply of electricity, tap water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and the content of agreement incidental to it. Of the utilities reimbursement, for those that are determined to fall under the category of an agent by Tosei Reit, the net amount obtained by deducting the amount to be paid to other parties from the amount received as the fee of electricity, gas, etc. supplied by the other parties is recognized as revenue.</p> <p>(2) Accounting for fixed asset tax, etc. Accounting for fixed asset tax, city planning tax, depreciable asset tax, etc. on real estate, etc. held is that, of the tax amount assessed and determined, the amount corresponding to the concerned calculation period is expensed as real estate rent expenses. Reimbursement of fixed asset tax, etc. in the fiscal year that includes the acquisition date paid to the seller upon acquisition of real estate, etc. is not recognized as expenses but included in the cost of acquisition of the concerned real estate, etc.</p>								
4. Scope of funds in the statement of cash flows (cash and cash equivalents)	The funds in the statement of cash flows (cash and cash equivalents) consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.								

<p>5. Other matters serving as the basis for the preparation of financial statements</p>	<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> <ul 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>
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(8) Notes on Change of Accounting Policy

1. Application of Accounting Standards for Revenue Recognition, etc.

The Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020. The “Revenue Recognition Accounting Standards”), etc. have been applied since the beginning of the fiscal period under review, and Tosei Reit recognizes revenue as the amount expected to be received in exchange for the promised goods or services when the control of the concerned goods or services is transferred to the customer. This has no impact on the financial statements for the fiscal period under review.

Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Accounting Standards, “Notes on Revenue Recognition” for the previous fiscal period is not shown.

2. Application of Accounting Standards for Fair Value Measurement, etc.

The “Accounting Standards for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. The “Fair Value Measurement Accounting Standards”), etc., have been applied since the beginning of the fiscal period under review, and in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), Tosei Reit has decided to apply the new accounting policies set forth by the Fair Value Measurement Accounting Standard, etc. in the future. This has no impact on the financial statements for the fiscal period under review.

Based on the supplementary provisions of Article 2, Paragraph 5 of the “Cabinet Office Ordinance for Partial Amendment of the Rules on Terms, Style and Preparation Method of Financial Statements, Etc.” (Cabinet Office Ordinance No. 61, September 24, 2021), the description of the matters set forth in Article 8-6-2, Paragraph 1, Item 3 of the rules on terms, style and preparation method of financial statements, etc. after the amendment has been omitted.

(9) 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)

	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
	50,000	50,000

[Notes to Statement of Income]

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

(Unit: JPY thousand)

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
A. Property-related operating revenue		
Rent revenue – real estate		
Rental income	2,507,199	2,481,965
Common area maintenance income	264,645	256,247
Parking income	111,734	110,416
Other rental income	31,118	33,760
Total	2,914,696	2,882,389
Other lease business revenue		
Utilities reimbursement	215,821	221,985
Other income	84,884	53,215
Total	300,705	275,201
Total property-related operating revenue	3,215,402	3,157,591
B. Property-related operating expenses		
Expenses related to rent business		
Management fee	309,460	300,034
Trust fee	15,796	15,600
Utilities expenses	200,625	218,717
Insurance premium	5,508	5,535
Repair expenses	156,525	134,442
Property taxes	240,986	231,591
Depreciation	375,478	384,613
Other expenses	57,879	54,913
Total property-related operating expenses	1,362,260	1,345,447
C. Property-related operating income (loss) (A–B)	1,853,141	1,812,143

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

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

Selection Hatsutomi	(Unit: JPY thousand)
Revenue from sale of real estate properties	389,374
Cost of sale of real estate properties	310,351
Other sale expenses	16,711
Gain on sale of real estate properties	62,310

Prime Garden	(Unit: JPY thousand)
Revenue from sale of real estate properties	667,641
Cost of sale of real estate properties	605,593
Other sale expenses	28,150
Gain on sale of real estate properties	33,896

14th Period (from May 1, 2021, to October 31, 2021)

Not applicable.

[Notes to Statement of Unitholders' Equity]

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

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	340,505 units	340,505 units

[Notes to Statement of Cash Flows]

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

(Unit: JPY thousand)

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Cash and deposits	2,678,085	2,652,728
Cash and deposits in trust	5,504,329	5,518,112
Cash and cash equivalents	8,182,415	8,170,841

[Notes on Lease Transactions]

Operating lease transactions (as lessor)

Future minimum lease payments under non-cancellable operating leases

(Unit: JPY thousand)

	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
Due within 1 year	92,568	93,222
Due after 1 year	113,031	81,218
Total	205,600	174,441

[Notes on Financial Instruments]

1. Matters concerning status of financial instruments

(1) Policy for handling financial instruments

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

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

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

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

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

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

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

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

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

Not applicable.

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

The following is the carrying amount and fair value, and the amount of difference between these. In addition, since “cash and deposits,” “cash and deposits in trust” and “current portion of tenant leasehold and security deposits in trust” are settled within a short period of time, their fair value is close to the book value. Therefore, notes have been omitted.

13th Period (as of April 30, 2021)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term loans payable	6,000,000	5,999,376	(623)
(2) Investment corporation bonds	—	—	—
(3) Long-term loans payable	32,500,000	32,490,037	(9,962)
(4) Tenant leasehold and security deposits in trust	2,636,516	—	—

14th Period (as of October 31, 2021)

(Unit: JPY thousand)

	Carrying amount	Fair value	Amount of difference
(1) Current portion of long-term loans payable	5,200,000	5,199,876	(123)
(2) Investment corporation bonds	1,000,000	996,567	(3,432)
(3) Long-term loans payable	32,300,000	32,272,032	(27,967)
(4) Tenant leasehold and security deposits in trust	2,646,800	2,610,299	(36,500)

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

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

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

(2) Investment corporation bonds

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

(4) Tenant leasehold and security deposits in trust

The fair value as of October 31, 2021, is calculated based on the method of calculating with the current value discounted by the interest rate without adding credit risk based on the scheduled redemption period that is reasonably estimated.

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

13th Period (as of April 30, 2021)

(Unit: JPY thousand)

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

14th Period (as of October 31, 2021)

(Unit: JPY thousand)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Investment corporation bonds	—	—	—	—	—	1,000,000
Long-term loans payable	5,200,000	6,200,000	5,600,000	6,300,000	7,500,000	6,700,000
Total	5,200,000	6,200,000	5,600,000	6,300,000	7,500,000	7,700,000

[Notes on Tax-Effect Accounting]

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

(Unit: JPY thousand)

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

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

(Unit: %)

	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
Statutory tax rate	31.46	31.46
[Adjustments]		
Deductible cash distribution payable	(29.25)	(31.22)
Other	0.27	0.05
Effective income tax rate after application of tax-effect accounting	2.48	0.29

[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)

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Carrying amount (Note 1)		
Balance at beginning of period	69,518,342	71,464,909
Amount of increase (decrease) during period (Note 2)	1,946,566	(177,788)
Balance at end of period	71,464,909	71,287,120
Fair value at end of period (Note 3)	82,295,000	82,554,000

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

(Note 2) For the 13th Period, the amount of increase is mainly attributable to acquisition of properties, including T's garden Center Minami, totaling 4 properties (JPY 3,002,471 thousand), while the amount of decrease is mainly attributable to transfer of properties, including Selection Hatsutomi, totaling 2 properties (JPY 915,945 thousand) and depreciation (JPY 375,478 thousand). For the 14th Period, the amount of increase is mainly attributable to capital expenditure (JPY 206,825 thousand), while the amount of decrease is mainly attributable to depreciation (JPY 384,613 thousand).

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

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

[Notes on Revenue Recognition]

Information from analysis of revenues generated from contracts with customers
14th Period (from May 1, 2021, to October 31, 2021)

(Unit: JPY thousand)

	Revenues generated from contracts with customers (Note)	Operating revenue to external customers
Sale of real estate, etc.	—	—
Utilities reimbursement, etc.	248,443	248,443
Other	—	2,909,147
Total	248,443	3,157,591

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

[Notes on Segment Information]

Segment Information

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

(Related Information)

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

1. Information on products and services

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

2. Information on regions

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: JPY thousand)

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

14th Period (from May 1, 2021, to October 31, 2021)

1. Information on products and services

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

2. Information on regions

(1) Operating revenue

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

(2) Property, plant and equipment

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

3. Information on major customers

(Unit: JPY thousand)

Name of customer	Operating revenue	Name of related segment
Tosei Corporation	100,425	Real estate lease business

[Notes on Per Unit Information]

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Net assets per unit	JPY 111,344	JPY 111,237
Net income per unit	JPY 3,932	JPY 3,643

(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.

	13th Period (From: Nov. 1, 2020 To: Apr. 30, 2021)	14th Period (From: May 1, 2021 To: Oct. 31, 2021)
Net income (JPY thousand)	1,339,070	1,240,532
Amount not attributable to common unitholders (JPY thousand)	—	—
Net income attributable to common investment units (JPY thousand)	1,339,070	1,240,532
Average number of investment units during period (units)	340,505	340,505

[Notes on Significant Subsequent Events]

1. Acquisition of Assets

Tosei Reit is scheduled to conclude sale and purchase contracts for the acquisition of the real estate trust beneficiary rights of the following properties on December 15, 2021, and acquire the concerned assets on December 24, 2021.

Property name	Type of asset	Scheduled acquisition price (JPY million) (Note)	Seller	Scheduled acquisition date
Hon-Atsugi Tosei Building II	Trust beneficiary right	1,115	Tosei Corporation	December 24, 2021
Chiba-Chuo Tosei Building	Trust beneficiary right	833	Tosei Corporation	December 24, 2021
Cerulean City	Trust beneficiary right	1,060	Tosei Revival Investment Co., Ltd.	December 24, 2021
T's garden Koshigaya-Obukuro	Trust beneficiary right	804	Tosei Corporation	December 24, 2021
T's garden Kajigaya	Trust beneficiary right	790	Tosei Corporation	December 24, 2021
T's garden Tsuzuki-fureainooka	Trust beneficiary right	660	Tosei Corporation	December 24, 2021
Green Star Heights	Trust beneficiary right	620	Tosei Community Co., Ltd.	December 24, 2021
Total (7 properties)		5,882	—	—

(Note) The scheduled acquisition price indicates the sale and purchase price excluding sale and purchase brokerage fee for the trust beneficiary rights and property taxes, etc.

2. Debt Financing

Tosei Reit is scheduled to execute the following debt financing to allocate the funds to part of the funds for the acquisition of real estate trust beneficiary rights and related expenses stated in “1. Acquisition of Assets” above.

Lender	Scheduled loan amount (JPY million)	Interest rate (Note 1)	Scheduled drawdown date	Maturity date	Repayment method	Security
Syndicate of lenders with MUFG Bank, Ltd. as an arranger	1,200	To be determined (fixed interest rate) (Note 2)	December 24, 2021	May 31, 2027	Lump-sum repayment on maturity date	Unsecured
Syndicate of lenders with MUFG Bank, Ltd. as an arranger	1,200	To be determined (fixed interest rate) (Note 2)	December 24, 2021	November 30, 2027	Lump-sum repayment on maturity date	Unsecured
Total	2,400	—	—	—	—	—

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

(Note 2) The interest rate shall be announced once it is determined.

Tosei Reit executed the following debt financing to repay JPY 2,200 million that matured on November 30, 2021.

Lender	Loan amount (JPY million)	Interest rate (Note)	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, Limited	2,200	0.93662% (fixed interest rate)	November 30, 2021	November 30, 2027	Lump-sum repayment on maturity date	Unsecured

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

3. Issuance of New Investment Units

Tosei Reit resolved at its board of directors' meeting held on December 15, 2021, the issuance of new investment units through third-party allotment as described below.

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

Number of new investment units to be issued : 21,000 units
Issue amount (paid-in amount) : JPY 137,084 per unit
Total issue amount (paid-in amount) : JPY 2,878,764,000
Offering or allotment method : By way of third-party allotment
Subscription deadline : December 23, 2021
Payment date : December 23, 2021
Allottee and number of units to be allotted : Tosei Corporation, 21,000 units

(Use of funds)

Tosei Reit is scheduled to allocate the funds to part of the funds for the acquisition of the to-be-acquired assets and related expenses stated in “1. Acquisition of Assets” above. The residual funds, if any, shall be retained as cash on hand to be allocated to the funds for acquisition of specified assets or funds for repayment of loans in the future.

[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.

(10) 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, 2021). Real estate that are the assets in trust of the real estate trust beneficiary rights that are the portfolio assets of Tosei Reit ("real estate trust beneficiary rights") are each the building and its site for leasing to tenants.

Type of asset	Geographical area, etc.	Main use	14th Period (As of October 31, 2021)	
			Total amount held (JPY million) (Note 2)	As a percentage of total assets (%) (Note 3)
Real estate trust beneficiary rights	Tokyo metropolitan area	Offices	31,382	39.2
		Retail facilities	5,391	6.7
		Residential properties	34,513	43.1
	Major regional cities (Note 1)	—	—	—
	Total		71,287	89.1
Deposits and other assets			8,698	10.9
Total assets (Note 2)			79,985	100.0
Total liabilities (Note 2)			42,108	52.6
Total net assets (Note 2)			37,877	47.4

(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, 2021, in accordance with the asset valuation method provided in the Articles of Incorporation.

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

(2) Investment Assets

(a) Overview of Assets under Management

The following is the type, property name, location, acquisition price, investment ratio, real estate appraisal value, etc. and acquisition date of assets under management as of the date of Tosei Reit's settlement of accounts (October 31, 2021). Property numbers start with the code "O" in the case of offices, "Rt" in the case of retail facilities and "Rd" in the case of residential properties as assigned according to the asset under management's property use type.

Type	Property no.	Property name	Location	Acquisition price (JPY million)	Investment ratio (%) (Note 1)	Real estate appraisal value, etc. (JPY million) (Note 2)	Acquisition date (Note 3)	
Offices	O-01	Tama Center Tosei Building	Tama-shi, Tokyo	3,370	4.7	3,850	November 28, 2014	
	O-02	KM Shinjuku Building	Shinjuku-ku, Tokyo	2,057	2.8	2,870	November 28, 2014	
	O-03	Nihonbashi-Hamacho Building	Chuo-ku, Tokyo	1,830	2.5	2,700	November 28, 2014	
	O-04	Kannai Tosei Building II	Yokohama-shi, Kanagawa	4,100	5.7	4,650	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	1,790	November 17, 2015	
	O-07	Nishidai NC Building	Itabashi-ku, Tokyo	1,481	2.0	1,800	August 31, 2016	
	O-08	JPT Motomachi Building	Yokohama-shi, Kanagawa	2,377	3.3	2,790	November 2, 2016	
	O-09	Hakusan Asanomi Building	Bunkyo-ku, Tokyo	1,380	1.9	1,680	November 2, 2016	
	O-10	Chojamachi Duo Building	Yokohama-shi, Kanagawa	1,300	1.8	1,430	November 2, 2017	
	O-11	NU Kannai Building	Yokohama-shi, Kanagawa	3,800	5.2	4,050	November 2, 2018	
	O-12	Higashitotsuka West Building	Yokohama-shi, Kanagawa	2,650	3.7	2,780	November 2, 2018	
	O-13	Kannai Wise Building	Yokohama-shi, Kanagawa	2,050	2.8	2,170	December 2, 2019	
	O-14	Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	880	1.2	909	November 5, 2019	
	O-15	Hachioji Tosei Building	Hachioji-shi, Tokyo	1,600	2.2	1,770	May 29, 2020	
	Subtotal			—	31,949	44.1	37,299	—
	Retail facilities	Rt-01	Inage Kaigan Building	Chiba-shi, Chiba	2,380	3.3	2,590	November 28, 2014
Rt-02		Musashi Fujisawa Tosei Building	Iruma-shi, Saitama	1,950	2.7	2,140	November 17, 2015	
Rt-04		Wako Building	Chiba-shi, Chiba	1,400	1.9	1,410	November 2, 2017	
Subtotal			—	5,730	7.9	6,140	—	
Offices and retail facilities combined subtotal			—	37,679	52.0	43,439	—	
Residential properties	Rd-01	T's garden Koenji	Suginami-ku, Tokyo	1,544	2.1	2,090	November 28, 2014	
	Rd-02	Live Akabane	Kita-ku, Tokyo	1,227	1.7	1,610	November 28, 2014	
	Rd-03	Gekkocho Apartment	Meguro-ku, Tokyo	1,000	1.4	1,300	November 28, 2014	
	Rd-04	T's garden Kawasaki-daishi	Kawasaki-shi, Kanagawa	980	1.4	1,190	November 28, 2014	
	Rd-05	Abitato Kamata	Ota-ku, Tokyo	836	1.2	960	November 28, 2014	
	Rd-07	Avenir Shirotae	Yokohama-shi, Kanagawa	780	1.1	1,000	November 28, 2014	
	Rd-08	Dormitory Haramachida	Machida-shi, Tokyo	600	0.8	785	November 28, 2014	
	Rd-09	SEA SCAPE Chiba Minato	Chiba-shi, Chiba	2,800	3.9	3,220	November 17, 2015	

Type	Property no.	Property name	Location	Acquisition price (JPY million)	Investment ratio (%) (Note 1)	Real estate appraisal value, etc. (JPY million) (Note 2)	Acquisition date (Note 3)
Residential properties	Rd-11	T's garden Shinkoiwa	Katsushika-ku, Tokyo	670	0.9	717	November 2, 2016
	Rd-12	Twin Avenue	Nerima-ku, Tokyo	1,880	2.6	2,040	November 2, 2017
	Rd-13	Milestone Higashikurume	Higashikurume-shi, Tokyo	1,650	2.3	1,780	November 2, 2017
	Rd-14	Lumiere No. 3	Kawaguchi-shi, Saitama	1,420	2.0	1,580	November 2, 2017
	Rd-15	T's garden Nishifunabashi	Funabashi-shi, Chiba	860	1.2	878	November 2, 2017
	Rd-16	Quest Yamatedai	Yokohama-shi, Kanagawa	710	1.0	745	November 2, 2017
	Rd-17	Sancerre Yonohonmachi	Saitama-shi, Saitama	600	0.8	622	November 2, 2017
	Rd-18	Rising Place Kawasaki No.2	Kawasaki-shi, Kanagawa	1,812	2.5	1,880	November 2, 2018
	Rd-19	J Palace Sakuradai	Nerima-ku, Tokyo	1,090	1.5	1,230	November 2, 2018
	Rd-20	Personnage Yokohama	Yokohama-shi, Kanagawa	740	1.0	795	November 2, 2018
	Rd-21	T's garden Nishihachioji West	Hachioji-shi, Tokyo	600	0.8	668	November 2, 2018
	Rd-22	T's garden Ojima	Koto-ku, Tokyo	1,020	1.4	1,100	May 24, 2019
	Rd-23	T's garden Kitakashiwa	Kashiwa-shi, Chiba	2,770	3.8	2,840	December 2, 2019
	Rd-24	Century Urawa	Saitama-shi, Saitama	980	1.4	1,110	November 5, 2019
	Rd-25	T's garden Nagayama	Tama-shi, Tokyo	850	1.2	927	November 5, 2019
	Rd-26	Grandeur Fujimino	Fujimi-shi, Saitama	822	1.1	857	November 5, 2019
	Rd-27	T's garden Hitotsubashi-gakuen	Kodaira-shi, Tokyo	760	1.0	816	November 5, 2019
	Rd-28	T's garden Warabi II	Kawaguchi-shi, Saitama	750	1.0	815	November 5, 2019
	Rd-29	T's garden Warabi III	Kawaguchi-shi, Saitama	655	0.9	695	November 5, 2019
	Rd-30	T's garden Kashiwa	Kashiwa-shi, Chiba	595	0.8	659	November 5, 2019
	Rd-31	Suning Kitamatsudo	Matsudo-shi, Chiba	482	0.7	501	November 5, 2019
	Rd-32	T's garden Tanashi	Nishitokyo-shi, Tokyo	310	0.4	375	November 5, 2019
	Rd-33	T's garden Center Minami	Yokohama-shi, Kanagawa	1,140	1.6	1,270	December 17, 2020
	Rd-34	Boulevard Maioka	Yokohama-shi, Kanagawa	810	1.1	887	December 17, 2020
	Rd-35	T's garden Koiwa	Edogawa-ku, Tokyo	490	0.7	586	December 17, 2020
	Rd-36	T's garden Tsuzuki-fureainooka II	Yokohama-shi, Kanagawa	480	0.7	587	December 17, 2020
	Subtotal		—	34,713	48.0	39,115	—
	Total		—	72,392	100.0	82,554	—

(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, 2021, as the effective date of the appraisal (date of value). The same applies hereinafter.

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

(b) Portfolio Composition

The following presents the portfolio composition as of the date of Tosei Reit's settlement of accounts (October 31, 2021) of assets under management. Real estate that are the assets in trust of the real estate trust beneficiary rights that are the portfolio assets of Tosei Reit are each the building and its site for leasing to tenants.

a. By property type

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

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

b. By geographical area

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

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

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

c. Number of investments by acquisition price

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

(c) Overview of Buildings, Etc.

The following is the construction completion, building age, annual rent, security and guarantee deposits, total leased area, total leasable area, occupancy rate and number of tenants for each of Tosei Reit's asset under management as of October 31, 2021.

The form of lease agreement for Musashi Fujisawa Tosei Building (Note 1) and the residential portion of T's garden Nagayama (Note 2) is a pass-through master lease agreement ("ML agreement") and a fixed-rent ML agreement, while for each property other than said properties (including the portions of T's garden Nagayama other than the residential portion), it is a pass-through ML agreement.

Type	Property no.	Property name	Construction completion (Note 3)	Building age (years) (Note 4)	Annual rent (JPY million) (Note 5) (Note 12)	Security and guarantee deposits (JPY million) (Note 6) (Note 12)	Total leased area (m ²) (Note 7) (Note 12)	Total leasable area (m ²) (Note 8)	Occupancy rate (%) (Note 9) (Note 12)	Number of tenants (Note 10) (Note 12)
Offices	O-01	Tama Center Tosei Building	July 1989	32.3	361	251	9,175.78	9,702.32	94.6	43
	O-02	KM Shinjuku Building	September 1991	30.1	164	98	3,403.95	3,403.95	100.0	7
	O-03	Nihonbashi-Hamacho Building	October 1990	31.0	165	146	3,334.40	3,334.40	100.0	8
	O-04	Kannai Tosei Building II	February 1984 (Note 11)	37.7 (Note 11)	286	370	6,607.17	6,911.65	95.6	37
	O-05	Nishi Kasai Tosei Building	January 1994	27.8	133	87	3,187.97	3,187.97	100.0	9
	O-06	Shin Yokohama Center Building	December 1990	30.9	101	97	2,679.67	3,888.51	68.9	13
	O-07	Nishidai NC Building	March 1992	29.6	101	63	2,885.48	3,798.48	76.0	6
	O-08	JPT Motomachi Building	October 1991	30.0	193	153	5,410.03	5,410.03	100.0	8
	O-09	Hakusan Asanomi Building	July 1993	28.3	99	71	1,860.51	1,860.51	100.0	11
	O-10	Chojamachi Duo Building	July 1993	28.3	87	81	2,085.68	2,211.08	94.3	11
	O-11	NU Kannai Building	February 1987	34.7	279	133	7,478.07	8,025.76	93.2	24
	O-12	Higashitotsuka West Building	February 1993	28.7	200	132	5,664.69	5,664.69	100.0	16
	O-13	Kannai Wise Building	February 1991	30.7	122	102	3,107.75	3,568.43	87.1	5
	O-14	Hon-Atsugi Tosei Building	January 1993	28.8	84	66	2,651.90	2,651.90	100.0	13
	O-15	Hachioji Tosei Building	February 1988	33.7	123	115	3,530.42	3,530.42	100.0	11
		Subtotal	—	—	2,506	1,973	63,063.47	67,150.10	93.9	222
	Retail facilities	Rt-01	Inage Kaigan Building	November 1992	28.9	186	267	5,890.90	5,890.90	100.0
Rt-02		Musashi Fujisawa Tosei Building (Note 1)	August 1997	24.2	144	72	6,089.72	6,089.72	100.0 (91.4)	1 (4)
Rt-04		Wako Building	May 1986	35.5	114	71	2,827.26	2,827.26	100.0	25
		Subtotal	—	—	444	411	14,807.88	14,807.88	100.0	41
Offices and retail facilities combined subtotal			—	—	2,951	2,384	77,871.35	81,957.98	95.0	263
Residential properties	Rd-01	T's garden Koenji	January 2011	10.8	103	17	2,143.90	2,169.38	98.8	54
	Rd-02	Live Akabane	March 1989	32.6	100	10	3,876.44	3,876.44	100.0	72
	Rd-03	Gekkocho Apartment	March 2008	13.6	70	14	1,391.47	1,391.47	100.0	17
	Rd-04	T's garden Kawasakidaishi	January 2009	12.8	66	8	1,961.43	2,067.93	94.8	51
	Rd-05	Abitato Kamata	June 1991	30.4	50	7	1,702.74	1,768.23	96.3	26
	Rd-07	Avenir Shirotae	February 1995	26.7	70	6	2,446.74	2,499.93	97.9	40
	Rd-08	Dormitory Haramachida	July 1992	29.3	55	4	1,777.27	1,866.11	95.2	69
	Rd-09	SEA SCAPE Chiba Minato	March 2008	13.6	225	71	6,677.25	6,758.52	98.8	137
	Rd-11	T's garden Shinkoiwa	March 1998	23.6	49	6	1,652.93	1,652.93	100.0	25
	Rd-12	Twin Avenue	March 1992	29.7	128	29	4,558.96	4,558.96	100.0	50
	Rd-13	Milestone Higashikurume	September 1989	32.1	124	14	3,441.04	3,546.89	97.0	183
	Rd-14	Lumiere No. 3	September 1994	27.1	110	16	5,519.36	5,644.16	97.8	80

Type	Property no.	Property name	Construction completion (Note 3)	Building age (years) (Note 4)	Annual rent (JPY million) (Note 5) (Note 12)	Security and guarantee deposits (JPY million) (Note 6) (Note 12)	Total leased area (m ²) (Note 7) (Note 12)	Total leasable area (m ²) (Note 8)	Occupancy rate (%) (Note 9) (Note 12)	Number of tenants (Note 10) (Note 12)
Residential properties	Rd-15	T's garden Nishifunabashi	February 1991	30.7	63	6	2,643.84	2,643.84	100.0	27
	Rd-16	Quest Yamatedai	February 1989	32.7	56	33	2,802.74	2,802.74	100.0	31
	Rd-17	Sancerre Yonohonmachi	November 1990	31.0	47	4	1,359.75	1,418.69	95.8	52
	Rd-18	Rising Place Kawasaki No.2	February 2017	4.7	114	10	2,789.45	2,962.48	94.2	57
	Rd-19	J Palace Sakuradai	February 1994	27.7	67	8	2,331.50	2,395.88	97.3	33
	Rd-20	Personnage Yokohama	December 1990	30.9	52	6	1,818.84	1,990.80	91.4	66
	Rd-21	T's garden Nishihachioji West	January 1997	24.8	50	5	2,315.99	2,315.99	100.0	49
	Rd-22	T's garden Ojima	November 1989	32.0	77	26	2,472.42	2,705.70	91.4	53
	Rd-23	T's garden Kitakashiwa	January 1992 January 1992 September 2008 September 2008	29.8 29.8 13.1 13.1	199	17	13,200.96	13,377.44	98.7	140
	Rd-24	Century Urawa	March 1989	32.6	76	6	4,143.72	4,201.77	98.6	74
	Rd-25	T's garden Nagayama (Note 2)	June 1986	35.4	68	6	4,286.89	4,286.89	100.0 (95.9)	5 (99)
	Rd-26	Grandeur Fujimino	February 1997	24.7	64	5	2,101.02	2,144.34	98.0	94
	Rd-27	T's garden Hitotsubashi-gakuen	May 1988	33.4	60	3	2,798.49	2,845.88	98.3	59
	Rd-28	T's garden Warabi II	March 1987	34.6	60	4	3,047.55	3,047.55	100.0	57
	Rd-29	T's garden Warabi III	November 1989	31.9	51	9	2,409.40	2,464.40	97.8	37
	Rd-30	T's garden Kashiwa	March 1992	29.6	48	6	3,041.15	3,265.30	93.1	39
	Rd-31	Suning Kitamatsudo	March 2006	15.7	34	3	1,169.04	1,194.14	97.9	42
	Rd-32	T's garden Tanashi	September 1991	30.1	28	4	1,206.92	1,263.32	95.5	21
	Rd-33	T's garden Center Minami	January 2007	14.8	78	5	1,942.40	1,942.40	100.0	69
	Rd-34	Boulevard Maioka	December 2003	17.9	63	4	3,002.40	3,002.40	100.0	44
	Rd-35	T's garden Koiwa	April 1993	28.6	28	3	1,075.88	1,187.68	90.6	17
	Rd-36	T's garden Tsuzuki-fureainooka II	September 1988	33.1	37	0	984.67	1,049.07	93.9	44
Subtotal			—	—	2,587	394	100,094.55	102,309.65	97.8	1,914
Total/Average			—	28.0 (Note 11)	5,538	2,779	177,965.90	184,267.63	96.6	2,177

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

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

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

(Note 4) "Building age" is the number of years that has elapsed from the date of new construction in the real estate registry to October 31, 2021. In addition, that in the total/average column is the figure that is the weighted average based on acquisition price.

(Note 5) "Annual rent" is the amount annualized by multiplying by 12 the monthly rent (limited to the rent of rental units, including common area maintenance charges, but excluding signboard, parking lot, etc. usage fees; the same applies hereinafter) for the building indicated in the lease agreement for the asset under management as of October 31, 2021 (limited to those occupied as of the same date) (the sum total amount thereof if the asset under management is under several lease agreements, and excluding consumption tax, etc.; the same applies hereinafter). For the concerned asset under management, it is the amount annualized by multiplying by 12 the monthly rent based on lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded (if the lessee of the pass-through ML agreement has concluded a fixed-rent ML agreement, the lessee of the concerned fixed-rent ML agreement is counted as end-tenants; the same applies hereinafter), and it is the amount annualized by multiplying by 12 the monthly rent based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.

- (Note 6) “Security and guarantee deposits” is the sum total amount of tenant security and guarantee deposits required based on the lease agreement for the asset under management as of October 31, 2021 (limited to those occupied as of the same date). For the concerned asset under management, it is the tenant security and guarantee deposits based on lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded, and it is the tenant security and guarantee deposits based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 7) “Total leased area” is the sum total of the leased floor area indicated in the lease agreement for the asset under management as of October 31, 2021. The leased floor area indicated in the lease agreement may differ from the actual measurement value. For the concerned asset under management, it is the sum total of the floor area actually leased under lease agreements concluded with end-tenants in cases where a pass-through ML agreement has been concluded, and it is the leased floor area based on the ML agreement in cases where a fixed-rent ML agreement has been concluded. The same applies hereinafter.
- (Note 8) “Total leasable area” is the sum total of the floor area of the portion regarded as being available for leasing based on the lease agreement or building drawing, etc. of the building for the asset under management as of October 31, 2021. The same applies hereinafter.
- (Note 9) “Occupancy rate” is the ratio of the total leased area to total leasable area for the asset under management as of October 31, 2021. However, in cases where an ML agreement has been concluded for the concerned asset under management, the occupancy rate in the case of a property under a pass-through ML agreement is the ratio of the sum total of the floor area actually leased under lease agreements concluded with end-tenants, and the occupancy rate in the case of a property or a section under a fixed-rent ML agreement is the ratio of the leased floor area based on the ML agreement and the occupancy rate that is the ratio of the sum total of the floor area actually leased under lease agreements concluded between the master lessee (the “master lease company”) and end-tenants is shown in parentheses. In addition, that in the subtotal columns, offices and retail facilities combined subtotal column and total/average column is each the ratio of the sum total of total leased area to the sum total of total leasable area for each asset under management in the respective item. The same applies hereinafter.
- (Note 10) “Number of tenants” is the number of tenants for the asset under management based on the lease agreement for the asset under management as of October 31, 2021 (in cases where a tenant has concluded more than one lease agreement, the tenant is counted as one). However, in cases where an ML agreement has been concluded for the concerned asset under management, the number of tenants in the case of a property under a pass-through ML agreement is the total number of end-tenants, and the number of tenants in the case of a property or a section under a fixed-rent ML agreement is the master lease company alone as tenant and the number of tenants from counting the number of tenants based on lease agreements between the master lease company and end-tenants is shown in parentheses. The same applies hereinafter.
- (Note 11) As to Kannai Tosei Building II, the parking building was constructed in May 1980 and the office building was added at a later date. The construction completion is the date of new construction of the office building, which is the main part of the building, in the real estate registry, and the building age of Kannai Tosei Building II and average building age are the number of years calculated based on the said date of new construction.
- (Note 12) Even if there is a notice of cancellation or termination of lease agreements with end-tenants or unpaid rent or other non-performance of obligations, in the case of agreements that are ongoing as of October 31, 2021, “Annual rent,” “Security and guarantee deposits,” “Total leased area,” “Occupancy rate” and “Number of tenants” are indicated on the basis that the concerned lease agreements with end-tenants are existing and thus based on the concerned lease agreements. The same applies hereinafter.

(d) Changes in Occupancy Rate

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

	Number of properties	Total leased area (m ²)	Total leasable area (m ²)	Occupancy rate (%)
5th Period (As of April 30, 2017)	23	84,453.10	85,865.29	98.4
6th Period (As of October 31, 2017)	23	84,502.45	85,865.01	98.4
7th Period (As of April 30, 2018)	31	109,532.58	111,513.63	98.2
8th Period (As of October 31, 2018)	31	109,498.02	111,513.20	98.2
9th Period (As of April 30, 2019)	36	129,504.97	132,148.93	98.0
10th Period (As of October 31, 2019)	37	132,069.10	134,852.78	97.9
11th Period (As of April 30, 2020)	49	175,129.98	179,167.75	97.7
12th Period (As of October 31, 2020)	50	178,453.63	182,695.32	97.7
13th Period (As of April 30, 2021)	52	178,983.74	184,258.55	97.1
14th Period (As of October 31, 2021)	52	177,965.90	184,267.63	96.6

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

(Unit: %)

Property no.	Property name	5th Period (As of Apr. 30, 2017)	6th Period (As of Oct. 31, 2017)	7th Period (As of Apr. 30, 2018)	8th Period (As of Oct. 31, 2018)	9th Period (As of Apr. 30, 2019)
O-01	Tama Center Tosei Building	100.0 (73.5)	100.0 (80.6)	100.0 (87.2)	100.0 (89.9)	100.0 (98.4)
O-02	KM Shinjuku Building	100.0	100.0	100.0	100.0	100.0
O-03	Nihonbashi-Hamacho Building	100.0	100.0	100.0	100.0	100.0
O-04	Kannai Tosei Building II	100.0	100.0	100.0	100.0	100.0
O-05	Nishi Kasai Tosei Building	100.0	100.0	100.0	100.0	100.0
O-06	Shin Yokohama Center Building	100.0	100.0	100.0	100.0	100.0
O-07	Nishidai NC Building	90.8	94.4	100.0	100.0	100.0
O-08	JPT Motomachi Building	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
O-09	Hakusan Asanomi Building	91.7	91.7	91.7	100.0	100.0
O-10	Chojamachi Duo Building	—	—	89.4	89.4	89.4
O-11	NU Kannai Building	—	—	—	—	99.0
O-12	Higashitotsuka West Building	—	—	—	—	100.0
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	98.6	96.4
Rt-02	Musashi Fujisawa Tosei Building	100.0 (100.0)	100.0 (87.3)	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)
Rt-03	Selection Hatsutomi (Note 2)	100.0	100.0	100.0	100.0	100.0
Rt-04	Wako Building	—	—	98.1	92.1	92.1
Rd-01	T's garden Koenji	98.8	100.0	100.0	97.9	96.3
Rd-02	Live Akabane	97.2	100.0	95.0	100.0	97.3
Rd-03	Gekkocho Apartment	93.1	100.0	85.2	94.7	100.0
Rd-04	T's garden Kawasaki-daishi	100.0	97.6	98.6	96.2	98.6
Rd-05	Abitato Kamata	100.0	100.0	100.0	96.3	96.3
Rd-06	MarLandFive (Note 1)	93.0	95.4	100.0	93.0	—
Rd-07	Avenir Shirotae	100.0	93.6	97.9	95.7	91.5
Rd-08	Dormitory Haramachida	94.7	94.3	100.0	96.8	97.4
Rd-09	SEA SCAPE Chiba Minato	95.2	92.6	97.2	94.8	94.5
Rd-10	Prime Garden (Note 2)	98.3	100.0	98.3	100.0	98.3
Rd-11	T's garden Shinkoiwa	100.0	96.7	96.7	100.0	96.7
Rd-12	Twin Avenue	—	—	94.3	97.1	98.6
Rd-13	Milestone Higashikurume	—	—	98.3	96.9	96.5
Rd-14	Lumiere No. 3	—	—	95.6	96.7	98.9
Rd-15	T's garden Nishifunabashi	—	—	94.4	100.0	97.2
Rd-16	Quest Yamatedai	—	—	100.0	100.0	97.2
Rd-17	Sancerre Yonohonmachi	—	—	97.2	94.5	98.6
Rd-18	Rising Place Kawasaki No.2	—	—	—	—	97.8
Rd-19	J Palace Sakuradai	—	—	—	—	100.0
Rd-20	Personnage Yokohama	—	—	—	—	89.2
Rd-21	T's garden Nishihachioji West	—	—	—	—	93.2
Rd-22	T's garden Ojima	—	—	—	—	—
Rd-23	T's garden Kitakashiwa	—	—	—	—	—
Rd-24	Century Urawa	—	—	—	—	—
Rd-25	T's garden Nagayama	—	—	—	—	—
Rd-26	Grandeur Fujimino	—	—	—	—	—
Rd-27	T's garden Hitotsubashi-gakuen	—	—	—	—	—
Rd-28	T's garden Warabi II	—	—	—	—	—
Rd-29	T's garden Warabi III	—	—	—	—	—
Rd-30	T's garden Kashiwa	—	—	—	—	—
Rd-31	Suning Kitamatsudo	—	—	—	—	—
Rd-32	T's garden Tanashi	—	—	—	—	—
Rd-33	T's garden Center Minami	—	—	—	—	—
Rd-34	Boulevard Maioka	—	—	—	—	—
Rd-35	T's garden Koiwa	—	—	—	—	—
Rd-36	T's garden Tsuzuki-fureainooka II	—	—	—	—	—

(Unit: %)

Property no.	Property name	10th Period (As of Oct. 31, 2019)	11th Period (As of Apr. 30, 2020)	12th Period (As of Oct. 31, 2020)	13th Period (As of Apr. 30, 2021)	14th Period (As of Oct. 31, 2021)
O-01	Tama Center Tosei Building	100.0 (98.4)	100.0 (98.4)	100.0 (97.8)	94.7	94.6
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	91.7	95.5	95.6
O-05	Nishi Kasai Tosei Building	100.0	100.0	94.0	100.0	100.0
O-06	Shin Yokohama Center Building	97.6	100.0	100.0	100.0	68.9
O-07	Nishidai NC Building	100.0	100.0	100.0	90.8	76.0
O-08	JPT Motomachi Building	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)	100.0	100.0
O-09	Hakusan Asanomi Building	100.0	100.0	100.0	100.0	100.0
O-10	Chojamachi Duo Building	100.0	100.0	100.0	100.0	94.3
O-11	NU Kannai Building	99.0	99.0	99.0	91.7	93.2
O-12	Higashitotsuka West Building	93.7	93.7	100.0	100.0	100.0
O-13	Kannai Wise Building	—	100.0	100.0	100.0	87.1
O-14	Hon-Atsugi Tosei Building	—	94.3	100.0	97.1	100.0
O-15	Hachioji Tosei Building	—	—	100.0	100.0	100.0
Rt-01	Inage Kaigan Building	98.6	97.3	98.7	98.7	100.0
Rt-02	Musashi Fujisawa Tosei Building	100.0 (94.0)	100.0 (94.0)	100.0 (94.0)	100.0 (91.4)	100.0 (91.4)
Rt-03	Selection Hatsutomi (Note 2)	100.0	100.0	100.0	—	—
Rt-04	Wako Building	89.5	97.4	92.7	98.0	100.0
Rd-01	T's garden Koenji	97.2	98.8	100.0	95.3	98.8
Rd-02	Live Akabane	97.2	94.4	95.8	95.8	100.0
Rd-03	Gekkocho Apartment	100.0	100.0	100.0	100.0	100.0
Rd-04	T's garden Kawasaki-daishi	100.0	94.8	100.0	94.6	94.8
Rd-05	Abitato Kamata	100.0	100.0	96.3	100.0	96.3
Rd-06	MarLandFive (Note 1)	—	—	—	—	—
Rd-07	Avenir Shirotae	97.9	95.7	87.2	97.9	97.9
Rd-08	Dormitory Haramachida	98.3	96.7	95.2	100.0	95.2
Rd-09	SEA SCAPE Chiba Minato	93.9	95.5	95.7	95.9	98.8
Rd-10	Prime Garden (Note 2)	100.0	93.3	100.0	—	—
Rd-11	T's garden Shinkoiwa	100.0	96.3	100.0	96.3	100.0
Rd-12	Twin Avenue	100.0	100.0	98.6	98.6	100.0
Rd-13	Milestone Higashikurume	92.9	96.6	93.8	90.9	97.0
Rd-14	Lumiere No. 3	97.8	96.7	96.7	97.8	97.8
Rd-15	T's garden Nishifunabashi	94.4	97.2	100.0	100.0	100.0
Rd-16	Quest Yamatedai	94.7	100.0	97.5	100.0	100.0
Rd-17	Sancerre Yonohonmachi	94.5	98.6	98.6	97.2	95.8
Rd-18	Rising Place Kawasaki No.2	97.1	97.1	95.6	97.8	94.2
Rd-19	J Palace Sakuradai	100.0	100.0	97.6	97.8	97.3
Rd-20	Personnage Yokohama	88.8	93.4	90.3	93.3	91.4
Rd-21	T's garden Nishihachioji West	96.9	97.9	97.6	100.0	100.0
Rd-22	T's garden Ojima	97.3	95.6	95.9	97.5	91.4
Rd-23	T's garden Kitakashiwa	—	97.9	95.9	96.5	98.7
Rd-24	Century Urawa	—	93.6	98.8	93.5	98.6
Rd-25	T's garden Nagayama	—	100.0 (95.3)	98.8 (90.1)	100.0 (98.8)	100.0 (95.9)
Rd-26	Grandeur Fujimino	—	99.0	99.0	99.0	98.0
Rd-27	T's garden Hitotsubashi-gakuen	—	91.7	93.3	96.7	98.3
Rd-28	T's garden Warabi II	—	98.2	100.0	94.6	100.0
Rd-29	T's garden Warabi III	—	100.0	97.8	97.8	97.8
Rd-30	T's garden Kashiwa	—	88.2	97.9	100.0	93.1
Rd-31	Suning Kitamatsudo	—	95.8	97.4	100.0	97.9
Rd-32	T's garden Tanashi	—	100.0	95.3	100.0	95.5
Rd-33	T's garden Center Minami	—	—	—	97.6	100.0
Rd-34	Boulevard Maioka	—	—	—	91.1	100.0
Rd-35	T's garden Koiwa	—	—	—	90.6	90.6
Rd-36	T's garden Tsuzuki-fureainooka II	—	—	—	92.3	93.9

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

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

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

Tosei Reit and the Asset Management Company have obtained a real estate appraisal report, etc. for each asset under management from Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. The following is a summary of each asset under management's real estate appraisal report, etc. obtained by Tosei Reit and the Asset Management Company with October 31, 2021, as the effective date of the appraisal (date of value). Each real estate appraisal or investigation of the respective real estate appraisal report, etc. is no more than the appraiser's judgment and opinion at a certain point in time, and is not a guarantee of the validity or accuracy of the content, possibility of transaction at the concerned appraisal value, etc. and such. In addition, there is no special vested interest between Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K., which performed the real estate appraisal, etc., and Tosei Reit or the Asset Management Company.

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Offices	O-01	Tama Center Tosei Building	Japan Real Estate Institute	3,370	3,302	3,850	3,890	5.3	3,800	5.1	5.5
	O-02	KM Shinjuku Building	Japan Real Estate Institute	2,057	1,980	2,870	2,910	3.8	2,820	3.6	4.0
	O-03	Nihonbashi-Hamacho Building	Japan Real Estate Institute	1,830	1,754	2,700	2,740	4.2	2,660	4.0	4.4
	O-04	Kannai Tosei Building II	Japan Valuers Co., Ltd.	4,100	3,921	4,650	4,790	4.8	4,600	4.6	5.0
	O-05	Nishi Kasai Tosei Building	Japan Valuers Co., Ltd.	1,710	1,634	2,060	2,090	4.8	2,020	4.6	5.0
	O-06	Shin Yokohama Center Building	JLL Morii Valuation & Advisory K.K.	1,364	1,319	1,790	1,790	4.6	1,790	4.4	4.8
	O-07	Nishidai NC Building	Japan Real Estate Institute	1,481	1,474	1,800	1,820	4.5	1,770	4.3	4.7
	O-08	JPT Motomachi Building	JLL Morii Valuation & Advisory K.K.	2,377	2,321	2,790	2,810	4.5	2,760	4.3	4.7
	O-09	Hakusan Asanomi Building	Japan Real Estate Institute	1,380	1,351	1,680	1,700	4.0	1,660	3.8	4.2
	O-10	Chojamachi Duo Building	JLL Morii Valuation & Advisory K.K.	1,300	1,288	1,430	1,460	4.4	1,400	4.2	4.6
	O-11	NU Kannai Building	Japan Valuers Co., Ltd.	3,800	3,786	4,050	4,120	4.8	3,980	4.6	5.0
	O-12	Higashitotsuka West Building	Japan Valuers Co., Ltd.	2,650	2,698	2,780	2,780	4.6	2,780	4.4	4.8
	O-13	Kannai Wise Building	Japan Valuers Co., Ltd.	2,050	2,052	2,170	2,200	4.6	2,140	4.4	4.8
	O-14	Hon-Atsugi Tosei Building	Japan Valuers Co., Ltd.	880	899	909	903	5.5	915	5.3	5.7
	O-15	Hachioji Tosei Building	Japan Valuers Co., Ltd.	1,600	1,598	1,770	1,800	4.5	1,740	4.3	4.7
	Subtotal				31,949	31,382	37,299	37,803	—	36,835	—
Retail facilities	Rt-01	Inage Kaigan Building	Japan Real Estate Institute	2,380	2,154	2,590	2,610	4.9	2,560	4.7	5.1
	Rt-02	Musashi Fujisawa Tosei Building	Japan Real Estate Institute	1,950	1,897	2,140	2,140	5.6	2,130	5.2	5.8
	Rt-04	Wako Building	Japan Real Estate Institute	1,400	1,339	1,410	1,420	5.0	1,390	4.8	5.2
	Subtotal				5,730	5,391	6,140	6,170	—	6,080	—
Offices and retail facilities combined subtotal				37,679	36,773	43,439	43,973	—	42,915	—	—
Residential properties	Rd-01	T's garden Koenji	Japan Real Estate Institute	1,544	1,489	2,090	2,130	3.7	2,050	3.5	3.9
	Rd-02	Live Akabane	Japan Real Estate Institute	1,227	1,197	1,610	1,630	4.4	1,590	4.2	4.6
	Rd-03	Gekkocho Apartment	Japan Real Estate Institute	1,000	982	1,300	1,320	3.8	1,280	3.6	4.0
	Rd-04	T's garden Kawasakidaishi	Japan Real Estate Institute	980	929	1,190	1,210	4.5	1,170	4.3	4.7
	Rd-05	Abitato Kamata	Japan Real Estate Institute	836	825	960	974	4.4	945	4.2	4.6
	Rd-07	Avenir Shirotae	Japan Real Estate Institute	780	726	1,000	1,010	4.7	991	4.5	4.9
	Rd-08	Dormitory Haramachida	Japan Real Estate Institute	600	616	785	793	4.5	776	4.3	4.7
	Rd-09	SEA SCAPE Chiba Minato	JLL Morii Valuation & Advisory K.K.	2,800	2,585	3,220	3,260	4.8	3,170	4.6	5.0
	Rd-11	T's garden Shinkoiwa	Japan Valuers Co., Ltd.	670	664	717	724	4.3	710	4.1	4.5
	Rd-12	Twin Avenue	Japan Real Estate Institute	1,880	1,939	2,040	2,060	4.5	2,010	4.3	4.7
	Rd-13	Milestone Higashikurume	Japan Real Estate Institute	1,650	1,621	1,780	1,800	4.7	1,760	4.5	4.9
	Rd-14	Lumiere No. 3	Japan Valuers Co., Ltd.	1,420	1,405	1,580	1,580	5.1	1,570	4.9	5.3
	Rd-15	T's garden Nishifunabashi	Japan Valuers Co., Ltd.	860	861	878	887	4.9	868	4.7	5.1
	Rd-16	Quest Yamatedai	Japan Valuers Co., Ltd.	710	712	745	751	5.0	739	4.8	5.2
	Rd-17	Sancerre Yonohonmachi	Japan Valuers Co., Ltd.	600	597	622	627	4.9	616	4.7	5.1

Type	Property no.	Name of property	Appraisal firm	Acquisition price (JPY million)	Book value at end of period (JPY million) (Note 1)	Estimated value at end of period (Note 2)					
						Appraisal value, etc. (JPY million)	Indicated value by direct capitalization method (JPY million)	Capitalization rate (%)	Indicated value by DCF method (JPY million)	Discount rate (%)	Terminal capitalization rate (%)
Residential properties	Rd-18	Rising Place Kawasaki No.2	Japan Valuers Co., Ltd.	1,812	1,848	1,880	1,890	4.8	1,860	4.6	5.0
	Rd-19	J Palace Sakuradai	JLL Morii Valuation & Advisory K.K.	1,090	1,093	1,230	1,250	3.9	1,200	3.7	4.1
	Rd-20	Personnage Yokohama	Japan Valuers Co., Ltd.	740	744	795	794	5.1	795	4.8	5.2
	Rd-21	T's garden Nishihachioji West	Japan Real Estate Institute	600	596	668	675	4.7	660	4.5	4.9
	Rd-22	T's garden Ojima	Japan Valuers Co., Ltd.	1,020	1,045	1,100	1,110	4.8	1,090	4.5	5.1
	Rd-23	T's garden Kitakashiwa	Japan Valuers Co., Ltd.	2,770	2,765	2,840	2,860	4.7	2,820	4.5	4.9
	Rd-24	Century Urawa	JLL Morii Valuation & Advisory K.K.	980	991	1,110	1,130	4.6	1,090	4.4	4.8
	Rd-25	T's garden Nagayama	Japan Real Estate Institute	850	852	927	938	4.5	916	4.3	4.7
	Rd-26	Grandeur Fujimino	JLL Morii Valuation & Advisory K.K.	822	827	857	869	4.8	844	4.6	5.0
	Rd-27	T's garden Hitotsubashi-gakuen	Japan Real Estate Institute	760	764	816	826	4.7	806	4.5	4.9
	Rd-28	T's garden Warabi II	Japan Valuers Co., Ltd.	750	758	815	822	5.0	808	4.8	5.2
	Rd-29	T's garden Warabi III	Japan Valuers Co., Ltd.	655	664	695	701	5.0	689	4.8	5.2
	Rd-30	T's garden Kashiwa	JLL Morii Valuation & Advisory K.K.	595	599	659	670	4.4	647	4.2	4.6
	Rd-31	Suning Kitamatsudo	Japan Valuers Co., Ltd.	482	483	501	505	4.7	497	4.5	4.9
	Rd-32	T's garden Tanashi	Japan Real Estate Institute	310	333	375	379	4.6	370	4.4	4.8
	Rd-33	T's garden Center Minami	Japan Valuers Co., Ltd.	1,140	1,166	1,270	1,280	4.1	1,250	3.9	4.3
	Rd-34	Boulevard Maioka	JLL Morii Valuation & Advisory K.K.	810	830	887	900	4.5	874	4.3	4.7
	Rd-35	T's garden Koiwa	JLL Morii Valuation & Advisory K.K.	490	501	586	597	4.1	575	3.9	4.3
	Rd-36	T's garden Tsuzuki-fureainooka II	JLL Morii Valuation & Advisory K.K.	480	490	587	596	4.5	578	4.3	4.7
	Subtotal			34,713	34,513	39,115	39,548	—	38,614	—	—
	Total			72,392	71,287	82,554	83,521	—	81,529	—	—

(Note 1) "Book value at end of period" is the depreciated book value as of October 31, 2021, rounded down to the nearest JPY million.

(Note 2) "Estimated value at end of period" is the value stated in the real estate appraisal report, etc. prepared by Japan Real Estate Institute, Japan Valuers Co., Ltd. and JLL Morii Valuation & Advisory K.K. with October 31, 2021, as the effective date of the appraisal (date of value) pursuant to the Articles of Incorporation of Tosei Reit and the rules of The Investment Trusts Association.

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

Tosei Reit has obtained an engineering report concerning building inspection, compliance with applicable laws and regulations, repair expenses valuation, environmental assessment, etc. for each asset under management from Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sampo Risk Management Inc. (Note 1) and Tokio Marine dR Co., Ltd. (Note 2). The statements in the engineering report are no more than an indication of the opinion of the reporting party, and Tosei Reit does not guarantee the accuracy of the content thereof. There is no special vested interest between Deloitte Tohmatsu Property Risk Solution Co., Ltd., HI International Consultant Co., Ltd., Sampo Risk Management Inc. or Tokio Marine dR Co., Ltd. and Tosei Reit or the Asset Management Company.

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

Tosei Reit Investment Corporation (3451) Financial Report for the Fiscal Period Ended October 31, 2021

Property no.	Name of property	Engineering report prepared by	Engineering report date	Emergency and short-term repair expenses (JPY thousand) (Note 3)	Long-term repair expenses (JPY thousand) (Note 4)	Seismic PML (re)evaluation report prepared by	Seismic PML (re)evaluation report date	PML value (%)
O-01	Tama Center Tosei Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	2,220	58,123	Sompo Risk Management Inc.	March 2015	4.36
O-02	KM Shinjuku Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	8,080	20,521	Sompo Risk Management Inc.	March 2015	5.52
O-03	Nihonbashi-Hamacho Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	—	26,609	Sompo Risk Management Inc.	March 2015	6.11
O-04	Kannai Tosei Building II	HI International Consultant Co., Ltd.	April 2021	1,680	29,862	Sompo Risk Management Inc.	July 2015	11.54
O-05	Nishi Kasai Tosei Building	HI International Consultant Co., Ltd.	August 2020	—	12,675	Sompo Risk Management Inc.	July 2015	3.84
O-06	Shin Yokohama Center Building	Sompo Risk Management Inc.	October 2020	—	19,436	Sompo Risk Management Inc.	July 2015	6.47
O-07	Nishidai NC Building	Sompo Risk Management Inc.	April 2021	100	14,854	Sompo Risk Management Inc.	May 2016	5.25
O-08	JPT Motomachi Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	October 2021	—	29,445	Sompo Risk Management Inc.	July 2016	6.06
O-09	Hakusan Asanomi Building	Tokio Marine dR Co., Ltd.	October 2021	—	10,286	Sompo Risk Management Inc.	July 2016	7.31
O-10	Chojamachi Duo Building	Sompo Risk Management Inc.	August 2017	—	7,768	Sompo Risk Management Inc.	August 2017	3.56
O-11	NU Kannai Building	Sompo Risk Management Inc.	August 2018	—	32,518	Sompo Risk Management Inc.	August 2018	4.56
O-12	Higashitotsuka West Building	HI International Consultant Co., Ltd.	June 2018	12,810	24,404	Sompo Risk Management Inc.	July 2018	5.22
O-13	Kannai Wise Building	Sompo Risk Management Inc.	August 2019	—	12,208	Sompo Risk Management Inc.	August 2019	6.83
O-14	Hon-Atsugi Tosei Building	HI International Consultant Co., Ltd.	June 2019	2,940	10,635	Sompo Risk Management Inc.	August 2019	8.92
O-15	Hachioji Tosei Building	HI International Consultant Co., Ltd.	March 2020	1,220	20,920	Sompo Risk Management Inc.	April 2020	5.01
Rt-01	Inage Kaigan Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	April 2020	1,100	27,111	Sompo Risk Management Inc.	March 2015	6.49
Rt-02	Musashi Fujisawa Tosei Building	Sompo Risk Management Inc.	July 2021	—	11,365	Sompo Risk Management Inc.	September 2015	5.85
Rt-04	Wako Building	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,963	Sompo Risk Management Inc.	March 2017	9.32
Rd-01	T's garden Koenji	HI International Consultant Co., Ltd.	August 2019	880	6,115	Sompo Risk Management Inc.	March 2015	7.91
Rd-02	Live Akabane	HI International Consultant Co., Ltd.	August 2019	940	9,853	Sompo Risk Management Inc.	March 2015	7.45
Rd-03	Gekkocho Apartment	HI International Consultant Co., Ltd.	February 2020	520	4,322	Sompo Risk Management Inc.	March 2015	8.98
Rd-04	T's garden Kawasakidaishi	HI International Consultant Co., Ltd.	August 2019	—	4,411	Sompo Risk Management Inc.	March 2015	7.38
Rd-05	Abitato Kamata	HI International Consultant Co., Ltd.	August 2019	1,190	4,326	Sompo Risk Management Inc.	March 2015	7.82
Rd-07	Avenir Shirotae	HI International Consultant Co., Ltd.	February 2020	2,850	8,088	Sompo Risk Management Inc.	March 2015	7.57
Rd-08	Dormitory Haramachida	HI International Consultant Co., Ltd.	August 2019	1,510	9,997	Sompo Risk Management Inc.	March 2015	5.29
Rd-09	SEA SCAPE Chiba Minato	Sompo Risk Management Inc.	October 2020	—	16,816	Sompo Risk Management Inc.	July 2015	7.30
Rd-11	T's garden Shinkoiwa	HI International Consultant Co., Ltd.	September 2021	3,950	6,242	Sompo Risk Management Inc.	July 2016	4.41
Rd-12	Twin Avenue	HI International Consultant Co., Ltd.	March 2017	400	12,449	Sompo Risk Management Inc.	March 2017	5.70
Rd-13	Milestone Higashikurume	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 2017	—	12,633	Sompo Risk Management Inc.	August 2017	4.34
Rd-14	Lumiere No. 3	Sompo Risk Management Inc.	August 2017	—	8,157	Sompo Risk Management Inc.	March 2017	2.58
Rd-15	T's garden Nishifunabashi	HI International Consultant Co., Ltd.	July 2017	7,620	7,994	Sompo Risk Management Inc.	August 2017	7.50
Rd-16	Quest Yamatedai	HI International Consultant Co., Ltd.	July 2017	3,780	6,625	Sompo Risk Management Inc.	August 2017	9.66
Rd-17	Sancerre Yonohonmachi	Tokio Marine dR Co., Ltd.	August 2017	—	4,336	Sompo Risk Management Inc.	July 2017	4.13
Rd-18	Rising Place Kawasaki No.2	Sompo Risk Management Inc.	August 2018	—	1,857	Sompo Risk Management Inc.	August 2018	3.94
Rd-19	J Palace Sakuradai	Sompo Risk Management Inc.	August 2018	—	6,462	Sompo Risk Management Inc.	August 2018	5.38
Rd-20	Personnage Yokohama	Sompo Risk Management Inc.	August 2018	—	6,288	Sompo Risk Management Inc.	July 2018	4.65
Rd-21	T's garden Nishihachioji West	HI International Consultant Co., Ltd.	June 2018	1,410	8,951	Sompo Risk Management Inc.	July 2018	7.44
Rd-22	T's garden Ojima	HI International Consultant Co., Ltd.	March 2019	1,140	9,798	Sompo Risk Management Inc.	April 2019	5.35
Rd-23	T's garden Kitakashiwa	HI International Consultant Co., Ltd.	May 2019	4,020	26,155	Sompo Risk Management Inc.	August 2019	4.32

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

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

(Note 2) Tokio Marine & Nichido Risk Consulting Co., Ltd. changed its business name to Tokio Marine dR Co., Ltd. on July 1, 2021. Even if the name of the company was Tokio Marine & Nichido Risk Consulting Co., Ltd. at the time of obtaining the engineering report, the current business name is indicated. The same applies hereinafter.

(Note 3) “Emergency and short-term repair expenses” is the sum total of the expenses stated in the engineering report as expenses in urgent need and repair and renewal expenses required within roughly one year.

(Note 4) “Long-term repair expenses” is indicated as follows.

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

(Note 5) The value stated in “Entire portfolio” is the PML value concerning the entire portfolio based on the “seismic PML evaluation report” by Sompo Risk Management Inc. dated March 2021.

(g) Status of Collateral

There are no security rights that Tosei Reit has agreed or committed to establishing for any asset under management as of October 31, 2021.

(h) Information about Major Real Estate

Of Tosei Reit's assets under management, there are no real estate of which annual rent accounts for 10% or more of the entire portfolio's annual rent as of October 31, 2021.

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

The following table lists tenants of Tosei Reit's assets under management that occupy 10% or more of the entire portfolio's total leased area as of the date of settlement of accounts of Tosei Reit (October 31, 2021). In the case of a property under a pass-through ML agreement, not only the master lease company but also end-tenants are counted as tenants. In addition, in the case of a property under a fixed-rent ML agreement, the master lease company alone is counted as tenants and end-tenants are not counted. For the entirety of Musashi Fujisawa Tosei Building, and the residential portion of T's garden Nagayama, as a pass-through ML agreement has been concluded between the trustee and the master lease company (Tosei Community), and furthermore a fixed-rent ML agreement has been concluded between the company and the submaster lease company (Tosei), both the master lease company and the submaster lease company are shown.

Name of tenant	Type of business	Property name	Annual rent (JPY million)	Total leased area (m ²)	Leased area ratio (%) (Note 1)	Contract expiration date (Note 2)	Contract form (Note 3)	Security and guarantee deposits (JPY million)
Tosei Community Co., Ltd. (Note 4)	Property management business	Tama Center Tosei Building KM Shinjuku Building Nihonbashi-Hamacho Building Kannai Tosei Building II Nishi Kasai Tosei Building Shin Yokohama Center Building JPT Motomachi Building Chojamachi Duo Building NU Kannai Building Higashitotsuka West Building Kannai Wise Building Hon-Atsugi Tosei Building Inage Kaigan Building Musashi Fujisawa Tosei Building Wako Building T's garden Koenji Live Akabane Gekkocho Apartment T's garden Kawasakidaishi Abitato Kamata Avenir Shirotae Dormitory Haramachida SEA SCAPE Chiba Minato T's garden Shinkoiwa Milestone Higashikurume T's garden Nishifunabashi Quest Yamatedai Sancerre Yonohonmachi J Palace Sakuradai Personnage Yokohama T's garden Nishihachioji West T's garden Kitakashiwa Century Urawa T's garden Nagayama Grandeur Fujimino T's garden Hitotsubashi-gakuen T's garden Warabi II T's garden Warabi III T's garden Kashiwa Suning Kitamatsudo T's garden Tanashi T's garden Center Minami Boulevard Maioka T's garden Koiwa T's garden Tsuzuki-fureainooka II	4,782	154,349.30	86.7	November 30, 2021	Ordinary building lease agreement	2,446
		Nishidai NC Building	101	2,885.48	1.6	August 31, 2022	Ordinary building lease agreement	63
		T's garden Ojima Hachioji Tosei Building	201	6,002.84	3.4	May 31, 2022	Ordinary building lease agreement	141
Tosei Corporation	Real estate business	Musashi Fujisawa Tosei Building (Note 5)	144	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement	72
		T's garden Nagayama (Note 6)	55	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement	4

- (Note 1) “Leased area ratio” is the ratio of the leased area indicated in the lease agreement with the concerned tenant to total leased area for the entire portfolio. The same applies hereinafter.
- (Note 2) “Contract expiration date” is the contract expiration date indicated in the lease agreement with the concerned tenant as of October 31, 2021. 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, 2021. The same applies hereinafter.
- (Note 4) A pass-through ML agreement has been concluded between the trustee and Tosei Community as of October 31, 2021, for assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2. Thus, the total leased area indicates the sum total of the floor areas actually leased under lease agreements concluded with end-tenants (Tosei is regarded as the end-tenant when Tosei Community has concluded a fixed-rent ML agreement with Tosei). If both parties of the lease agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- In addition, Tosei Community is a property management company of assets under management excluding Hakusan Asanomi Building, Twin Avenue, Lumiere No.3 and Rising Place Kawasaki No.2, and has concluded a PM agreement with the trustee. If both parties of the PM agreement do not express their intent otherwise to each other by one month prior to the expiration date, the agreement shall be renewed for another year under the same terms and conditions, and the same shall apply upon expiration thereafter.
- (Note 5) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement for a period of five years from the contract date. If the agreement is cancelled during that period, the amount equivalent to the rent for the period from the date on which the agreement was cancelled to the end of the contract termination prohibition period shall be paid promptly by the lessee (Tosei) to the lessor (Tosei Reit). If both parties of the lease agreement do not express their intent otherwise to each other by six months prior to the contract expiration date, the agreement shall be renewed for another two years under the same terms and conditions, and the same shall apply upon expiration thereafter.
- (Note 6) The fixed-rent ML agreement provides that, in principle, Tosei shall not terminate the agreement until the contract expiration date.

(j) Top End-Tenants by Leased Area

The following are the end-tenants of Tosei Reit's assets under management ranking in the top ten in terms of leased area of the entire portfolio as of the date of settlement of accounts (October 31, 2021). In the case of a property under a fixed-rent ML agreement, the entries are not concerning end-tenants but the master lease company and based on the lease agreement with the master lease company. In the case of a property under a pass-through ML agreement, the entries are not concerning the master lease company but end-tenants and based on the lease agreement with end tenants.

Name of end-tenant	Property name	Total leased area (m ²)	Leased area ratio (%)	Contract expiration date	Contract form
Tosei Corporation	Musashi Fujisawa Tosei Building	6,089.72	3.4	November 30, 2025	Ordinary building lease agreement
Tosei Corporation	T's garden Nagayama	3,102.25	1.7	November 30, 2023	Fixed-term building lease agreement
Not disclosed (Note)	Inage Kaigan Building	105.67 2,883.34 Total: 2,989.01	1.7	December 31, 2021 December 31, 2022	Ordinary building lease agreement
Not disclosed (Note)	JPT Motomachi Building	1,558.28 316.04 293.74 Total: 2,168.06	1.2	January 4, 2023 October 14, 2022 September 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Kannai Wise Building	1,578.83	0.9	April 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,549.35	0.9	August 31, 2022	Ordinary building lease agreement
Misawa Homes Co., Ltd.	Higashitotsuka West Building	285.69 360.31 178.52 181.82 538.58 Total: 1,544.92	0.9	January 15, 2023 May 31, 2022 March 31, 2023 April 30, 2023 April 24, 2023	Ordinary building lease agreement
Not disclosed (Note)	Rising Place Kawasaki No.2	591.76 435.49 239.00 Total: 1,266.25	0.7	March 9, 2023 April 9, 2023 April 30, 2022	Ordinary building lease agreement
Not disclosed (Note)	Not disclosed (Note)	1,178.67	0.7	March 31, 2022	Ordinary building lease agreement
Not disclosed (Note)	Hachioji Tosei Building	94.16 110.01 274.31 509.47 93.73 Total: 1,081.68	0.6	September 30, 2022 February 28, 2022 August 31, 2022 March 19, 2022 June 4, 2022	Ordinary building lease agreement

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

(k) Overview of Leasing to Related Parties

The following is an overview of leasing of each asset under management where a related party as defined under "related-party transaction rules," which are internal rules of the Asset Management Company, is the end-tenant (however, in the case of a property under a fixed-rent ML agreement, the concerned master lease company is counted as end-tenants) as of October 31, 2021.

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

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

(I) Earnings Performance of the Properties

14th Period (from May 1, 2021, to October 31, 2021)

(Unit: JPY thousand)

Property no.	(O-01)	(O-02)	(O-03)	(O-04)	(O-05)	(O-06)
Property name	Tama Center Tosei Building	KM Shinjuku Building	Nihonbashi-Hamacho Building	Kannai Tosei Building II	Nishi Kasai Tosei Building	Shin Yokohama Center Building
Total property-related operating revenue ①	225,630	95,502	107,869	172,142	76,174	55,865
Rent revenue – real estate	186,245	87,628	93,355	151,647	67,995	53,069
Other lease business revenue	39,384	7,873	14,514	20,494	8,179	2,796
Total property-related operating expenses ②	81,050	29,159	34,378	57,640	22,235	24,147
Management fee	24,843	8,240	7,928	18,345	6,694	7,577
Trust fee	300	300	300	300	300	300
Utilities expenses	33,143	7,331	9,621	14,959	6,538	3,913
Insurance premium	385	129	128	230	103	142
Repair expenses	3,441	2,029	4,979	6,550	717	2,502
Property taxes	16,980	10,114	8,281	13,456	6,486	7,100
Other expenses	1,955	1,013	3,138	3,798	1,396	2,610
NOI ③ (①–②)	144,580	66,342	73,491	114,501	53,938	31,718
Depreciation ④	20,518	10,523	10,961	20,182	9,485	8,218
Property-related operating income (loss) ⑤ (③–④)	124,061	55,818	62,530	94,319	44,452	23,499
Capital expenditures ⑥	2,974	2,287	998	3,833	3,835	976
NCF ⑦ (③–⑥)	141,605	64,054	72,493	110,668	50,103	30,741

(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	64,090	118,388	58,381	56,949	157,897	120,324
Rent revenue – real estate	59,060	103,934	52,661	47,778	145,981	103,934
Other lease business revenue	5,030	14,454	5,720	9,170	11,916	16,390
Total property-related operating expenses ②	29,577	34,304	14,656	20,546	53,555	39,249
Management fee	8,647	10,665	4,068	5,248	21,666	13,370
Trust fee	300	300	300	300	300	300
Utilities expenses	8,712	11,582	3,654	4,407	14,113	11,954
Insurance premium	140	173	69	76	322	216
Repair expenses	2,141	1,386	2,488	5,503	1,953	2,953
Property taxes	8,109	9,418	4,018	3,046	13,510	10,029
Other expenses	1,524	777	57	1,964	1,687	425
NOI ③ (①–②)	34,512	84,084	43,725	36,402	104,342	81,075
Depreciation ④	12,351	14,416	6,234	11,225	12,891	12,913
Property-related operating income (loss) ⑤ (③–④)	22,161	69,668	37,490	25,177	91,451	68,162
Capital expenditures ⑥	—	17,939	237	5,720	—	21,405
NCF ⑦ (③–⑥)	34,512	66,145	43,488	30,681	104,342	59,669

(Unit: JPY thousand)

Property no.	(O-13)	(O-14)	(O-15)	(Rt-01)	(Rt-02)	(Rt-04)
Property name	Kannai Wise Building	Hon-Atsugi Tosei Building	Hachioji Tosei Building	Inage Kaigan Building	Musashi Fujisawa Tosei Building	Wako Building
Total property-related operating revenue ①	76,999	48,098	72,828	117,442	72,199	66,770
Rent revenue – real estate	68,146	44,206	66,379	94,450	72,199	57,593
Other lease business revenue	8,852	3,891	6,448	22,991	—	9,177
Total property-related operating expenses ②	26,729	15,908	23,224	45,648	7,805	21,988
Management fee	8,440	6,881	9,469	7,838	1,082	9,440
Trust fee	300	300	300	300	300	300
Utilities expenses	7,203	3,188	6,372	22,986	—	8,115
Insurance premium	154	102	129	202	81	103
Repair expenses	833	744	827	2,129	642	769
Property taxes	6,068	4,359	5,511	11,344	5,676	2,934
Other expenses	3,729	332	613	847	23	324
NOI ③ (①–②)	50,269	32,190	49,604	71,793	64,394	44,782
Depreciation ④	5,994	4,836	7,029	20,602	8,814	10,078
Property-related operating income (loss) ⑤ (③–④)	44,274	27,353	42,574	51,190	55,579	34,703
Capital expenditures ⑥	260	25,475	—	329	999	500
NCF ⑦ (③–⑥)	50,009	6,715	49,604	71,464	63,394	44,282

(Unit: JPY thousand)

Property no.	(Rd-01)	(Rd-02)	(Rd-03)	(Rd-04)	(Rd-05)	(Rd-07)
Property name	T's garden Koenji	Live Akabane	Gekkocho Apartment	T's garden Kawasakidai shi	Abitato Kamata	Avenir Shirotae
Total property-related operating revenue ①	53,423	55,156	36,381	35,900	29,863	37,173
Rent revenue – real estate	50,974	53,362	34,542	34,264	29,494	36,158
Other lease business revenue	2,448	1,793	1,838	1,636	369	1,015
Total property-related operating expenses ②	10,506	12,677	9,467	8,076	6,997	8,242
Management fee	4,102	5,077	3,466	2,464	2,355	2,876
Trust fee	300	300	300	300	300	300
Utilities expenses	422	678	403	260	574	730
Insurance premium	54	97	41	48	44	61
Repair expenses	1,405	2,253	1,987	1,637	2,173	1,442
Property taxes	2,991	3,348	2,123	1,928	1,540	2,045
Other expenses	1,229	921	1,144	1,437	9	786
NOI ③ (①–②)	42,917	42,479	26,914	27,824	22,866	28,931
Depreciation ④	5,981	4,313	4,031	5,330	3,582	6,970
Property-related operating income (loss) ⑤ (③–④)	36,936	38,165	22,883	22,494	19,284	21,961
Capital expenditures ⑥	1,101	8,159	500	745	1,118	7,662
NCF ⑦ (③–⑥)	41,816	34,319	26,413	27,079	21,748	21,268

(Unit: JPY thousand)

Property no.	(Rd-08)	(Rd-09)	(Rd-11)	(Rd-12)	(Rd-13)	(Rd-14)
Property name	Dormitory Haramachida	SEA SCAPE Chiba Minato	T's garden Shinkoiwa	Twin Avenue	Milestone Higashikuru me	Lumiere No. 3
Total property-related operating revenue ①	32,021	124,494	25,246	65,322	63,150	59,675
Rent revenue – real estate	30,300	112,522	24,031	64,403	59,183	58,570
Other lease business revenue	1,720	11,971	1,214	918	3,966	1,105
Total property-related operating expenses ②	9,623	34,395	9,879	12,829	19,208	12,001
Management fee	3,041	10,091	2,481	3,408	5,316	3,729
Trust fee	300	300	300	300	300	300
Utilities expenses	601	9,418	525	736	2,951	494
Insurance premium	57	203	44	105	101	126
Repair expenses	2,850	4,279	4,555	3,429	5,445	2,599
Property taxes	2,509	8,924	1,454	4,511	2,683	4,064
Other expenses	262	1,178	517	338	2,410	685
NOI ③ (①–②)	22,398	90,099	15,367	52,492	43,941	47,674
Depreciation ④	6,393	24,154	2,990	4,686	8,206	6,906
Property-related operating income (loss) ⑤ (③–④)	16,004	65,944	12,376	47,805	35,735	40,767
Capital expenditures ⑥	390	1,788	1,565	63,894	300	3,393
NCF ⑦ (③–⑥)	22,008	88,310	13,802	(11,401)	43,641	44,281

(Unit: JPY thousand)

Property no.	(Rd-15)	(Rd-16)	(Rd-17)	(Rd-18)	(Rd-19)	(Rd-20)
Property name	T's garden Nishifunabashi	Quest Yamatedai	Sancerre Yonohonmachi	Rising Place Kawasaki No.2	J Palace Sakuradai	Personnage Yokohama
Total property-related operating revenue ①	33,857	29,816	25,273	61,134	35,699	29,990
Rent revenue – real estate	32,624	29,500	24,353	59,920	34,621	27,211
Other lease business revenue	1,233	315	919	1,213	1,077	2,779
Total property-related operating expenses ②	9,264	6,795	6,852	11,264	10,365	12,037
Management fee	3,153	2,968	2,398	4,028	3,148	2,709
Trust fee	300	300	300	300	300	300
Utilities expenses	583	373	504	495	621	1,724
Insurance premium	61	60	42	94	59	58
Repair expenses	1,866	1,168	1,035	911	3,282	4,637
Property taxes	2,368	1,901	1,653	4,697	2,076	1,596
Other expenses	931	23	919	735	877	1,011
NOI ③ (①–②)	24,592	23,020	18,420	49,870	25,333	17,953
Depreciation ④	3,007	3,272	1,519	13,956	2,328	2,828
Property-related operating income (loss) ⑤ (③–④)	21,585	19,748	16,900	35,914	23,004	15,125
Capital expenditures ⑥	2,756	—	—	—	891	2,069
NCF ⑦ (③–⑥)	21,836	23,020	18,420	49,870	24,442	15,884

(Unit: JPY thousand)

Property no.	(Rd-21)	(Rd-22)	(Rd-23)	(Rd-24)	(Rd-25)	(Rd-26)
Property name	T's garden Nishihachio ji West	T's garden Ojima	T's garden Kitakashiwa	Century Urawa	T's garden Nagayama	Grandeur Fujimino
Total property-related operating revenue ①	27,304	41,265	116,323	41,579	36,868	32,615
Rent revenue – real estate	26,821	40,539	102,931	38,959	36,812	32,218
Other lease business revenue	483	726	13,392	2,619	55	397
Total property-related operating expenses ②	5,880	13,074	41,876	15,068	9,495	7,524
Management fee	2,358	3,777	10,129	4,088	4,537	3,013
Trust fee	300	300	300	300	300	300
Utilities expenses	593	588	10,518	418	952	364
Insurance premium	63	72	320	91	112	55
Repair expenses	619	4,316	9,289	7,004	594	1,500
Property taxes	1,808	1,613	8,758	2,357	2,981	1,791
Other expenses	137	2,406	2,559	806	17	500
NOI ③ (①–②)	21,424	28,191	74,446	26,511	27,373	25,090
Depreciation ④	3,824	4,030	19,339	4,846	4,893	3,159
Property-related operating income (loss) ⑤ (③–④)	17,599	24,160	55,107	21,665	22,479	21,931
Capital expenditures ⑥	—	1,009	3,829	3,860	1,486	462
NCF ⑦ (③–⑥)	21,424	27,181	70,617	22,650	25,887	24,628

(Unit: JPY thousand)

Property no.	(Rd-27)	(Rd-28)	(Rd-29)	(Rd-30)	(Rd-31)	(Rd-32)
Property name	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
Total property-related operating revenue ①	30,579	32,863	26,420	26,971	18,089	16,587
Rent revenue – real estate	30,285	30,590	25,764	26,254	17,626	15,751
Other lease business revenue	294	2,273	656	717	463	836
Total property-related operating expenses ②	7,144	10,223	8,521	9,507	4,082	5,677
Management fee	2,411	2,898	2,683	3,004	1,448	2,170
Trust fee	300	300	300	300	300	300
Utilities expenses	525	284	348	398	241	295
Insurance premium	76	73	62	73	42	40
Repair expenses	1,638	3,886	2,725	3,305	638	1,421
Property taxes	1,835	1,851	1,700	2,072	1,037	1,060
Other expenses	356	929	701	353	376	389
NOI ③ (①–②)	23,435	22,640	17,899	17,464	14,006	10,910
Depreciation ④	2,675	2,548	1,854	3,592	3,170	2,258
Property-related operating income (loss) ⑤ (③–④)	20,760	20,091	16,044	13,872	10,836	8,652
Capital expenditures ⑥	516	3,673	2,660	669	117	1,501
NCF ⑦ (③–⑥)	22,919	18,967	15,239	16,794	13,889	9,409

(Unit: JPY thousand)

Property no.	(Rd-33)	(Rd-34)	(Rd-35)	(Rd-36)	Offices total	Retail facilities total
Property name	T's garden Center Minami	Boulevard Maioka	T's garden Koiwa	T's garden Tsuzuki- fureainooka II		
Total property-related operating revenue ①	40,283	32,960	16,474	23,262	1,507,143	256,412
Rent revenue – real estate	39,858	31,174	15,868	18,622	1,332,025	224,243
Other lease business revenue	424	1,786	606	4,640	175,118	32,168
Total property-related operating expenses ②	7,497	9,063	5,524	8,380	506,364	75,442
Management fee	3,470	2,974	1,700	2,100	162,089	18,360
Trust fee	300	300	300	300	4,500	900
Utilities expenses	573	254	217	2,240	146,698	31,102
Insurance premium	58	68	30	34	2,507	387
Repair expenses	932	3,444	1,833	1,737	39,051	3,541
Property taxes	1,298	1,290	692	574	126,491	19,955
Other expenses	864	732	750	1,392	25,025	1,194
NOI ③ (①–②)	32,785	23,897	10,950	14,882	1,000,779	180,970
Depreciation ④	4,396	3,124	1,830	1,330	167,783	39,496
Property-related operating income (loss) ⑤ (③–④)	28,389	20,772	9,119	13,551	832,996	141,474
Capital expenditures ⑥	795	1,876	259	—	85,942	1,829
NCF ⑦ (③–⑥)	31,989	22,020	10,690	14,882	914,837	179,141

(Unit: JPY thousand)

Property no.	Residential properties total	Entire portfolio
Property name		
Total property-related operating revenue ①	1,394,034	3,157,591
Rent revenue – real estate	1,326,121	2,882,389
Other lease business revenue	67,913	275,201
Total property-related operating expenses ②	379,027	960,834
Management fee	119,584	300,034
Trust fee	10,200	15,600
Utilities expenses	40,916	218,717
Insurance premium	2,639	5,535
Repair expenses	91,849	134,442
Property taxes	85,144	231,591
Other expenses	28,693	54,913
NOI ③ (①–②)	1,015,006	2,196,757
Depreciation ④	177,334	384,613
Property-related operating income (loss) ⑤ (③–④)	837,672	1,812,143
Capital expenditures ⑥	119,053	206,825
NCF ⑦ (③–⑥)	895,953	1,989,931

(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, 2021. Some of the expected cost of work below may be categorized under expenses in accounting in accordance with the content of the work.

Name of real estate, etc.	Location	Purpose	Scheduled period	Expected cost of work (JPY thousand)		
				Total amount	Amount of payment during period	Amount already paid
Kannai Tosei Building II	Yokohama-shi, Kanagawa	Refurbishment of elevator	From: January 2022 To: March 2022	67,800	—	—
Hakusan Asanomi Building	Bunkyo-ku, Tokyo	Renovation of exterior wall	From: January 2022 To: March 2022	15,500	—	—
NU Kannai Building	Yokohama-shi, Kanagawa	Refurbishment of common-use area	From: August 2021 To: December 2021	25,000	—	—
NU Kannai Building	Yokohama-shi, Kanagawa	Replacement of major parts for power receiving and transforming facilities	From: February 2022 To: February 2022	19,000	—	—
Avenir Shirotai	Yokohama-shi, Kanagawa	Refurbishment of exterior wall and common-use area	From: January 2022 To: March 2022	19,500	—	—

(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, 2021. Capital expenditures for the fiscal period under review amounted to JPY 206,825 thousand and, when combined with the JPY 134,442 thousand of repair expenses categorized under expenses for the fiscal period under review, the total amount of work implemented comes to JPY 341,268 thousand.

Name of real estate, etc.	Location	Purpose	Period	Cost of work (JPY thousand)
JPT Motomachi Building	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: July 2021 To: July 2021	10,204
Higashitotsuka West Building	Yokohama-shi, Kanagawa	Update of mechanical parking facility system	From: May 2021 To: May 2021	21,405
Hon-Atsugi Tosei Building	Atsugi-shi, Kanagawa	Update of mechanical parking facility system	From: September 2021 To: September 2021	25,475
Twin Avenue	Nerima-ku, Tokyo	Large-scale repair work	From: April 2021 To: September 2021	61,611
Others				88,128
Total				206,825